

Capital Charges

Current and Proposed Policy Approach for Development Cost Charges (DCCs), Amenity Cost Charges (ACCs), and Community Amenity Contributions (CACs)

1. Introduction

Local governments have the authority to impose various capital charges on new development to pay for new or expanded infrastructure to service that new development. These are one time charges that are imposed on new development, typically at a specific stage of the development approval process (e.g. rezoning approval, subdivision approval, building permit issuance, etc.). Ultimately, these charges are in place to reduce the burden on the taxpayer for funding infrastructure that is required to accommodate new development.

Given that the District of Squamish is currently undertaking a process to update the current capital charges and related policies, the following sections outline the various capital charges that are proposed to be utilized by the District, and what services/costs are funded by each charge.

1.1 What are Development Cost Charges?

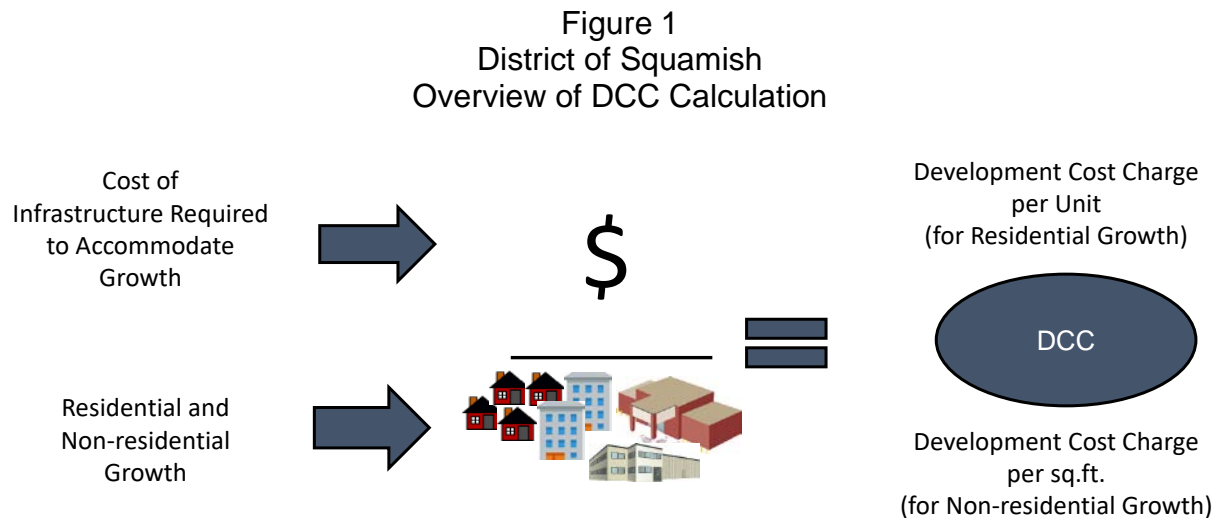
Development cost charges (DCCs) can be imposed by local governments on new development to assist in paying for certain infrastructure costs, such as roads, water infrastructure, sewer infrastructure, fire services, police services, etc. These costs are in addition to what a developer would be required to construct as part of a subdivision (e.g. local watermains, local roads, etc.).

DCCs vary by housing type (e.g. single detached lots, townhouses, apartments) and by non-residential sector (e.g. industrial, commercial, and institutional), such that the rates that are charged to new development reflect the relative demand for new infrastructure.

These charges are calculated based on the anticipated growth in population and employment over a certain time period, relative to the cost of infrastructure required to



accommodate growth. The figure below provides a simplified schematic of the DCC calculation:



DCCs are a one-time charge that are imposed on new development either at the subdivision stage or building permit stage.

1.2 What are Community Amenity Contributions?

Community Amenity Contributions (CACs) are cash or in-kind contributions provided by a development applicant at the time of rezoning. CACs are intended to offset the cost of various community amenities that are associated with increased development densities permitted through rezoning. CACs are utilized for costs related to child care, affordable housing, community facilities, etc.

Whereas the financial contribution provided for DCCs is a flat rate per unit type or gross floor space to be built, the contribution for CACs can vary and often includes site-specific negotiations.

1.3 What are Amenity Cost Charges?

New provincial housing legislation introduced amenity cost charges (ACCs) as an alternative to CACs. This tool can be utilized to help build new amenities, which are required to support population and employment growth. Amenities that can be funded



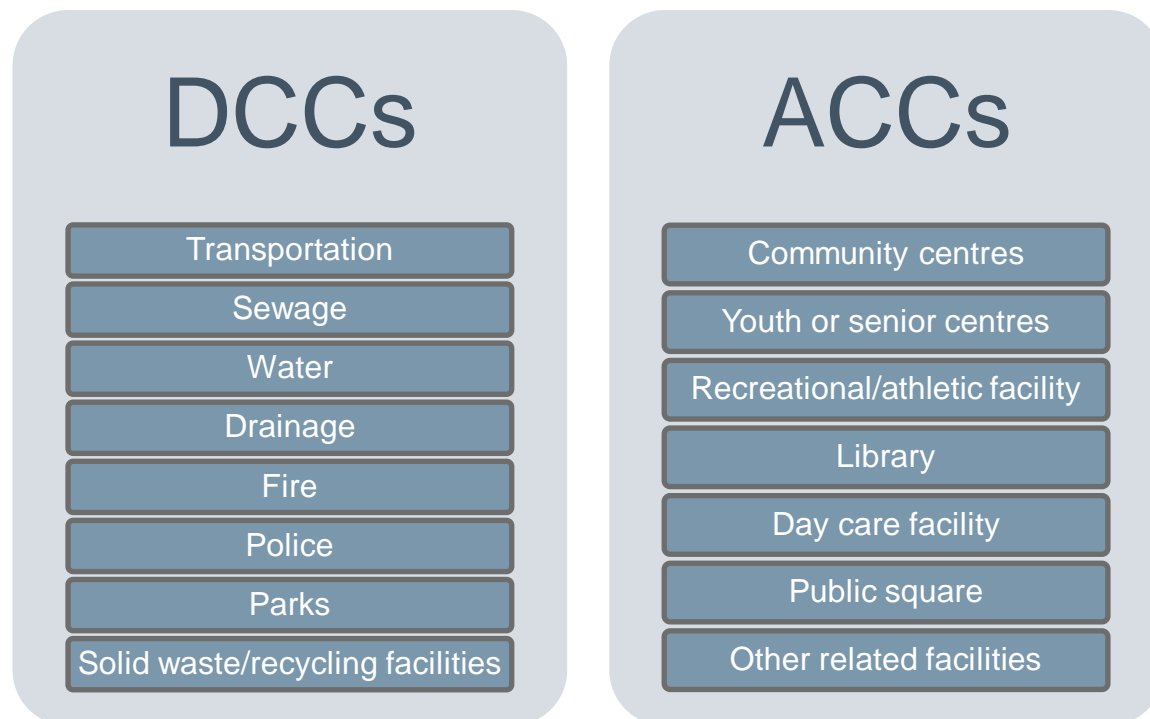
through an ACC include items such as recreation facilities, day cares, youth centres, cultural facilities, etc.

These charges are a one-time charge on new developments and are imposed at either the subdivision stage or building permit stage.

The legislation for ACCs is similar to the rules provided for DCCs with a few exceptions (e.g., municipalities and districts can impose ACCs without receiving approval from the Province's Inspector of Municipalities).

The following figure provides a breakdown of the infrastructure costs that can be recovered from DCCs versus ACCs:

Figure 2
District of Squamish
Eligible Services/Amenities for DCCs versus ACCs





2. Current Policy

The District currently imposes DCCs on new development and redevelopment, and CACs on new developments proceeding through a rezoning application. The following subsections outline the services that are recovered for through these charges.

2.1 DCCs

The District of Squamish currently imposes DCCs for the following services:

- Transportation;
- Sewage;
- Water;
- Drainage; and
- Parks.

Note: charges are provided on a per unit/per lot basis for residential development and per square metre of gross floor area for non-residential development.

2.2 CACs

CACs are currently utilized by the District as part of the negotiations of a rezoning application for community infrastructure. The current policy provides for the following community amenities to be funded by CACs:

- General amenities – per square foot of floor area charge for townhouses and apartments, per parcel charge for single detached units;
- Active transportation – per square foot of floor area charge for townhouses and apartments, per square foot of buildable area charge for single detached units;
- Parks (amenities ineligible under the DCC) – per square foot of floor area charge for townhouses and apartments, per square foot of buildable area charge for single detached units;
- Affordable housing (onsite) – percentage of total floor area developed to be dedicated to affordable housing; and
- Childcare space (onsite) – target square footage requirements of childcare space based on dwelling units to be constructed in development.



3. Proposed Policy

With the recent legislative changes, the District is proposing to implement ACCs on new development and redevelopment. Given the introduction of this new revenue tool, the services collected for under the DCCs and CACs are also proposed to change to ensure no overlap between the various capital charges. The following subsections provide an outline of the services proposed to be recovered under each funding tool.

3.1 DCCs

In addition to the aforementioned services that the District currently imposes DCCs for, an additional charge is proposed for solid waste and recycling facilities (note: recent legislative changes in 2024 have made this a newly eligible service). The following list indicates the eligible services that are proposed to be included in the DCC:

- Transportation;
- Sewage;
- Water;
- Drainage;
- Parks; and
- Solid waste and recycling facilities.

3.2 ACCs

ACCs are proposed to be utilized for various amenities as follows:

- Library;
- Cultural and community centre;
- Recreation facilities; and
- Park amenities (park related amenities ineligible under the DCC).

3.3 CACs

With the proposed introduction of ACCs, the CAC will no longer be in place for general amenities, parks, and active transportation. CACs will only remain for onsite affordable housing and childcare space.



General amenities and park amenities, which are ineligible under the DCC, are proposed to be recovered through ACCs, whereas active transportation costs would be recovered through DCCs.

4. Summary of Current and Proposed Policies

Figure 3 provides a schematic of the current and proposed policies for DCCs, CACs, and ACCs. Note that services that were previously recovered through CACs that are now proposed to be recovered from ACCs will no longer be included in the CAC. The proposed approach to recovering the capital costs for the services noted ensures no duplication in recovery between the revenue tools.

The timing of payment for each of the three revenue tools is as follows:

- DCCs: at the time of building permit approval or subdivision approval;
- ACCs: at the time of building permit approval or subdivision approval; and
- CACs: at the time of rezoning bylaw adoption (note: payments or provision of amenities may be deferred to development permit issuance based on Council approval).



Figure 3
District of Squamish
Current and Proposed Policy

