



**City of Maple Ridge  
Audit & Finance Committee  
AGENDA – REGULAR MEETING**

Monday, June 27, 2022 at 1:00 pm

Held via Zoom Teleconference and hosted  
in the Blaney Room, Maple Ridge City Hall

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**Meeting Access Information**

Due to the COVID-19 pandemic we will be holding the Audit & Finance Committee (AFC) meeting in a hybrid format. Members of the AFC and the public can join the meeting in-person in the Blaney Room at Maple Ridge City Hall or remotely using the following access information:

**Join the meeting from your computer, tablet or smartphone**

<https://mapleridge-ca.zoom.us/j/84014679984?pwd=WWJOWm84TmJSU0kxYlpsc3Z6ejZzZz09>

**Or join the meeting using your phone**

Dial: 1-778-907-2071 Meeting ID: 840 1467 9984 Passcode: 874077

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1. **CALL TO ORDER**
  2. **APPROVAL OF THE AGENDA**
  3. **ADOPTION OF MINUTES – June 13, 2022**
  4. **DELEGATIONS – NIL**
  5. **NEW AND UNFINISHED BUSINESS**
    - 5.1 Development Cost Charges Update
  6. **QUESTION PERIOD FOR THE PUBLIC**
  7. **NOTICE OF CLOSED MEETING – NIL**
  8. **ADJOURNMENT**

**Next Meeting:** July 4, 2022

**Agenda Submission Deadline:** June 27, 2022

**QUESTION PERIOD**

Question Period provides the public with the opportunity to ask questions or make comments on subjects that are of concern to them. Each person will be given 2 minutes to speak.

Up to ten minutes in total is allotted for Question Period.

The Minutes of the Regular Meeting of the Audit & Finance Committee held virtually and in the Blaney Room, City Hall on June 13, 2022 at 1:00 pm

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**COMMITTEE MEMBERS PRESENT**

Mayor Morden, Chair  
Councillor Gordy Robson  
Councillor Judy Dueck

**STAFF MEMBERS PRESENT**

Scott Hartman	Chief Administrative Officer
Catherine Nolan	Deputy Director of Finance
Trevor Thompson	Director of Finance
Arsh Dhillon	Committee Clerk

\*Participated remotely due to the COVID-19 pandemic.

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1. **CALL TO ORDER – 1:00 pm**
2. **APPROVAL OF THE AGENDA**

R/2022-AFC-007

It was moved and seconded

**That the agenda for the June 13, 2022 Audit & Finance Committee Meeting be approved with amendments to change the Next Meeting date to June 27, 2022.**

CARRIED UNANIMOUSLY

3. **ADOPTION OF MINUTES**

R/2022-AFC-008

It was moved and seconded

**That the minutes of the April 25, 2022 Audit & Finance Committee Meeting be adopted as circulated.**

CARRIED UNANIMOUSLY

4. **DELEGATIONS – NIL**
5. **NEW AND UNFINISHED BUSINESS**
  - 5.1. **Overview of Financial Policies**

The Deputy Director of Finance provided an overview of the following financial policies: Financial Sustainability Plan, Gaming Revenue, and City Lands Disposition Proceeds. The committee provided feedback on the existing policies and future considerations.

- 5.2. **Overview of Financial Reserves**

The Deputy Director of Finance provided an overview of Accumulated Surplus, Reserve Funds, Reserve Accounts, and Restricted Revenues. The committee provided feedback regarding future considerations and policy direction.

6. **QUESTION PERIOD – NIL**
7. **ADJOURNMENT at 2:20pm**

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Mayor Mike Morden, Chair

**TO:** His Worship Mayor Michael Morden  
and Members of Council

**MEETING DATE:** June 27, 2022  
**FILE NO:** 05-1825-02

**FROM:** Chief Administrative Officer

**MEETING:** Audit & Finance

**SUBJECT:** Development Cost Charges Imposition Amending Bylaw

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**EXECUTIVE SUMMARY:**

Development Cost Charges (DCCs) are levies collected to assist with funding infrastructure and parks required to service new development or growth. DCCs are a restricted funding source as they can only be collected for certain types of projects, as set out in legislation, and can only be used for the projects included in the DCC Imposition Bylaw.

An update is required to the DCCs Imposition Bylaw (Appendix A) to ensure the levies reflect updated infrastructure plans and current capital costs. The last DCC rate adjustment was in 2017 and was based on 2016 capital costs. When amending DCC rates there are many considerations which are described in the background of this report. As this is still considered a minor amendment not all assumptions can be revisited. A major DCC bylaw amendment will be required as infrastructure master plans and development assumptions are amended.

For this bylaw amendment, approval by the Inspector of Municipalities is required, as is public and stakeholder consultation.

It should come as no surprise that the cost of land and construction in the lower mainland have increased significantly over the last six years. The development community is likely more attuned to this than most. There are limited options when it comes to funding this infrastructure. The DCC rate increase required to fund the infrastructure associated with this growth is in the range of 105% to 163%.

**RECOMMENDATION:**

That the Development Cost Charge Imposition Amending Bylaw be brought to Council for first reading.

**DISCUSSION:**

a) **Background Context:**

What are Development Cost Charges (DCCs)?

DCCs provide the authority to recover development-related costs for roads, sewers, drainage and water works as well as parkland acquisition and park development. DCCs allow the City to apportion costs of certain types of infrastructure among land developers.

Council needs to ensure that in the process of developing DCC bylaws, they consider their responsibility of balancing the need for infrastructure and associated costs with the impacts that this may have on development.

Local Governments are required to consider whether the proposed DCCs will:

- be excessive in relation to the capital cost of prevailing standards of service;
- deter development;
- discourage the development of reasonably priced housing or reasonably priced serviced land; or
- discourage development designed to result in low environmental impact.

The rates charged (DCCs) are the outcome of complex models involving the planning and costing of future infrastructure projects, and projecting of future development activity. The assumptions used in these models are amended to reflect changes in the underlying plans and updated information.

#### Why is a bylaw update required?

Maple Ridge is a growing City and depends on DCCs to fund some of the infrastructure associated with growth. DCCs are typically the largest source of funding in the Capital Program. It is for this reason, that the DCCs are kept up to date with current costs and infrastructure plans.

The cost of land purchases has increased significantly over the last few years and if we are to continue to purchase the land planned then we need to increase the DCCs or look to further supplement development through other sources such as Property Taxes.

#### The bylaw update process.

The DCC Imposition Amending Bylaw will first be taken to Council for First reading and to stakeholders for feedback. Input and feedback will be sought through the developer's forum, a newspaper ad and through the website and social media. Background material including a complete listing of capital projects, staff reports and a link to the Council presentation will be provided on our website for those that wish to review the material prior to providing feedback. Feedback will be presented to Council prior to considering Second and Third readings of the Bylaw. The Bylaw and supporting documentation are then sent to the Ministry for review and approval. Once approval is provided the Bylaw can be adopted.

Once the DCC Amending Bylaw is adopted by Council, the DCCs are effective for new applications. Any precursor applications which are instream on the date the Bylaw is adopted will pay the rate in the existing bylaw, if issued within 12 months from the date the Bylaw is adopted. Precursor applications, as defined in S. 568 of the Local Government Act, must be in a form satisfactory to the local government officer and align with development approval procedures.

#### Future DCC Imposition Bylaw amendments

Rates are permitted to be adjusted as often as annually, without Ministry approval as long as the rate increases are less than the Vancouver Consumer Price Index (CPI) and the bylaw was approved by the Ministry within the last four years. If rate increases are in excess of the CPI, a minor bylaw amendment should still occur. It would simply take a bit longer as the approval process is more involved. Unsecured grants are not permitted to be considered in funding DCC projects. If significant grants are received for projects, such as the 240 Street Bridge or Abernethy Corridor, then DCCs could be reduced relatively quickly with the Ministry expediting their approval process.

How do we compare?

Maple Ridge DCCs, both current and proposed, are compared to other local municipalities in Appendix B, to provide some context of our rates compared to others and the impact of the proposed rate increases have on our relative ranking. Each community's infrastructure needs, growth assumptions and distribution of costs both through different development types as well as portions of capital costs covered through non-DCC sources will vary. Communities with similar profiles will often have very different rates. What is important is that the projects included in the DCC Bylaw are based on the prevailing standards of services and the cost distribution is fair and equitable.

**b) Desired Outcome:**

DCC's that align with the City's plans for development and infrastructure, are certain, fair and equitable and to the extent possible that the benefiter pays.

**c) Business Plan/Financial Implications**

The long-term Capital Program and Financial Plan Bylaw were updated to reflect current costs, future infrastructure needs and are in alignment with the calculations in the draft DCC Imposition Amending Bylaw.

**d) Alternatives**

**1. Delay Increase**

With a rate increase of this magnitude, it is likely that the development community would be interested in a delay in the effective date of the Bylaw and/or a phased-in rate increase. This would ensure that their current projects profitability is not impacted or are less impacted by the rate increases. Council must consider what recent market appreciation has been as well as other cost drivers such as inflation, labour shortages, supply chain delays all of which may impact the development proformas. If a phased-in charge is considered, the subsidy of the phase-in would be born by general taxpayers having existing property owners paying for a larger amount of the cost of infrastructure associated with growth, either through increased property taxes or spending of accumulated surplus that would otherwise be spent on other capital needs.

**2. Area Specific DCC**

Another option is to begin work on creating an additional Area DCC for an area that generates more infrastructure costs to develop than others. The extension of Abernethy from 240 to 256 Street, at an estimated cost of approximately \$50 million, to better serve the 256 Street industrial lands could be considered outside of the Citywide DCC rate. If this project was removed from the Citywide DCC Amending Bylaw currently being drafted, the increase in rates would be reduced by approximately one third.

Such a change would require an additional DCC Bylaw and background reports to ensure development assumptions and costs are reasonable. This would serve to capture a portion of the land lift or value generated by creating better access. This may be coupled with borrowing to expediate value increases, industrial development and associated jobs created. This seems to align with Council's Strategic priority of economic development. This approach is likely the one that will be recommended with the Thornhill Area, once plans are better known on development potential and infrastructure servicing costs.

**CONCLUSION:**

DCCs are one of the key funding sources to fund infrastructure required due to new development or growth. Given the market appreciation in the lower mainland and costs of construction, an update to the DCC Imposition Amending Bylaw is required.



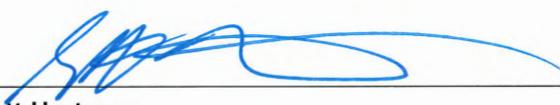
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*Prepared by:* **Trevor Thompson, BBA, CPA, CGA**  
**Director of Finance & Chief Financial Officer**



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*Approved by:* **Christina Crabtree**  
**General Manager, Corporate Services**



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*Concurrence:* **Scott Hartman**  
**Chief Administrative Officer**

**Attachments:**

Appendix A: Draft Development Cost Charge Imposition Amending Bylaw  
Appendix B: DCC Rate Comparisons

## City of Maple Ridge

### Bylaw No. 7863-2022

#### A Bylaw to Impose Development Cost Charges

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WHEREAS, Council has considered the phasing of works, services and provision of parkland described in the Official Community Plan and how development designed to result in a low environment impact may affect the capital costs of infrastructure related to Development Cost Charges.

AND WHEREAS, Council does not consider the charges imposed by this bylaw:

- a. As excessive in relation to the capital cost of prevailing standards of service;
- b. Will deter development;
- c. Will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land in the city; or
- d. will discourage development designed to result in low environmental impact.

NOW THEREFORE, the Council of the City of Maple Ridge enacts as follows:

1. **Citation**

This Bylaw may be cited for all purposes as “**Maple Ridge Development Cost Charges Imposition Amending Bylaw No. 7863-2022**”

2. **Definitions:**

For the purposes of this bylaw:

**Apartment** means a residential use where the building or buildings on a lot are each used for three or more dwelling units. It does not include Townhouse or Street Townhouse.

**Apartment – Affordable Rental below Market** – affordable means housing cost that is 30 per cent or less of household’s gross income and below market rental housing is housing with rents lower than average in private-market rental housing. For purposes of ensuring the units remain in this use for a minimum of 20 years a Housing Agreement or covenant on the property is required.

**Apartment – High Density** means apartments that are six storeys and above.

**Apartment – Not-for-Profit Rental below Market** means rental housing with rents not in excess of 80% of the average market rate for Maple Ridge as identified or reported in Canada Mortgage Housing Corporation’s most recent rental market survey. For purposes of ensuring the units remain in this use for a minimum of 20 years a Housing Agreement or covenant on the property is required.

**Apartment – Seniors Affordable Rental below Market** means Apartment Affordable below Market rental and seniors means an adult aged 55 or older. BC Housing programs, partners and housing providers may define a senior by a different age.

**Building Floor Area (BA)** means the total combined floor areas of all storeys, including all mezzanine floor areas, measured to the outer surface of the exterior walls, but does not include any floor area used exclusively for parking. Except for Atriums or other open interconnected floor spaces, the total building floor area will include exit stairs, stair shafts, elevator shafts and all other vertical service spaces that may penetrate one or all of the floors.

**Building Permit** means permission or authorization in writing by the Chief Building Official, Permits and Inspection Services to perform building construction in accordance with applicable statutes and regulations.

**Commercial Development** means development of a parcel for commercial use as described in the Maple Ridge Zoning Bylaw or similar development that is of a commercial nature, including but not limited to uses such as accommodation, automotive, retail, food and beverage, entertainment, office, personal services, recreation, retail and the cultivation, processing, testing, packaging or shipping of marihuana.

**Duplex** means a two family residential use where the building lot is used for two dwelling units.

**Dwelling Unit (DU)** means one or more rooms used for the residential accommodation of only one family when such room or rooms contain or provide for the installation of only one set of cooking facilities.

**Gross Site Area** means the whole or portion of a parcel(s) to be improved as part of the development authorized by a building permit and includes all vehicular and pedestrian circulation areas, loading, parking, storage, works, decorative and landscaped areas appurtenant to the authorized development.

**Highway** means any street, road, land, trail, bridge, viaduct and any other way open to the use of the public.

**Housing Agreement** mean the owner enters into a lease agreement with a Public Housing Body by which the Public Housing Body agrees to sublet and operate the units for at least 20 years.

**Industrial Development** means “industrial use” as defined by Maple Ridge Zoning Bylaw.

**Institutional Development** means any development that is created and exists by law or public authority for the benefit of the public in general, and includes, but is not limited to, public hospitals, public and private schools and churches.

**Instream** is as defined under S.568 of the Local Government Act

**Lot** means additional lot(s) created at subdivision

**Parcel** means any lot, block, strata lot or other area in which land is held or into which land is subdivided, but does not include any portion of a highway.

**Precursor Application** is as defined under S.568 of the Local Government Act

**Public Housing Body** means the Canada Mortgage and Housing Corporation (CMHC), BC Housing Management Commission, and any housing society or non-for-profit municipal housing corporation that has an agreement regarding the operation of residential property with the government of British Columbia, the BC Housing Management Commission or the CMHC.

**Single Family Residential** means a residential use where the building lot is used for one dwelling unit and other uses as permitted.

**Social Housing** means apartments that have a government or non-profit housing partner that owns and operates them.

**Street Townhouse** means one dwelling unit vertically attached to one or more dwelling units (i.e. triplex or fourplex) with each dwelling unit located on a lot abutting a street. For the purposes of this bylaw, it does not include a Duplex.

**Subdivision** means the division of land into two or more parcels, whether by plan or by metes and bounds description or otherwise, and includes a plan consolidating two or more parcels into a fewer number of parcels.

**Townhouse** means a single building comprised of three or more dwelling units separated one from another by party walls extending from foundation to roof, with each dwelling unit having a separate, direct entrance from grade and does not include Street Townhouse.

**Unit** means additional unit(s) built in support of a building permit.

### **3. Payment of Development Costs Charges**

Every person who obtains approval of a subdivision of a parcel or a building permit must pay Development Cost Charges in accordance with Schedule “A”.

For a combined land use development, the Development Cost Charge is calculated as the sum of the Development Cost Charges for all uses.

The Development Cost Charges imposed must be paid:

- a. In the case of the subdivision of a parcel, at the time the subdivision is approved; and
- b. In the case of obtaining a building permit, at the time the building permit is issued.

**4. Exemptions**

Pursuant to the Local Government Act and subject to regulations by the minister under S.561(11), a Development Cost Charge is not payable if any of the following applies in relation to a development:

- a. the building permit is for a place of worship that will be exempt from taxation under the Community Charter;
- b. the value of the work authorized by the building permit does not exceed \$50,000;
- c. the dwelling unit is no larger than 29 square meters;
- d. the development does not impose new capital cost burdens on the municipality;
- e. the Development Cost Charge has previously been paid for the same development unless, as a result of further development, new capital cost burdens will be imposed on the City.

Pursuant to S.561(6) of the Local Government Act, a Development Cost Charge is payable for work that will, after the construction, alteration or extension, contain fewer than 4 self-contained dwelling units.

**5. Severability**

If any portion of this bylaw is found invalid by a court, that portion be severed and the remainder of the bylaw will remain in effect.

**6. Effective Date**

This bylaw will come into force on the later of November 1, 2022 and the date it is adopted by Council.

**7. Repeal**

Maple Ridge Development Cost Charge Imposition Bylaw No.7320-2017, is hereby repealed except in the case of:

- a. Precursor applications for subdivision of land that are instream on the effective date and which are completed within one year of the effective date; and
- b. Precursor applications for building permits that are instream on the effective date and which are issuable within one year of the effective date, in which case, Maple Ridge Development Cost Charge Imposition Bylaw No.7320-2017, shall apply.

Maple Ridge Development Cost Charge Imposition Bylaw No. 6320-2017 shall be wholly repealed one year from the effective date.

**8. Schedules**

Schedule "A" attached hereto form part of this bylaw.

Read a first time this \_\_\_\_ day of \_\_\_\_\_ 20

Read a second time this \_\_\_\_ day of \_\_\_\_\_ 20

Read a third time this \_\_\_\_ day of \_\_\_\_\_ 20

Approved by the Inspector of Municipalities this \_\_\_\_ day of \_\_\_\_\_ 20

Adopted this \_\_\_\_ day of \_\_\_\_\_ 20

\_\_\_\_\_  
Presiding Member

\_\_\_\_\_  
Corporate Officer

**Single Family Residential***per additional lot***Duplex***per additional dwelling unit*

<u>Servicing Type</u>	
Road	\$26,828
Drainage	3,733
Water	4,525
Sanitary Sewer	2,649
Open Space	12,950
<b>Total</b>	<b><u><u>\$ 50,685</u></u></b>

**Townhouse**

<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$154.78
Drainage	13.40
Water	29.01
Sanitary Sewer	16.98
Open Space	83.01
<b>Total</b>	<b><u><u>\$297.18</u></u></b>

**Street Townhouse**

<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$123.82
Drainage	8.93
Water	29.01
Sanitary Sewer	16.98
Open Space	83.01
<b>Total</b>	<b><u><u>\$261.76</u></u></b>

**Apartment**

<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$143.72
Drainage	8.30
Water	30.53
Sanitary Sewer	17.87
Open Space	87.36
<b>Total</b>	<b><u><u>\$287.78</u></u></b>

**Apartment High Density**

(6 Storey and above)

<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$107.79
Drainage	3.11
Water	26.93
Sanitary Sewer	15.77
Open Space	77.08
<b>Total</b>	<b>\$230.68</b>

**Apartment - Affordable Rental Below Market**

<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$107.79
Drainage	8.30
Water	30.53
Sanitary Sewer	17.87
Open Space	87.36
<b>Total</b>	<b>\$251.85</b>

**Apartment - Social Housing, Non-for-Profit Rental Below Market****or Affordable Rental-Seniors**

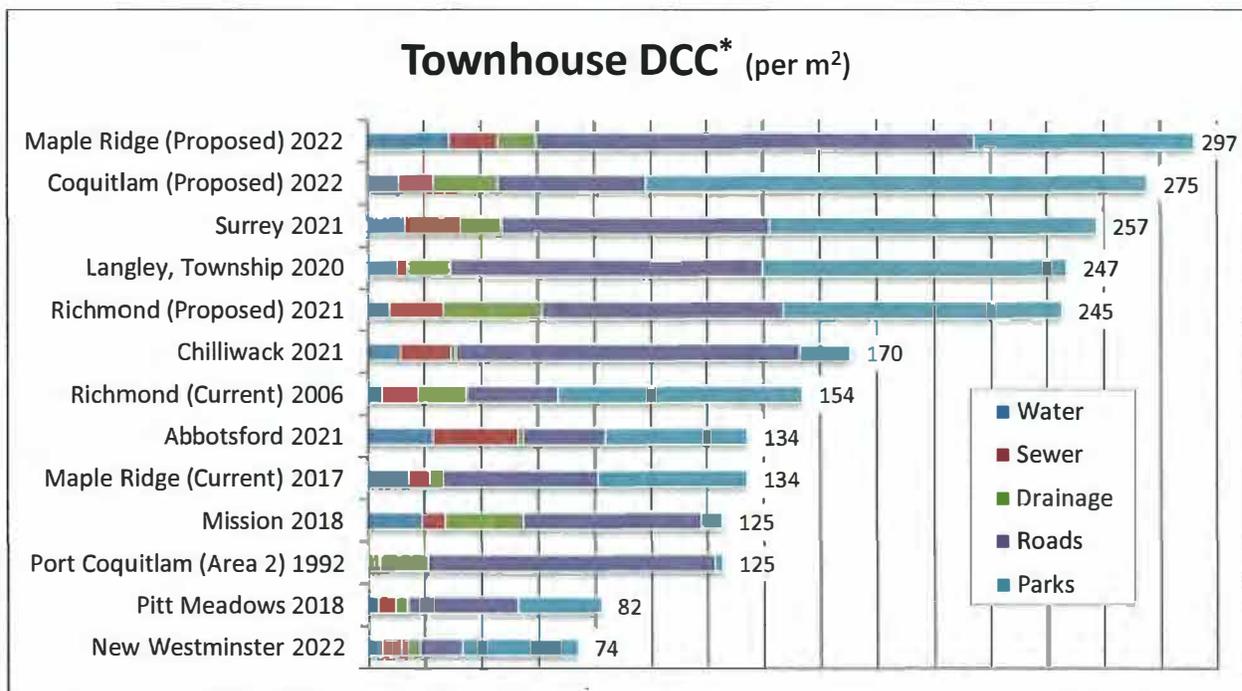
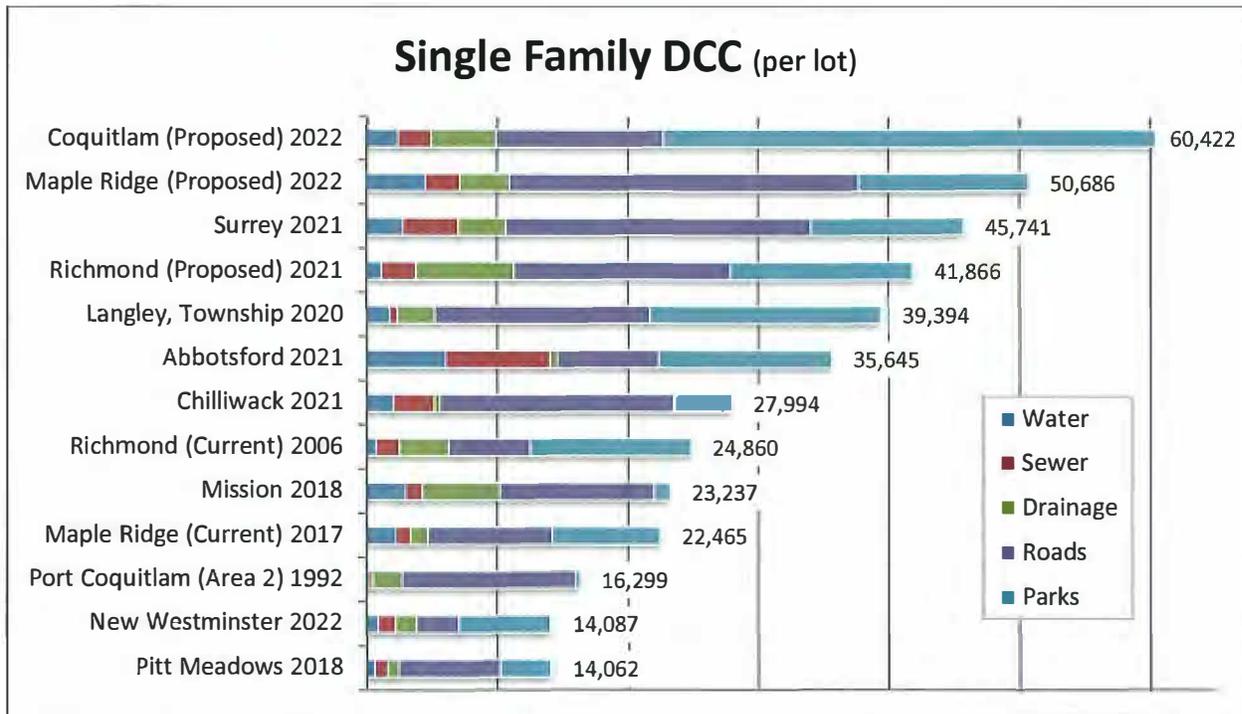
<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$26.35
Drainage	8.30
Water	19.75
Sanitary Sewer	11.56
Open Space	33.92
<b>Total</b>	<b>\$99.88</b>

<b>Commercial</b>	<b>First Floor</b>	<b>Additional Floors</b>
<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>	<i>per m<sup>2</sup> of BA</i>
Road	\$80.49	\$40.24
Water	18.85	9.43
Sanitary Sewer	6.62	3.31
Open Space	0.00	0.00
Drainage	13.07	0.00
<b>Total</b>	<b><u>\$119.03</u></b>	<b><u>\$ 52.98</u></b>

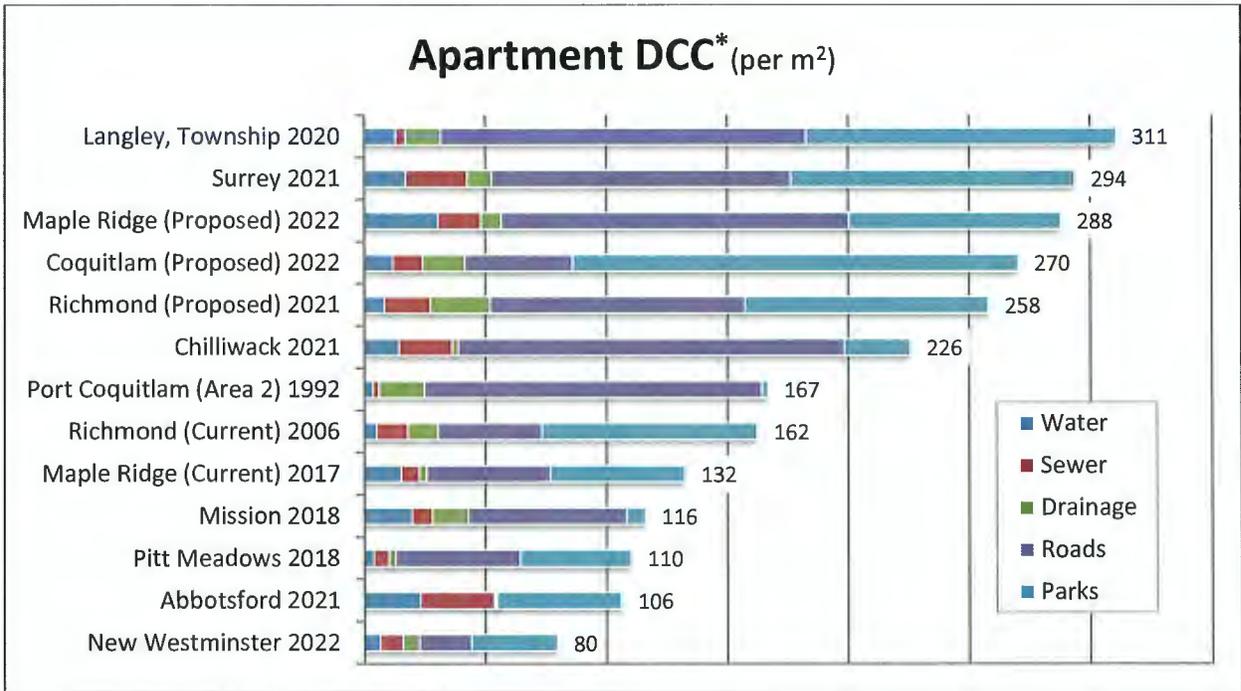
<b>Institutional</b>	<b>Non-Municipal</b>	<b>Municipal</b>
<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>	
Road	\$12.79	\$0
Water	9.44	0
Sanitary Sewer	5.52	0
Open Space	0	0
Plus	<i>per ha. of gross site area</i>	
Drainage	52,268	0

<b>Industrial</b>	
<u>Servicing Type</u>	<i>per m<sup>2</sup> of BA</i>
Road	\$26.83
Water	11.55
Sanitary Sewer	6.76
Open Space	0.00
Drainage	13.20
	<b><u>\$58.34</u></b>

## DCC Rate Comparisons

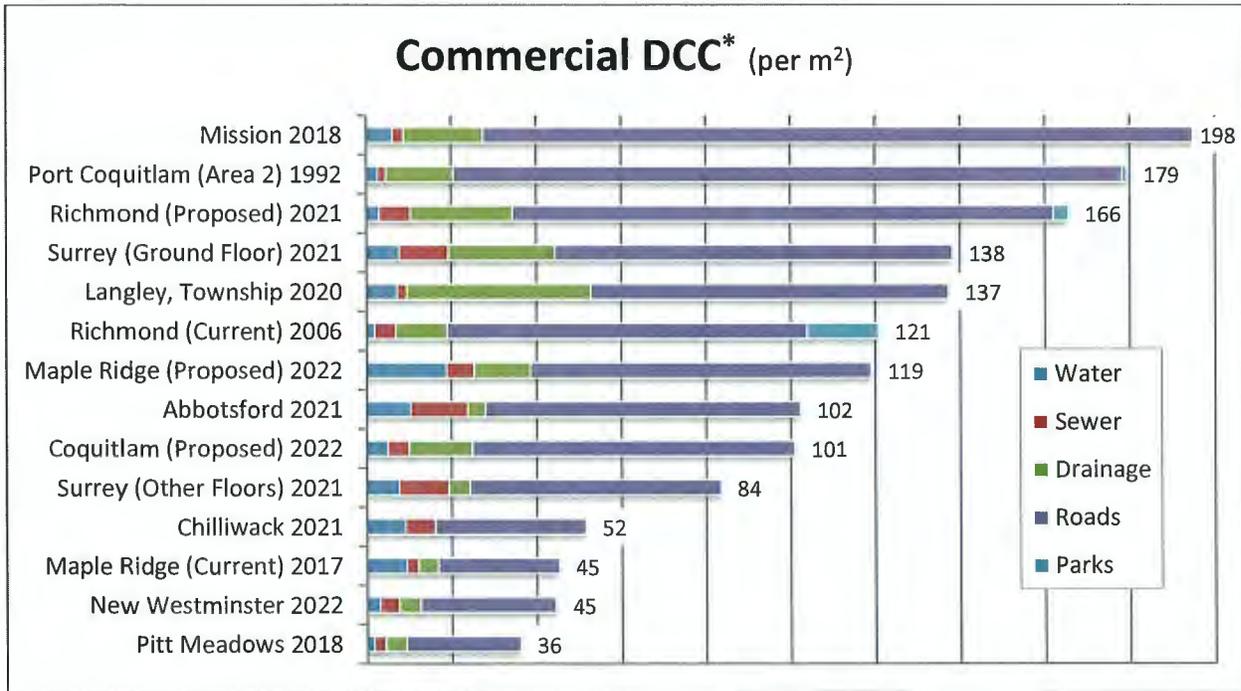


\* Unit to m<sup>2</sup>: Abbotsford, Coquitlam, Chilliwack, Langley, Pitt Meadows, Port Coquitlam  
 \* ft<sup>2</sup> to m<sup>2</sup> : New Westminister, Richmond, Surrey

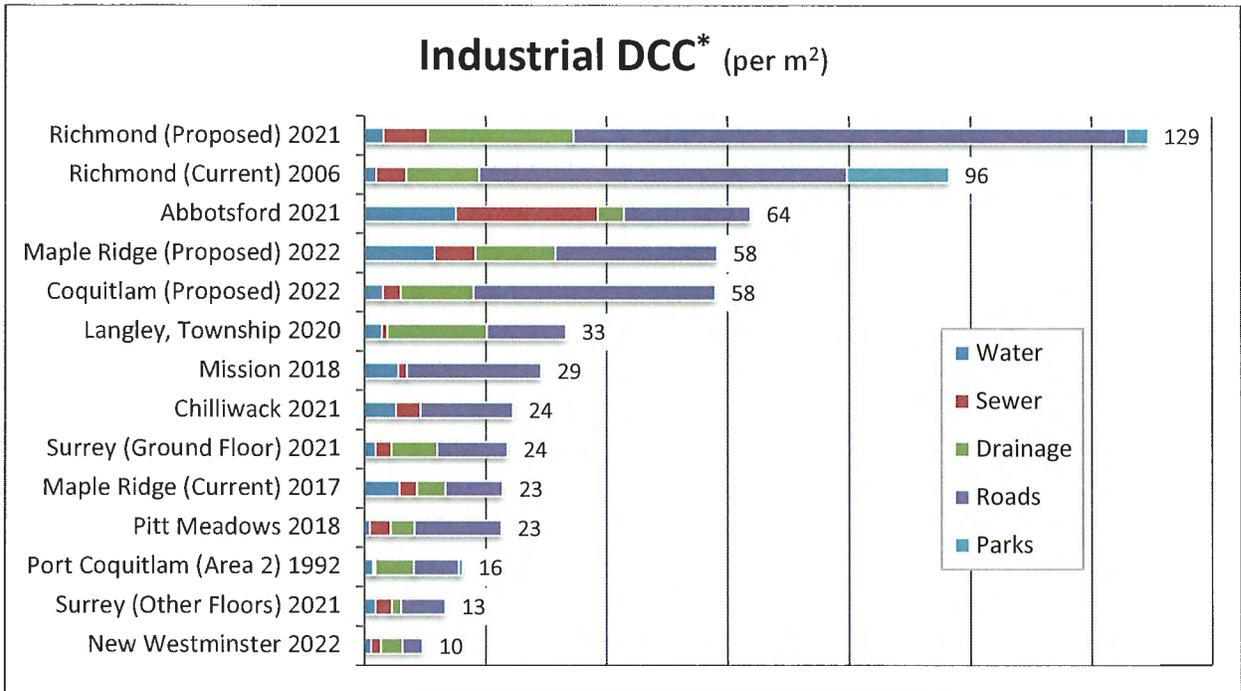


\* Unit to m<sup>2</sup>: Abbotsford, Coquitlam, Chilliwack, Langley, Pitt Meadows, Port Coquitlam

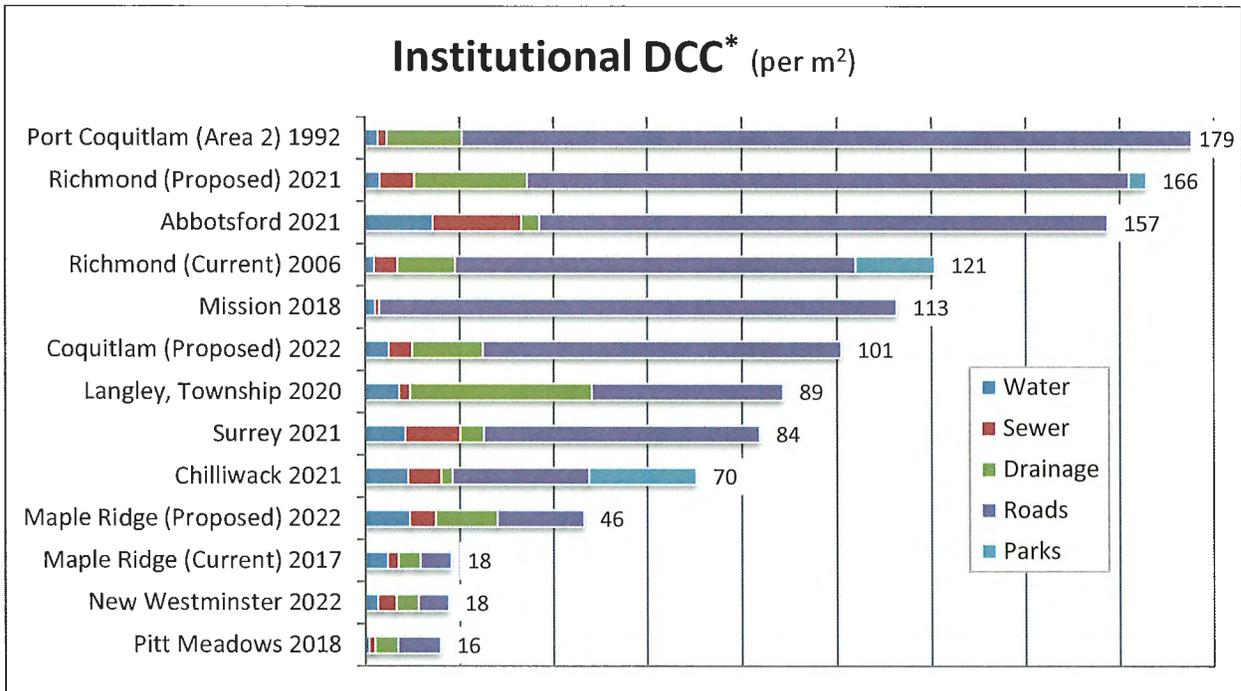
\* ft<sup>2</sup> to m<sup>2</sup> : New Westminster, Richmond, Surrey



\* ft<sup>2</sup> to m<sup>2</sup> : New Westminster, Richmond, Surrey



\* ft<sup>2</sup> to m<sup>2</sup> : New Westminster, Richmond, Surrey



\* ft<sup>2</sup> to m<sup>2</sup> : New Westminster, Richmond, Surrey

Maple Ridge Rate Comparison Existing to New Proposed Rate

Development Type	DCC	New DCC	Increase	Increase %	Unit Basis
Single Family Residential / Duplex	\$22,465	\$50,686	\$28,221	126%	Dwelling Unit
Townhouse	\$134	\$297	\$163	121%	Sq. m. of BA
Townhouse Street	\$122	\$262	\$140	115%	Sq. m. of BA
Apt. - Low to Med. Density	\$132	\$288	\$155	117%	Sq. m. of BA
Apt- High Density	\$109	\$231	\$122	112%	Sq. m. of BA
Apt - Affordable Below Market	\$120	\$252	\$132	110%	Sq. m. of BA
Apt. - Social/Affordable Senior & Sig. Bel	\$49	\$100	\$51	105%	Sq. m. of BA
Commercial	\$45	\$119	\$74	163%	Sq. m. of BA
Industrial	\$23	\$58	\$36	156%	Sq. m. of BA
Institution - Non-municipal	\$72,890	\$185,832	\$112,942	155%	Ha. of GSA