

December 4, 2020

Re: DCC Bylaw Update, Stakeholder Engagement

Dates: Meetings held on August 06 and October 30, 2020

Subject: DCC Questions and Responses

Q1: Why are single family DCCs moving from multiple density bands to one single family rate? If one uniform rate is applied to all residential lots regardless of size (as per current DCC bylaw), this will represent a significant penalty for smaller lots. Also, will varying rates be recognized for Areas A, B & C?

A1: We are proposing to eliminate the density bands in favour of a uniform rate for single-family development in the urban area as this approach will better reflect impact on infrastructure. The current bylaw assumes that fewer people live in smaller homes (e.g. 2.9 people in ULDR 6 and 2.5 people in ULDR 7). This assumption undercounts the impact of smaller home on infrastructure and does not reflect 2016 Census data. In general, house sizes in all density band have the same impact on infrastructure.

Regarding DCC rates by areas, DCCs will continue to be administered fairly. For example, if a development is in the Clearbrook Waterworks District and therefore is not receiving water services from the City, water DCCs would not be charged.

Q2: Why is there no separate single family DCC rate category for homes where secondary suites are not allowed (e.g. narrow lots)?

A2: Historical development permit applications over the last 10 years indicate new single family units represent only 15% of all new residential development. Approximately 80% of all new single detached lots are permitted to have a secondary suite and the DCC rate takes this permission into account. The combined rate represents an approach that balances fairness with ease of administration. The proposed approach to single family DCC rates will be further discussed with Council in December 2020.

Q3: Although it is understandable DCC revenues need to increase to support growth, the significant increases to single family developments, particularly for smaller lots, will negatively impact those who have already purchased land. The DCC rate increases could stall development and affect existing business owners and those looking to develop in the City.

A3: While the single family rate increase is not insignificant, the City has good information on expected growth and infrastructure needs to service that growth, and the proposed DCC rates reflect the costs to do so based on the relative impact on infrastructure. DCCs are used to fund City-wide, off-site infrastructure and while there may be on-site service efficiencies from small lot developments, these are not realized in the DCC project costs.

City staff have heard the concerns about the DCC rate increases for single family developments and will be discussing this with Council in December 2020.

Q4: What is the percentage of units built over the last few years for each of the single family density bands?

A4: The approximate percentage of units built for each of the single family density bands over the last 10 years based on a representative sample size of 1,100 lots are shown in the table below.

Density band	Lot size range	2010 Bylaw prediction	Past 10 years
ULDR 1-4	715 – 2,000 sqm (7,700 – 21,500 sqft)	83%	15%
ULDR 5	625 – 715 sqm (6,700 – 7,700 sqft)	10%	15%
ULDR 6	500 – 625 sqm (5,400 – 6,700 sqft)	5%	30%
ULDR 7	< 500 sqm (< 5,400 sqft)	2%	40%

Q5: How will the new DCC rates be charged for each land use? [*Updated response is provided below.*](#)

A5: We are proposing DCC units of charge as shown in the table below:

Land Use	Unit of Charge
Rural Residential	Sq.m. GFA
Single Family, Duplex, Townhouse, Apartment	Dwelling Unit
Congregate Care, Institutional, Agricultural	Sq.m. GFA
Commercial and Industrial (except drainage)	Sq.m. GFA
Commercial and Industrial (drainage only)	Ha GSA

We are proposing to charge townhouse and apartment developments per dwelling unit rather than per sq.m. of floor space as this approach will better reflect impact on infrastructure. The current bylaw assumes that fewer people live in smaller multi-family units. We believe this assumption no longer applies, and in general, impact on infrastructure is tied to unit type, not size.

Industrial DCCs are proposed to be charged on sq.m. of GFA for all infrastructure types except for drainage to better align with impact on infrastructure.

A5 Revised: We are proposing DCC units of charge as shown in the table below:

Land Use	Unit of Charge
Rural Residential	Sq.m. GFA
Single Family	Lot
Duplex, Townhouse, Apartment	Dwelling Unit
Congregate Care, Commercial, Industrial, Institutional, Agricultural	Sq.m. GFA

We are proposing to charge townhouse and apartment developments per dwelling unit rather than per sq.m. of floor space as this approach will better reflect impact on infrastructure. The current bylaw assumes that fewer people live in smaller multi-family units. We believe this assumption no longer applies, and in general, impact on infrastructure is tied to unit type, not size.

Commercial and Industrial DCCs are proposed to be charged on sq.m. of GFA for all infrastructure types, including drainage. This adjustment is based on a review of the drainage DCC charges for commercial and industrial land uses. Charging all components of Commercial and Industrial DCCs on floor area rather than site area will ensure charges are applied fairly across all development sites. Additionally, this approach recognizes the City's existing on-site stormwater management requirements that inform the Drainage Master Plan and ultimately the drainage projects included in the DCC program. Charging DCCs for commercial and industrial land uses by floor area for all infrastructure types best reflects impact on infrastructure in the City.

Q6: What does the City consider to be the “typical” sizes of single family homes, townhouses and apartments?

A6: Single Family: The majority of single family development happens within the ULDR 6 and ULDR 7 categories that allow lot sizes between 5,400 ft² (500 m²) and 6,700 ft² (625 m²), and less than 5,400 ft² (500 m²), respectively. The sizes of homes within these density categories vary. Within ULDR 7, houses are generally 2,500-4,000 ft² consisting of three storeys and a basement suite with a 1.5 or double wide garage.

Townhouses: A typical/average unit size is assumed to be 1,500 ft² (140 m²), excluding any garage area.

Apartments: A typical/average unit size is assumed to be 825 ft² (75 m²).

Townhouse and apartment DCCs are proposed to be charged per unit to best reflect impact on infrastructure. We believe the assumption that fewer people live in smaller units no longer applies, and that number of people more closely relates to type of unit (e.g. townhouse or apartment) rather than size.

Q7: DCC comparison charts provided in the presentation appear to be higher than actual DCC rates in those communities.

A7: The DCC comparison charts reflect the total cost of DCCs in each community, including regional DCCs that are collected on behalf of Metro Vancouver for regional sewer infrastructure, and Translink for transit infrastructure (where applicable). Both of these regional charges are included in the comparison charts under Regional DCCs and contribute to the total cost of DCCs collected in the applicable municipalities. The regional rates for Abbotsford comprise joint water and joint sewer charges for the water supply and wastewater treatment facilities shared with the District of Mission.

Municipal DCC rates for each community are determined by choosing the best comparable rate to the type of development expected in Abbotsford. Conversions are made based on typical unit sizes and units of charge to best compare like for like to the City's proposed DCC rates. Based on feedback from the development community, the comparison charts will be reviewed, and adjusted if needed, with assumptions noted and discussed with Council.

Q8: What assumptions were used to determine the time horizon of capital improvements?

A8: The DCC program is based on a 25-year time horizon that aligns with both the 2016 Official Community Plan ("OCP") and recently completed master plans. This approach aligns with DCC best practices.

Q9: Considering the sanitary sewer capacity growth constraints in Abbotsford, has the City assessed where they are placed in term of City service provision?

A9: The proposed sanitary sewer DCC program is based on the infrastructure requirements outlined in the Abbotsford-Mission Joint Wastewater Master Plan and the City Wastewater Master Plan. This infrastructure is identified to service the growth anticipated in the OCP for 200,000 people.

Q10: What are the assumptions for water/sewer flows for industrial properties?

A10: Water and sewer flow information is based on metered data and calculated population equivalents provided in the water and sewer master plans. DCC rates account for the relative impact on infrastructure between the various land uses. Proportionality, industrial water use, relative to the average metered single family home, will be higher than in the existing DCC calculation because as residential use decreases, non-residential uses, including industrial, have a higher relative burden on infrastructure.

Q11: What site coverage was assumed for new industrial DCC rates? [Updated response is provided below.](#)

A11: The City completed the Industrial Land Supply Strategy (2017) which references work completed for the City's Industrial Land Capacity Analysis (2017). This analysis references an FSR assumption of 35%, or slightly lower in some scenarios, which was used to analyze historical activity trends and

estimate future demand and absorption rates across the City. Since industrial development is assumed to be single story, FSR and lot coverage rates are assumed to be the same.

The DCC program reflects this 35% lot coverage assumption where required as this is the average expected industrial density within Abbotsford. We recognize there will be some cases where higher or lower lot coverages are achieved on specific sites; however, DCCs are based on the typical/average values used for infrastructure planning purposes.

Non-residential growth for all infrastructure types, except for drainage, is based on gross floor area rather than site area. We are proposing Industrial DCC rates by floor space for all infrastructure types, except drainage, to better reflect the impact on infrastructure.

The site coverage assumption and unit of charge for industrial DCCs is being reviewed based on feedback from the development community.

A11 Revised: Based on a review of the industrial lot coverage assumption, DCC rates have been revised to reflect an increased lot coverage assumption of 38.25% of gross site area, before any undevelopable lands are netted off. While the rate of industrial land absorption is not expected to change, the lot coverage assumption has been increased to reflect increased densification on industrial sites and therefore additional expected floor area. The revised DCC rates reflect this change.

Q12: Has the City considered grandfathering or phasing in DCC rates over an extended period of time?

A12: City staff will be discussing phasing in DCC rates with Council in December 2020. One year in-stream protection from the date of bylaw adoption will apply to all new DCC rates as per legislation.

Q13: What qualifies as in-stream development under legislation for one-year projection from new rates?

A13: In-stream protection applies to both building permit and subdivision applications received prior to the adoption of the DCC Bylaw. Protection is also extended to rezoning and development permit applications that are submitted prior to the adoption of the new DCC Bylaw and that will result in a building permit within 12 months of the adoption of the Bylaw. Division 19, Sections 511 and 568 of the *Local Government Act* outline the criteria that must be met in order for an application to qualify for in-stream protection.

If an application meets the required criteria and is submitted prior to the adoption of the DCC Bylaw, it will be provided protection from DCC rates for a period of twelve months after the adoption date.

Q14: As federal infrastructure money comes available over next few years can it be applied to projects on the DCC list and could the list then be reconsidered?

A14: Unconfirmed grant funding cannot be netted off against DCC costs as per DCC best practices. If grant funding is received for a DCC project, the City will make any required adjustments to project costs

in the next DCC Bylaw Update. Best practice is to conduct a major update to the DCC bylaw every five years.

Q15: Are the City's master plans available?

A15: Yes, master plans are available on City's website here:

https://www.abbotsford.ca/city_hall/master_plans_and_strategies/master_plans_and_studies.htm

Q16 New: How were the DCC project costs estimated and what contingency factor was used?

A16 New: The DCC project costs and contingency factors (including engineering, design and administration) reflect those in the City's Master Plans. Contingency factors are based on the cost estimate level of detail available. Master plan costs were adjusted by an inflationary factor to reflect 2020 dollars. For projects where new information was available, updated cost estimates were used when available or new cost estimates were determined. Land costs were updated for all projects where applicable to reflect current land values in the City.