

Capital Regional District

Juan de Fuca Water Distribution System *Development Cost Charge Update*

Final Background Report March 2025



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#312 - 645 Fort Street, Victoria, BC V8W 1G2 | T: 250.220.7060

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Juan de Fuca DCC Update – Background Report

EXECUTIVE SUMMARY

This report discusses the proposed Juan de Fuca Water Distribution System (JdF WDS) Development Cost Charge (DCC) Bylaw update. This update reflects current growth projections and DCC eligible infrastructure needs for the member municipalities of the Juan de Fuca Water Distribution System in the Capital Regional District (CRD). A DCC program review was necessitated to ensure alignment with the Development Cost Charge Best Practices Guide (Best Practices Guide) issued by the BC Ministry of Municipal Affairs, which suggests major DCC updates at least once every 5 years, and for the inclusion of updated information.

The DCC Bylaw update included a review and update of all projects, project costs, and growth estimates. DCC eligible projects for CRD water services in the JdF WDS were identified through reference to recent infrastructure planning documents and water service modelling done by GeoAdvice Inc.

Table ES 1, below, outlines the proposed DCC rates based on the updated program information.

Table ES 1: DCC Rates

Land Use	Unit	Proposed Rate (2025)
Low Density Residential <i>(single family, Two-Unit Dwelling)</i>	per lot (or unit, in the case of a Two-Unit Dwelling)	\$2,796
Medium Density Residential <i>(triplex, fourplex, townhouse)</i>	per unit	\$2,446
High Density Multi-Family <i>(apartment)</i>	per unit	\$1,573
Commercial	per m ² gross floor area	\$10.48
Industrial	per m ² gross floor area	\$5.24
Institutional	per m ² gross floor area	\$10.48

PART 1. BACKGROUND

The last review of the Capital Regional District’s Juan de Fuca Water Distribution System (JdF WDS) Development Cost Charge (DCC) program and rates was completed in 2018 and Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000 (the Bylaw) was amended by Capital Regional District Bylaw No. 2758. In 2023, the Capital Regional District (CRD) sought assistance to review and update the CRD JdF DCC program and draft an amendment to the Bylaw.

The six west shore municipalities within the JdF WDS, include:

- City of Langford
- City of Colwood
- Town of View Royal
- District of Metchosin
- District of Sooke
- District of Highlands

In addition to the six West Shore municipalities listed above, portions of CRD Electoral Area A, within the JdF WDS, are also included in the DCC update. It is important to note that areas of CRD Electoral Area A that do not receive water service from the JdF WDS will not be required to pay DCCs.

The timeframe reflected in this update is 20 years, from 2023 to 2043. The update process for the DCC program and identification of capital project priorities was informed by various information sources and analysis. This update involved a thorough review of planning documents (Zoning Bylaws and OCPs) for each of the six West Shore municipalities and applicable planning documents for Electoral Area A to identify anticipated growth. Growth estimates were then reviewed and refined with staff from each municipality. Improvements needed to support development in the six municipalities based on anticipated growth were identified through water service area modelling undertaken by GeoAdvice Inc. for the 20-year timeframe.

Through this analysis, the proposed DCC program ensures that those who will use and benefit from the services provided pay their share of the costs in a fair and equitable manner. The proposed DCC rate schedule is based on the growth projections, the capital program, and policy decisions. The proposed DCC rates apply to Low Density Residential, Medium and High Density Residential, commercial, industrial, and institutional land uses. The land use types within each category of charge were also adjusted to reflect legislative changes and evolving best practices.

Whereas previously only portions of the JdF WDS service area were included in the DCC-applicable service area, the entire JdF WDS service area is now subject to DCCs. As services have expanded into new areas, it is appropriate that the entire JdF WDS service area is subject to DCCs and properties that can receive service contribute to infrastructure costs.

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It should be noted that the material provided in this background report is meant for information only. Reference should be made to consolidated Bylaw No. 1, 2000, as amended by Bylaw No. 4249, for the specific DCC rates within the JdF WDS until the Board has adopted a new DCC bylaw.

PART 2. DCC KEY ELEMENTS

The Best Practices Guide, prepared by the Ministry of Municipal Affairs, stipulates key elements that should be considered when determining DCC rates. **Table 2.1** outlines the key elements, decisions, and supporting rationale used in this update. The table indicates whether the proposed approach aligns with the Best Practices Guide.

Table 2.1: DCC Key Elements

Key Element	Proposed DCC Update	Rationale	Aligns with Best Practices Guide?
Timeframe	20 Years	<ul style="list-style-type: none"> Aligns with OCP and capital planning timeframes. 	✓
Municipal-wide or Area-specific Charge	Area-specific (covers all six municipalities in the JdF WDS and portions of Electoral Area A)	<ul style="list-style-type: none"> Area-specific impact based on DCC Service Area boundaries. 	✓
Grant Assistance	None	<ul style="list-style-type: none"> No identified DCC projects require grant funding. 	✓
Developer Contribution	None	<ul style="list-style-type: none"> No identified DCC projects include a developer contribution. 	✓
Interim Financing	Two projects	<ul style="list-style-type: none"> The CRD has two long-term debt obligations included as non-capital projects in the DCC program. Long-term debt consists of Silver Creek Debt (\$1,151,692) and Walfred Servicing Debt (\$333,532). No interest is included. <p><i>Note: This debt is described in further detail in Section 4.2.</i></p>	✓
Benefit Allocation	44% -100%	<ul style="list-style-type: none"> Water modeling showed the relative impacts of new growth on infrastructure for projects near existing development. These projects involved upgrading existing infrastructure to provide greater capacity to support new growth and include: planned existing system upgrades for water pipes and reservoir storage. 	✓

		<ul style="list-style-type: none"> Projects that provide exclusive benefit to new development at 100%. 	
Municipal Assist Factor	1% <i>(All infrastructure types)</i>	<ul style="list-style-type: none"> The CRD is contributing the minimum allowable assist factor to ensure long-term financial sustainability. This approach is consistent with the previous JdF WDS DCC update. 	✓
Units of Charge	Per lot, per unit, and per square metre gross floor area	<ul style="list-style-type: none"> Per lot (for single family) or per unit (for Two-Unit Dwellings) for Low Density Residential DCCs. DCCs are levied on single family lots at time of subdivision. DCCs are levied at time of building permit for Two-Unit Dwellings. For clarity, two DCCs would be levied on a Two-Unit Dwelling (one for each unit). This ensures that DCC collection closely correlates with timing of impact on infrastructure and when the total number of units is known. Per unit for Medium (townhouse, triplex, and fourplex) and High Density (apartment) Residential dwellings as complete information is available at building permit approval. Per square metre gross floor area for Industrial, Commercial, and Institutional (non-residential) uses as impact on infrastructure is expected to correlate with floor space. 	✓

The proposed update to the Juan de Fuca DCC Bylaw includes clarification that Two Unit Dwellings (i.e., duplexes) would be charged two (2) Low Density Residential DCC rates (one charge per unit) at time of building permit. This change was made to:

- Reflect recent legislative changes through the province’s Bill 44, which now allows for Small-Scale Multi-Unit Housing (SSMUH) of up to four units on most residential lots within the CRD’s Urban Containment Boundary (UCB);
- Ensure a more equitable distribution of DCCs between unit types, based on the understanding that many new Two-Unit Dwellings, which can often include secondary suites, are likely to impose a similar infrastructure burden as single-family dwellings; and,
- Create greater alignment between the CRD’s regional DCC programs and those imposed by member municipalities in the region.

PART 3. GROWTH PROJECTIONS AND EQUIVALENCIES

3.1 Growth Projection Methodology

The CRD and its municipalities generally conduct independent growth estimates; they are often aggregated and sometimes vary in terms of date conducted or methodology used. To facilitate the development of growth estimates for the purpose of the JdF DCC update, a combination of information was used.

Growth estimates were developed using current and historic growth trends determined from BC Stats through the *CRD: 2019-2038 Population, Dwelling Units and Employment Projection Report*, dated April 2019. The CRD Regional Growth Strategy (RGS), local government planning documents, and information on major ongoing development applications also informed the growth estimates. This assessment also included a high-level review of land economics to determine residential unit types and current development trends. The compilation of these sources was used to determine the distribution of growth within the JdF WDS service area.

The growth projections developed were then validated through discussions with staff in the six municipalities, including:

- City of Langford
- City of Colwood
- Town of View Royal
- District of Metchosin
- District of Sooke
- District of Highlands

Growth estimates also included development considerations for areas of CRD Electoral Area A within the JdF WDS service area.

3.2 Growth Projections

The following is a summary of growth estimates in the six member municipalities and Electoral Area A within the JdF WDS service area. Development and growth trends are based on a 20-year timeframe to the year 2043. The growth estimates are broken down by land use type and include various residential densities as well as commercial, industrial, and institutional uses.

Table 3.1 summarizes new future development serviced by the JdF WDS for each community to the year 2043.

Table 3.1: Land Use Growth Allocations 2023 - 2043

	View Royal	Highlands	Colwood	Langford	Metchosin	Sooke	Electoral Area A	Total
Residential (units)								
Low Density Residential <i>(single family, Two-Unit Dwelling)</i>	225	225	1,500	2,800	60	1,000	300	6,110
Medium Density Residential <i>(triplex, fourplex, row house, townhouse)</i>	530	30	3,000	4,000	5	1,500	-	9,065
High Density Residential <i>(apartment)</i>	800	-	3,500	5,530	-	2,500	100	12,430
Commercial & Industrial (m²)								
Commercial	35,000	15,440	3,460	150,000	5,000	35,000	100	244,000
Industrial	5,000	22,500	120,000	900,000	1,400	25,000	500	1,074,400
Institutional (m²)								
Institutional	5,000	750	52,500	50,000	4,700	5,000	-	117,950

Building permit data and other planning information was reviewed to determine what percentage of ground-oriented dwellings were single-detached dwellings and other forms of housing to determine the ratio of residential units in each of these categories (low, medium, and high).

3.3 Equivalencies

The equivalencies used in this update are largely the same as those in the 2018 update, except for institutional land uses. Where equivalencies are unchanged, there have been no significant changes in expectations regarding relative impact.

Table 3.2: Equivalencies

Land Use	Unit of Development	Equivalent Unit Conversion Factors
Low Density Residential <i>(single family, Two-Unit Dwelling)</i>	per lot (or unit, in the case of a Two-Unit Dwelling)	3.2
Medium Density Residential <i>(triplex, fourplex, row house, townhouse)</i>	per unit	2.8
High Density Multi-Family <i>(apartment)</i>	per unit	1.8
Commercial	per m ² gross floor area	0.012
Industrial	per m ² gross floor area	0.006
Institutional	per m ² gross floor area	0.012

For residential demand, occupancy rates per lot or unit are used to project demands for water services. For non-residential land uses, equivalent populations per square metre are established. The total equivalent population for the JdF DCC Service Area, determined by applying the equivalent unit conversion factors to the total estimated units, is 78,099 people compared to 52,003 in the previous JdF DCC Program.

The commercial and industrial equivalent units have been rounded to three decimals. The institutional equivalent unit was updated as the type of institutional use in the Service Area has changed; uses are expected to largely consist of lower intensity institutional uses, such as offices and classrooms. These types of development are similar to the impact on infrastructure of commercial uses in the service area, and therefore a consistent equivalent unit between commercial and institutional uses is appropriate.

PART 4. DCC PROJECTS AND COSTS

4.1 DCC Costs

DCC rates are determined by applying the key elements, growth projections, and equivalencies, described earlier in this report, to projects that are DCC eligible and expected to be built within the specified DCC timeframe. Given that most communities in the JdF WDS are experiencing high rates of greenfield development, most projects solely benefit new growth. All projects are owned and capitalized by the CRD. An overview of the DCC costs is provided in **Table 4.1**.

Table 4.1: DCC Program Overview and Capital Costs

Service	Total Capital Costs	Benefit Allocation	Municipal Assist Factor	DCC Recoverable Program Costs	Regional District Costs ⁽¹⁾
Water	\$84.2 M	44 - 100%	1%	\$81.4 M	\$2.8 M

Note: (1) Includes municipal assist factor and portion allocated to existing development.

4.2 Provisions for Long-term Debt

The CRD has two long-term debt obligations that are included as non-capital projects under the DCC program. Neither project includes interest. The long-term debt consists of the following:

- Silver Creek Debt – Existing Front-End Agreement (2009) with the CRD for construction of the Helgesen Pump Station and Water Main (previous DCC project in 2018 DCC program) - \$1,151,692. This debt was included in the previous DCC program approved by the Ministry in 2018. By agreement, there is no interest payable on the debt.
- Walfred Servicing Debt – In 2023, a developer completed a significant portion of the Walfred Servicing DCC infrastructure project identified in the 2018 program and has \$333,531.75 in DCC credit still available. This outstanding DCC credit has been separated from the remaining portions of the project (now Project #3 Triangle Trail), which has yet to be completed. No interest is included on the DCC debt.

4.3 Changes in Program from Previous Update

The capital costs and number of projects have changed since the previous DCC update for various reasons:

- The CRD water model for the JdF WDS was updated based on new growth estimates and changes in development areas since 2018.

- Due to rising costs in land, construction, and soft costs, existing project costs were updated with an appropriate inflation factor based on Engineering News Record index and adjusted to reflect the local context.
- New projects identified through water modelling are included and reflect Class D cost estimates or better where available.
- Debt servicing costs were updated to reflect current liabilities.
- The DCC reserve amounts were updated to reflect current reserves held by the CRD.

4.4 DCC Projects

The DCC program was developed through a review of the previous program, which included the removal of completed projects and the identification of new projects through extensive water modelling work conducted by GeoAdvice Inc. Incomplete projects in the existing project list were carried forward and costs were increased to reflect current costing information. The DCC program includes a variety of projects including water mains, water main upsizing, pump stations, PRVs, and storage tanks.

A summary of DCC projects is provided in **Table 4.2**, and DCC calculations, equivalent conversion factors per unit, and per square metre are established in **Table 4.3**.

Table 4.2: Water Projects and Cost Estimates

Item	Estimated Time Frame (See notes 1,2,3)	Municipality	Project	Description	Cost Estimate (See notes 4,5,6)	DCC Benefit Factor	Benefit to New Development	Municipal Assist Factor 1%	DCC Recoverable	CRD Responsibility
1	Medium-term	Langford	Echo Valley Drive	New Pipe	\$1,934,300	100%	\$1,934,300	\$19,343	\$1,914,957	\$19,343
	Medium-term	Langford		PRV	\$363,950	100%	\$363,950	\$3,640	\$360,311	\$3,640
2	Medium-term	Langford	Skirt Mountain Drive	New Pipe	\$729,350	100%	\$729,350	\$7,294	\$722,057	\$7,294
	Long-term	Langford	Pump Station 3	Pump Station	\$3,085,600	100%	\$3,085,600	\$30,856	\$3,054,744	\$30,856
3	Long-term	Langford	Triangle Trail (Formerly Walfred Servicing)	DI watermain	\$1,167,250	100%	\$1,167,250	\$11,673	\$1,155,578	\$11,673
4	Medium-term	Langford	Fulton Reservoir	Reservoir upgrade	\$7,786,500	90%	\$7,007,850	\$70,079	\$6,937,772	\$848,729
				Fire Pump	\$2,904,350	90%	\$2,613,915	\$26,139	\$2,587,776	\$316,574
				Distribution Piping	\$752,550	90%	\$677,295	\$6,773	\$670,522	\$82,028
5	Medium Term	Langford	Centre Mountain	Supply & Distribution Mains	\$5,202,428	100%	\$5,202,428	\$52,024	\$5,150,403	\$52,024
				Pump Station & Storage Tank	\$8,713,143	100%	\$8,713,143	\$87,131	\$8,626,012	\$87,131
				PRV	\$1,121,250	100%	\$1,121,250	\$11,213	\$1,110,038	\$11,213
6	Long-term	Langford	Klahanie Dr	New Pipe	\$2,956,550	100%	\$2,956,550	\$29,566	\$2,926,985	\$29,566
	Long-term	Langford	ROW (Frederic Rd to Wild Ridge Way)	New Pipe						
	Long-term	Langford	Wild Ridge Way	New Pipe						
7	Medium-term	Langford	Sunheights	PRV	\$87,000	100%	\$87,000	\$870	\$86,130	\$870
8	Medium-term	Langford	Glen Lake PRV	PRV	\$500,250	100%	\$500,250	\$5,003	\$495,248	\$5,003
9	Long-term	Langford	Optimized connection from RWS to distribution system	PRV	\$3,871,500	100%	\$3,871,500	\$38,715	\$3,832,785	\$38,715
10	Medium-term	Colwood	Mary Anne Cres / Pattison Way	Pump Station	\$2,305,500	100%	\$2,305,500	\$23,055	\$2,282,445	\$23,055
		Colwood		Pipe Upgrade	\$571,300	100%	\$571,300	\$5,713	\$565,587	\$5,713
11	Short-term	Colwood	VMP Pump Upgrade	Pump Station Upgrade	\$435,000	100%	\$435,000	\$4,350	\$430,650	\$4,350

12	Medium-term	Colwood	Pump Station 10	Pump Station	\$3,735,200	100%	\$3,735,200	\$37,352	\$3,697,848	\$37,352
13	Medium-term	View Royal	Christie Point	Pipe Upgrade	\$804,750	100%	\$804,750	\$8,048	\$796,703	\$8,048
14	Long-term	Sooke	Spar Tree	PRV	\$363,950	100%	\$363,950	\$3,640	\$360,311	\$3,640
15	Long-term	Sooke	Henlyn	Distribution Main	\$1,458,700	44%	\$641,828	\$6,418	\$635,410	\$823,290
16	Medium -term / Long-term	Sooke	Mountain Heights	New Pipe	\$640,900	100%	\$640,900	\$6,409	\$634,491	\$6,409
		Sooke		New Pipe	\$2,333,050	100%	\$2,333,050	\$23,331	\$2,309,720	\$23,331
		Sooke		Pump Station Upgrade	\$1,450,000	100%	\$1,450,000	\$14,500	\$1,435,500	\$14,500
		Sooke		Storage Tank & Land Acquisition	\$14,659,500	100%	\$14,659,500	\$146,595	\$14,512,905	\$146,595
17	Long-term	Sooke	Helgesen	PRV	\$89,900	100%	\$89,900	\$899	\$89,001	\$899
18	Short, Medium & Long-term	Sooke	Sooke Town Centre - approximate locations are Otter Point Rd, Grant Rd, Sooke Rd and Throup Rd	Distribution piping - approx. 4,800 lm	\$11,346,153	100%	\$11,346,153	\$113,462	\$11,232,691	\$113,462
19	Ongoing	All Areas	Model Updates and Studies		\$1,300,000	100%	\$1,300,000	\$13,000	\$1,287,000	\$13,000
20	Ongoing	All Areas	Walfred Servicing Debt		\$333,532	100%	\$333,532	\$3,335	\$330,196	\$3,335
21	Ongoing	All Areas	Silver Creek Debt		\$1,151,692	100%	\$1,151,692	\$11,517	\$1,140,175	\$11,517
TOTAL					\$84,155,097		\$82,193,885	\$821,939	\$81,371,946	\$2,783,151

Note [1] - This does not represent the exact priority of project development, just the estimates development phasing

Note [2] - Project timing and rebates for projects constructed are subject to actual reserve funds available

Note [3] - Short-term = years 2024-2029, Medium-term = years 2030-2035, Long-term = years 2036-2044

Note [4] - All projects are available for DCC credits if they meet the requirements of the Capital Regional District's DCC Credit Policy

Note [5] - Cost estimates include 15% Engineering, 5% Project Admin, and 25% Contingency

Note [6] - Cost estimates for Centre Mountain projects are based on detailed cost estimates from developers that include appropriate engineering, project administration, and contingency allowances

Note [7] - The cost estimate for the Mountain Heights Storage Tank & Land Acquisition project includes a \$2 million allowance for land acquisition costs including admin, contingency, rezoning, and land assembly as required.

CRD expects location to be on Crown Land.

Table 4.3: Water Project DCC Calculations
Water DCC Calculation
20-Year Timeframe:

A: Water DCC Calculation				
Equivalent Population Estimates	New Units		Person per unit (residential)/ Equivalent Population/m² (other land uses)	
Low Density Residential	per lot or unit	6,110	3.2	19,552
Medium Density Residential	per unit	9,065	2.8	25,382
High Density Residential	per unit	12,430	1.8	22,375
Commercial	per square metre gross floor area	244,000	0.012	2,928
Industrial	per square metre gross floor area	1,074,400	0.006	6,446
Institutional	per square metre gross floor area	117,950	0.012	1,415
			Total Equivalent Population:	78,099
Total Equivalent Population	78,099	(a)		
B: Unit Water DCC Calculation				
Net Water DCC Program Recoverable		\$81,371,946	(b)	
Existing DCC Reserve Monies		\$13,141,235	(c)	
Net Amount to be Paid by DCCs		\$68,230,711	(d) = (b) - (c)	
DCC per person		\$873.65	(e) = (d) / (a)	
C: Resulting Water DCCs				
Low Density Residential		\$2,796	per lot or unit	3.2
Medium Density Residential		\$2,446	per unit	2.8
High Density Residential		\$1,573	per unit	1.8
Commercial		\$10.48	per square metre gross floor area	0.012
Industrial		\$5.24	per square metre gross floor area	0.006
Institutional		\$10.48	per square metre gross floor area	0.012

Notes:

Equivalent Population ratios are carried forward from the previous DCC program, excluding institutional which was updated to be similar to commercial DCC Reserve updated to reflect 2023 ending reserve balance, provided by CRD in March, 2024.

PART 5. DCC RATES

A summary of proposed DCC rates for all land use categories is shown in **Table 5.1** (below).

Table 5.1: Proposed DCC Rates

Land Use	Unit	Proposed Rate (2025)
Low Density Residential <i>(single family, Two-Unit Dwelling)</i>	per lot (or unit, in the case of a Two-Unit Dwelling)	\$2,796
Medium Density Residential <i>(triplex, fourplex, townhouse)</i>	per unit	\$2,446
High Density Residential <i>(apartment)</i>	per unit	\$1,573
Commercial	per m ² gross floor area	\$10.48
Industrial	per m ² gross floor area	\$5.24
Institutional	per m ² gross floor area	\$10.48

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A comparison of current (2018) and proposed DCC rates is provided in **Table 5.2** (below). As shown by **Table 5.2**, DCC rates are not changing substantially except for institutional, which has decreased by **56%**. The difference in institutional rates is due to the changing equivalency factor. The difference in commercial and industrial rates is due to rounding as discussed in **Section 3.3**.

Table 5.2: DCC Rate Comparison

Land Use	Unit	Previous Rate (2018)	Proposed Rate (2025)	Percent Change
Low Density Residential <i>(single family, Two-Unit Dwelling)</i>	per lot (or unit, in the case of a Two-Unit Dwelling)	\$2,922	\$2,796	-4%
Medium Density Residential <i>(triplex, fourplex, townhouse)</i>	per unit	\$2,557	\$2,446	-4%
High Density Residential <i>(apartment)</i>	per unit	\$1,644	\$1,573	-4%
Commercial	per m ² gross floor area	\$10.74	\$10.48	-2%
Industrial	per m ² gross floor area	\$5.82	\$5.24	-10%
Institutional	per m ² gross floor area	\$23.74	\$10.48	-56%

PART 6. STAKEHOLDER CONSULTATION

Although the *Local Government Act (LGA)* does not require a public participation process, the Best Practices Guide suggests that an opportunity for public participation be included as part of the formulation of a DCC program. The purpose of such a process is to allow those who are interested in, or affected by, the proposed Water DCCs to offer comments and input. The Best Practices Guide does not set a recommended format to be followed for public participation; instead, the type of public participation to be used is decided by the Regional District itself.

To provide interested parties with an opportunity to share feedback on the proposed updates to the JdF WDS DCC program, the CRD published an online survey on the Get Involved JdF WDS DCC webpage from December 3, 2024 to January 9, 2025. Advertisements were made in local newspapers and on social media. In addition, the CRD sent direct letters (via email) to organizations within the development community and four First Nations informing them of the Get Involved JdF WDS DCC webpage and inviting them to submit direct feedback via email or to participate in the online survey. Accompanying the survey were a variety of resources, including responses to Frequently Asked Questions and a presentation, which included general information on DCCs alongside information on the revised project list and updated rates. This information will remain accessible on the JdF DCC Get Involved webpage for a period of time following project completion.

At the time of survey closure, 26 responses were received. Key themes included:

- Comments that new development should pay its fair share of growth-related costs.
- Support for the DCC program and the proposed distribution of project costs (through project-specific benefit factors).
- Comments regarding the impact of the JdF DCC (and DCCs more generally) on housing affordability in the region.
- Concern about the total cost of the different CRD DCCs when ‘stacked’.
- Questions regarding the possibility of using alternative funding mechanisms (e.g., grants) to offset the costs identified in the updated DCC program.

No direct feedback was received via email.

CRD staff, the JdF Water Distribution Commission, and the CRD Board have taken this feedback into account when setting the DCC rates and assist factors.

PART 7. DCC IMPLEMENTATION

7.1 Bylaw Exemptions

The *LGA* is clear that a DCC cannot be levied if the proposed development does not impose new capital cost burdens on the CRD, or if a DCC has already been paid in regard to the same development. However, if additional expansion to the same development creates new capital cost burdens or uses up capacity, then DCCs can be levied for the additional costs (i.e., net increase).

The *LGA* further restricts the levying of DCCs at the time of building permit approval if:

- The building permit is for a church or place of public worship as per the *Community Charter*;
- The value of the work authorized by the building permit does not exceed \$50,000 or a higher amount as prescribed by bylaw; or,
- Unit size is no larger than 29 sq.m. and only for residential use.

Changes to the *LGA* allow local governments to charge DCCs at the time of building permit application for residential developments with fewer than four self-contained dwelling units, if such a charge is provided for in the CRD's DCC bylaw. Per the DCC Bylaw, the CRD is charging DCCs for development of three self-contained dwelling units or less which allows the CRD to collect DCCs in redevelopment scenarios.

7.2 DCC Waivers and Reductions

Changes to the *LGA* in 2008 provide local governments with the discretionary authority to waive or reduce DCCs for certain development types to promote affordable housing and low impact development. The CRD has chosen to continue to not provide any waivers/reductions for the JdF program.

7.3 Collection of Charges – Building Permit and Subdivision

Local governments can choose to collect DCCs at the time of subdivision approval or building permit issuance. Of the two possible collection times, subdivision approval occurs earlier in the process. DCCs will be collected for Low-Density Residential Development at time of subdivision approval (for Single Family uses) or building permit issuance (for Two-Unit Dwellings). Collecting DCCs early will allow the CRD to ensure timely provision of infrastructure and services. DCCs for Medium and High Density Residential development will be collected at time of building permit issuance when the final number of units is known. Non-residential land uses will also be levied DCCs at time of building permit issuance when gross floor area will be known, which results in a more equitable distribution of growth-related costs.

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7.4 Collection of DCCs on Redeveloped or Expanded Developments

When an existing building or development undergoes an expansion or redevelopment there is usually a burden on DCC-related infrastructure. The new applicant will be required to pay the applicable DCCs based on the number of new units or additional floor area for each land use type, as appropriate, at the DCC rate in the proposed DCC bylaw. DCCs are only levied on the new development/building area.

Examples of collecting DCCs on redeveloped or expanded developments are as follows:

- If a single family residential unit is replaced by another single family residential unit, then no additional DCCs are payable (there is no new burden).
- If a subdivided lot, which has already paid a DCC, is developed into a Two-Unit Dwelling, only one (1) additional DCC would be collected at time of building permit.
- If a Low Density Residential lot is subdivided into two smaller lots with Low Density Residential units, DCCs are payable on the one additional Low Density Residential lot (it is assumed DCCs were already paid on the original lot).
- If a Medium or High Density (multi-family) Residential development is replaced by another Medium or High Density Residential development with the same unit mix and number of units, then no additional DCCs are payable.

7.5 In-Stream Applications

Should the proposed DCC Bylaw be adopted, rates will be in force immediately at the time of DCC Bylaw adoption; however, the *LGA* provides special ‘in-stream’ protection from rate increases for development applications submitted prior to the adoption date. There are two ways a developer can qualify for protection from the DCC rate increase:

1. Pursuant to section 511 of the *LGA* (subdivision).

If the DCC Bylaw is adopted after a subdivision application is submitted and the applicable subdivision fee is paid, the new DCC Bylaw has no application to the subdivision for 12 months after Bylaw adoption. As such, if the subdivision is approved during the 12 months’ grace period, the ‘old’ DCC rates apply. This only applies when DCCs are levied at subdivision.

OR

2. Pursuant to section 568 of the *LGA* (building permits).

The DCC Bylaw is not applicable to a construction, alteration, or extension if: (a) a building permit is issued within 12 months of the DCC Bylaw adoption, AND (b) either a building permit application, a development permit application or a rezoning application associated with the construction (defined as “precursor application”) is in stream when the DCC Bylaw

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is adopted and the applicable application fee is paid. The development authorized by the building permit must be entirely within the area subject to the precursor application.

The above is a summary of sections 511 and 568 of the *LGA* and not an interpretation or an explanation of these sections. Applicants are responsible for complying with all applicable laws and bylaws and seeking legal advice as needed.

7.6 Rebates and Credits

The CRD has established a policy to guide staff in the collection of DCCs and the use of DCC credits and rebates as stipulated in the *LGA*. There may be situations when it is not in the best interests of the CRD to allow an owner to build DCC services outside of their subdivision or development. Building such services may start or accelerate development in areas where the CRD is not prepared to support. Therefore, policies for DCC credits, rebates, and latecomer agreements were drafted to assist staff with these development financing processes.

7.7 DCC Monitoring and Accounting

To manage the DCC program, the CRD should enter all the projects contained in the DCC program into its management system. The system would monitor the status of the project from the conceptual stage through to its final construction. The system would include information about the estimated costs, the actual construction costs, and the funding sources for the projects. The construction costs would be based on the tender prices received, the land costs based on the actual price of utility areas, and/or other land and improvements required for servicing purposes. The system would indicate when projects are completed, their actual costs, and would include new projects added to the program.

7.8 DCC Reviews

To keep the DCC program as current as possible, the CRD may choose to review its program annually and make minor adjustments to the DCC rates. The CRD may update the rates annually through Canadian Price Index (CPI) increases for up to 4 years following adoption of the DCC bylaw. Inflationary increases utilizing the CPI are limited to the DCC rates themselves and do not require Ministry approval. The CRD should undertake a major amendment to the DCC program and rates every 5 years.

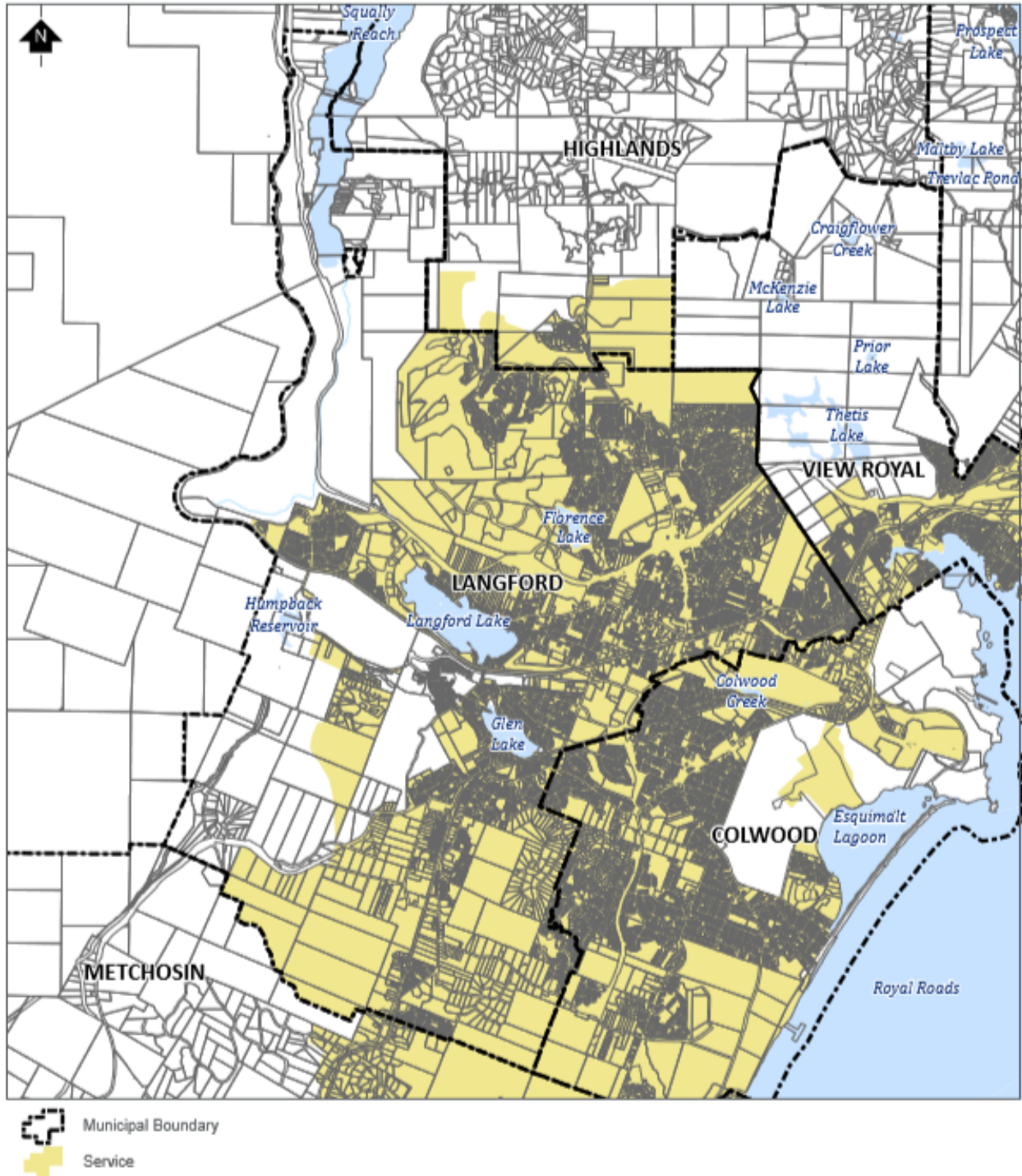
APPENDIX A

**Existing Capital Regional District Development Cost Charge Bylaw
No. 2758 (No. 1, 2000), amended by Bylaw No. 4249**

- (a) the *developer* registers, under section 219 of the Land Title Act, a restrictive covenant in favour of the Capital Regional District;
 - (b) the restrictive covenant contains a covenant by the owner of the parcel agreeing to pay the *DCC* for any one or more dwelling units in addition to those intended to be built at the time of *subdivision*, at the time of issuance of a building permit for any of those additional, units;
 - (c) the *DCC* payable under (b) is the *DCC* in force at the time of the application for the building permit for any additional *dwelling unit*; and
 - (d) the restrictive covenant must be registered in priority to all other financial charges registered against the title to any affected parcel. .
13. A *Member Municipality* shall not approve a *subdivision* or issue a *building permit* for any *development* unless the *development cost charges* imposed under this bylaw have been paid in accordance with Part 3.
14. Each *Member Municipality* shall establish and maintain a separate account for the *DCC* monies collected under this bylaw and deposit and hold these monies in that separate account, in trust for the *District*, until the *DCC* monies are remitted to the *District*.
15. Within 30 days of the first business day of each month, each *Member Municipality* shall remit to the *District* the total amount of the *development cost charges* collected by the *Member Municipality* during the previous month.
16. Each *Member Municipality* shall provide to the *District* with the remittance of the *DCC* monies a statement of account in a form approved by the *General Manager* which sets out the following information:
- (a) the date and amount of *development cost charges* collected and the amount still outstanding under installment payments and the dates for payment;
 - (b) the number and type of use of *residential uses*;
 - (c) the amount and type of use of *non residential uses*;
 - (d) the location of parcels and *dwelling units* against which *DCCs* were levied;
 - (e) the location of parcels and *dwelling units* against which *DCCs* were not levied and the reason for the exemption; and
 - (f) any other information that the *General Manager* deems necessary.
17. Each *Member Municipality* shall retain, for a period of eleven years, sufficient records to support the statements and payments referred to in this part.
18. The *District* may, at any time subject to first giving reasonable notice to any *Member Municipality*, inspect any and all records of the *Member Municipality* relating to the information required by this bylaw, the calculation, the collection and remittance by the *Member Municipality* of the *development cost charges* levied under this bylaw, and the calculations and remittance by the *Member Municipality* of any payments required under this bylaw.

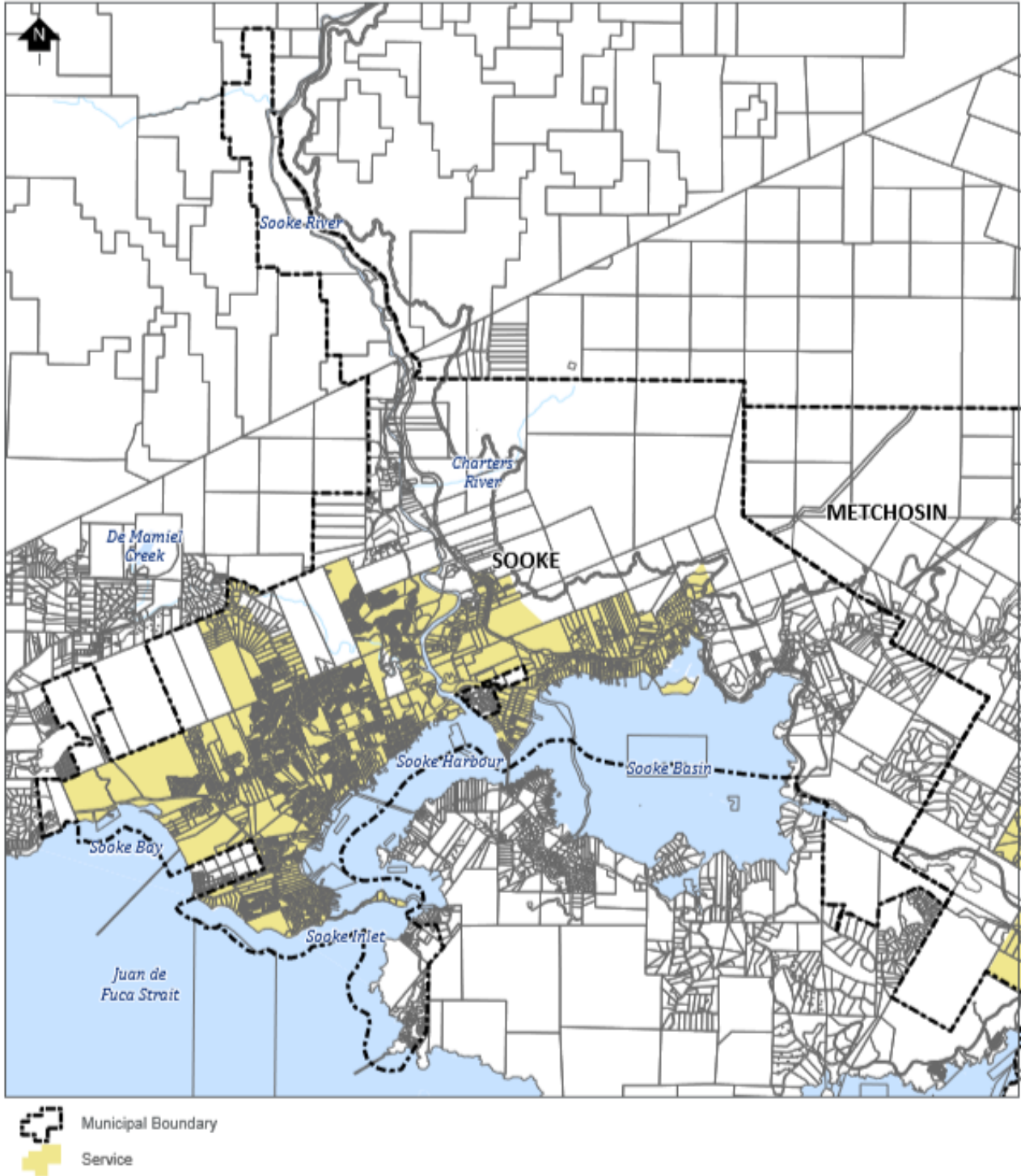
Schedule A – Langford

Bylaw 4249



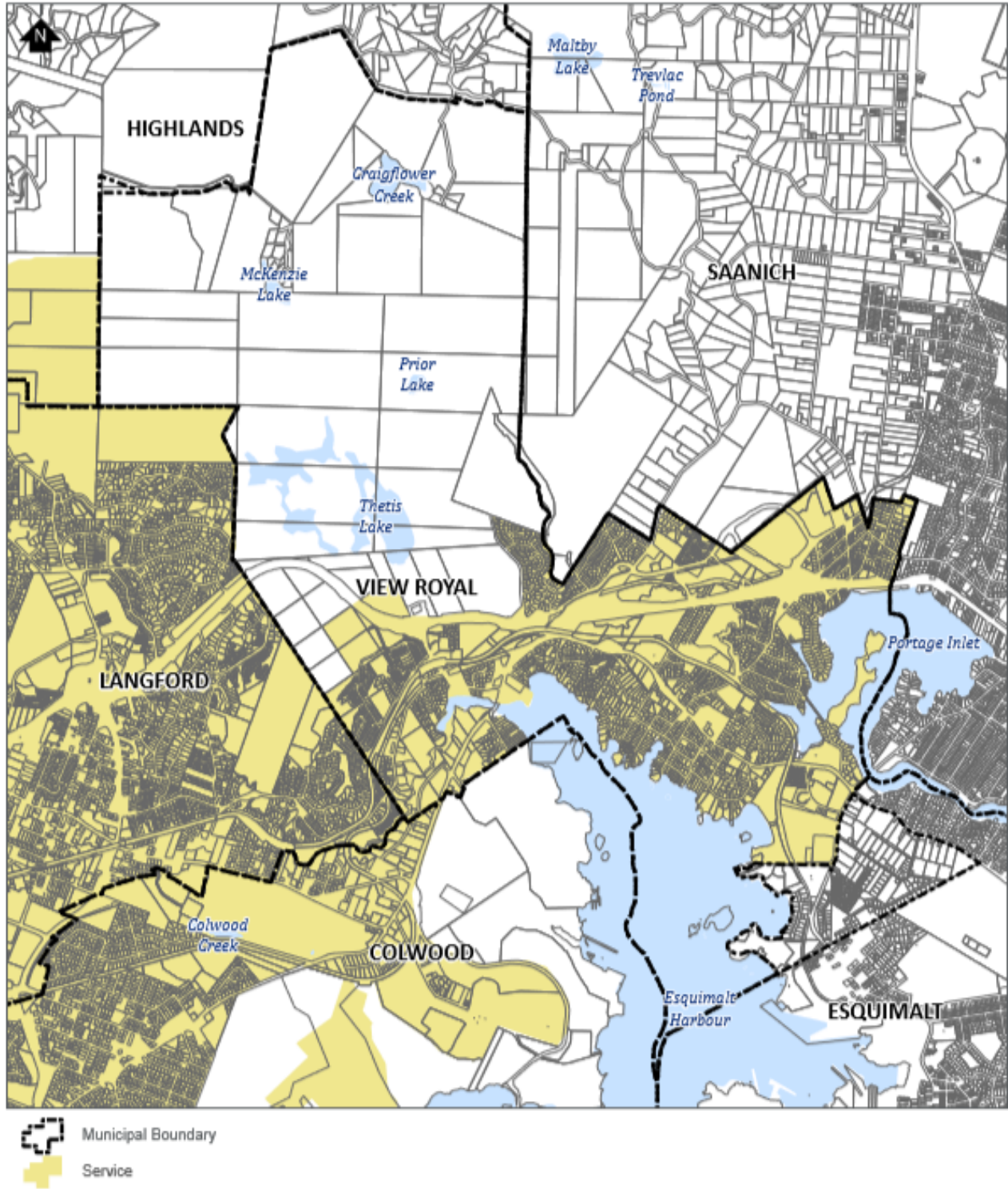
Schedule B – Sooke

Bylaw 4249



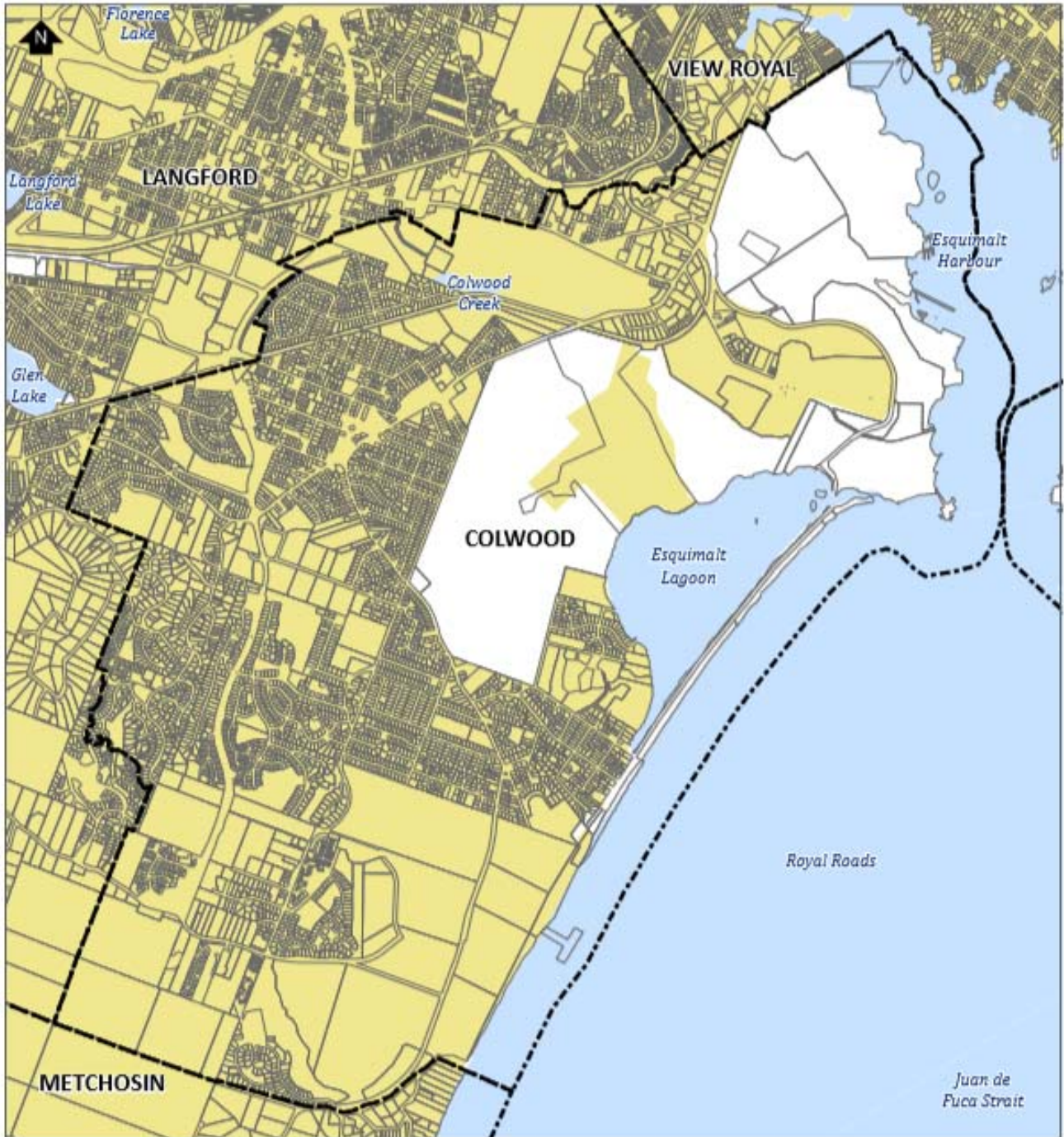
Schedule C – View Royal

Bylaw 4249



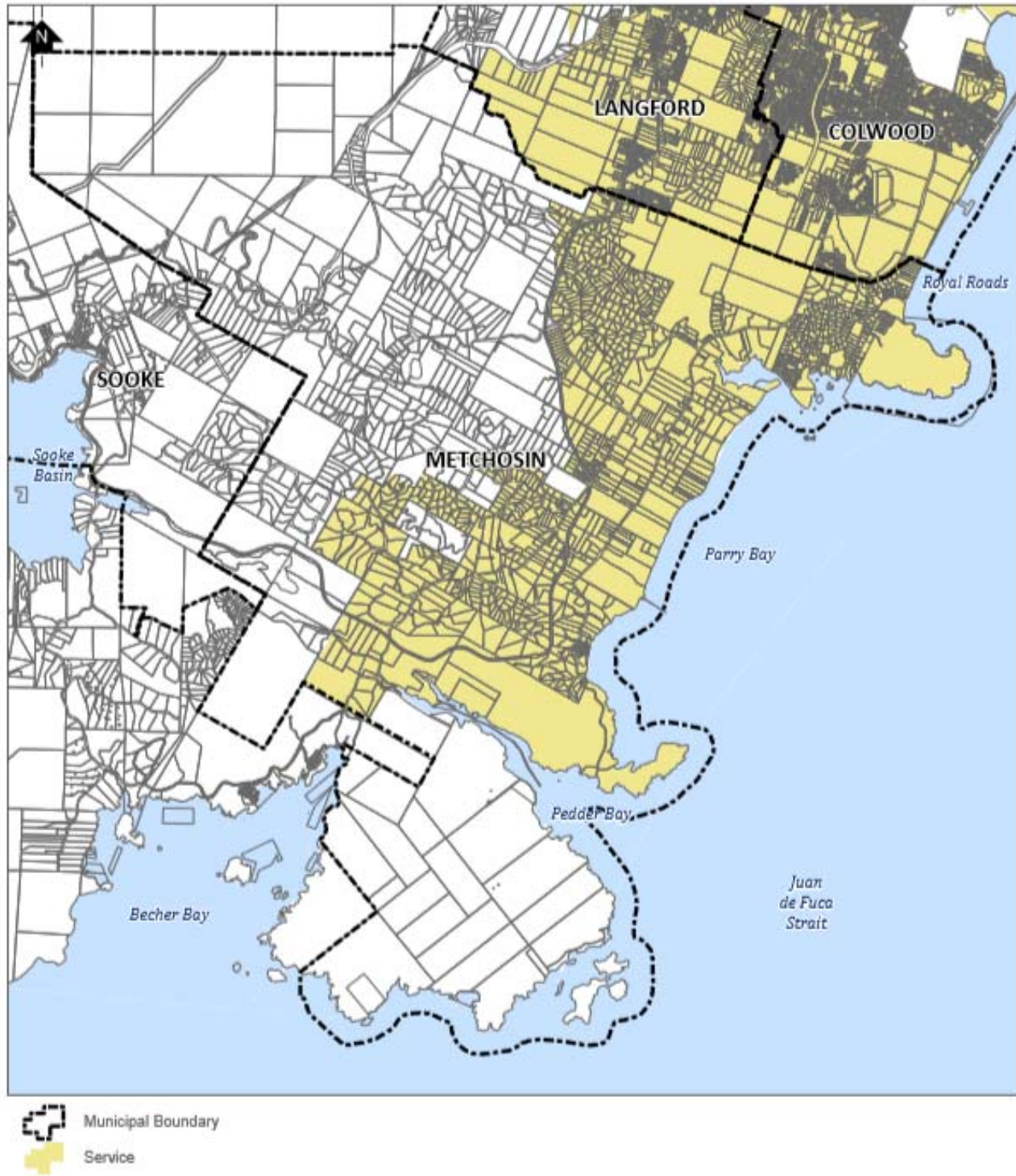
Schedule D – Colwood

Bylaw 4249



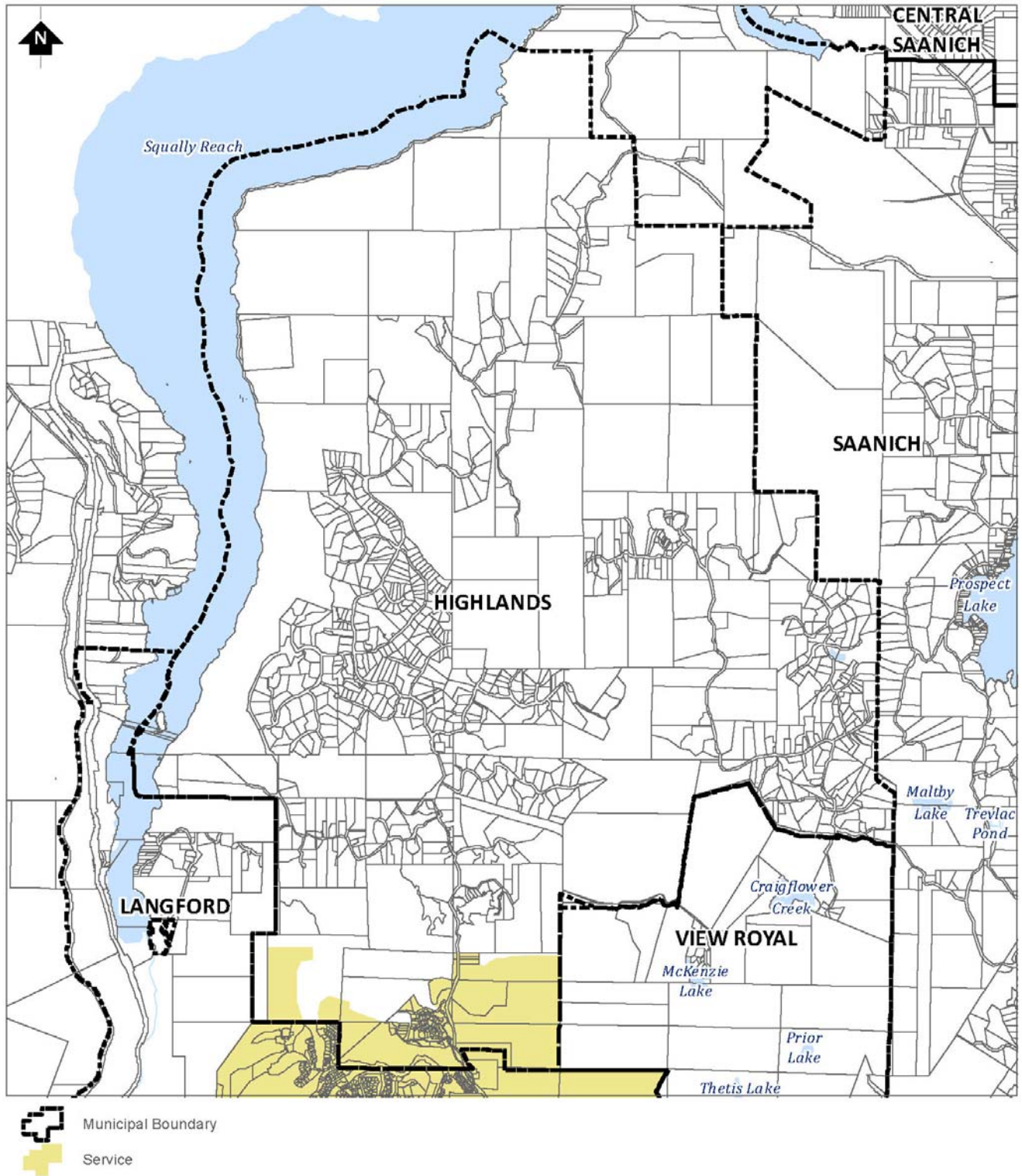
Schedule E – Metchosin

Bylaw 4249



Schedule F – Highlands

Bylaw 4249



SCHEDULE G

Bylaw 4249

Development Cost Charge Rates

Description	Prescribed DCC Rates
Low Density Residential	\$2,922 per lot
Medium Density Multi-family	\$2,557 per unit
High Density Multi-family	\$1,644 per unit
Commercial	\$10.74 per m ²
Industrial	\$5.82 per m ²
Institutional	\$23.74 per m ²

APPENDIX B

**Proposed Capital Regional District Development Cost Charge
Amendment Bylaw No. 4669**