The District of Oak Bay: Development Cost Charge and Amenity Cost Charge Program Development FAQ

The District of Oak Bay (District) is in the process of developing Development Cost Charge (DCC) and Amenity Cost Charge (ACC) programs. The District currently does not have a DCC or ACC program in place. To date, the District has prepared materials for both programs that include proposed projects, costs, and rates.

This document includes frequently asked questions about the DCC and ACC programs, methodology, and key inputs. The project lists are also included at the end of this document.

What are DCCs?

DCCs are one-time fees collected to help communities recover the costs of off-site infrastructure needed for growth. They are based on the principle of cost-sharing infrastructure between existing taxpayers and new development. They are a Provincially regulated tool; the *Local Government Act* sets out the general requirements under which local governments may administer DCC programs. Funds generated through DCCs are intended for one-time capital costs and are only applied to growth-driven projects.

What are ACCs?

ACCs are one-time fees collected by local governments to help recover the costs of amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community. Much like DCCs, they are a development finance tool in the *Local Government Act* for one-time capital costs and are only applied to growth-driven projects.

What do DCCs and ACCs pay for?

DCCs can be used to fund capital costs (planning, engineering, design, legal, studies) for:

- Transportation services
- Water services
- Drainage services
- Sewer services
- Parkland acquisition and improvements
- Fire protection facilities
- Police facilities
- Solid waste and recycling facilities

ACCs can pay for the following amenities, among others:

- Community, youth, or seniors' centre
- Recreation or athletic facility
- Library
- Daycare facility
- Public square

Neither DCCs nor ACCs can be used for projects that serve the existing population (i.e., deficiencies, asset replacement) or for operations and maintenance costs. ACCs also cannot be used for projects otherwise eligible for DCCs, and vice versa.

Where do the DCCs and ACCs apply?

Both the DCCs and ACCs will be applied District-wide.

Who pays DCCs and ACCs and when?

DCCs are paid by applicants/developers at the time of:

- Subdivision, for approval to create new single-family lots (Low Density Residential); or,
- Building Permit, upon application to construct Medium or High-Density Residential, Commercial, Industrial, or Institutional developments

What are the DCC and ACC rates?

DCCs and ACCs are levied on a per lot basis for Low Density Residential, on a per unit basis for Medium Density Residential and High Density Residential, and on a per square metre of gross floor area (GFA) basis for Commercial, Industrial, and Institutional development.

Land Use	Unit	Proposed DCC Rate *1% MAF*	Proposed ACC Rate *1% MAF*	Total (DCC + ACC)
Low Density Residential *(e.g., single family, duplex)*	per lot	$26,187	$9,465	**$35,652**
Medium Density Residential *(e.g., triplex, fourplex, townhouse)*	per unit	$16,747	$6,441	**$23,188**
High Density Residential *(e.g., apartment)*	per unit	$10,871	$3,921	**$14,792**
Commercial	per m^2 gross floor area	$84.08	$6.16	**$90.24**
Industrial	per m^2 gross floor area	$45.23	$2.52	**$47.75**
Institutional	per m^2 gross floor area	$84.08	$6.16	**$90.24**

In-Stream Applications

When a new ACC or DCC Bylaw is enacted, an existing development application submitted prior to the adoption of the new Bylaw(s) is granted 12-month in-stream protection.

In-stream protection will apply to both building permit and subdivision applications received prior to the adoption of any new ACC or DCC Bylaw. Protection is also extended to rezoning and development permit applications that were submitted prior to the adoption of any new ACC or DCC Bylaw and that will result in a building permit within 12 months of bylaw adoption. If an application meets the required criteria of being submitted prior to the adoption of the new ACC or DCC Bylaw, it is provided protection from rate increases.

Statutory Exemptions from DCCs and ACCs

The below table identifies exemptions for DCCs and ACCs, respectively.

DCC Exemptions	ACC Exemptions
• Buildings for public worship • Development does not impose a new capital cost burden • DCCs have been charged previously **Can be varied by Council:** • Building permits for ≤ $50,000 • Residential units ≤ 29m^2 in size • Fewer than 4 units, i.e. duplex/triplexes	• Development does not result in growth • ACCs have been charged previously • In some cases, affordable housing

Waivers and Reductions

Under the *Local Government Act*, a local government may opt to impose a Bylaw through which DCCs or ACCs may be waived or reduced. DCC waivers or reductions can be provided in support of development resulting in the creation of affordable rental housing or reduced environmental impact. ACC waivers or reductions can be provided in support of affordable rental housing and low-impact development.

The District does not currently provide any waivers or reductions. Should the District establish any waivers or reductions, the amount waived is to be entirely supported by the existing taxpayer.