



Finance Committee

Anderson Room, City Hall
6911 No. 3 Road

Monday, April 7, 2025

Immediately following the Open General Purposes Committee
meeting

Pg. # ITEM

MINUTES

FIN-2 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on March 3, 2025.*

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FINANCE AND CORPORATE SERVICES DIVISION

1. **2024 ANNUAL DEVELOPMENT COST CHARGES REPORT**
(File Ref. No. 03-0905-01) (REDMS No. 7972828)

FIN-4

See Page FIN-4 for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the staff report titled, "2024 Annual Development Cost Charges Report," dated March 7, 2025 from the Director, Finance be received for information.

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, March 3, 2025

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Carol Day
Councillor Laura Gillanders
Councillor Kash Heed
Councillor Andy Hobbs
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 5:50 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on February 3, 2025, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **ANNUAL PROCUREMENT REPORT**

(File Ref. No. 02-0745-01) (REDMS No. 7907708)

It was moved and seconded

Finance Committee
Monday, March 3, 2025

That the staff report titled, “2024 Annual Procurement Report”, dated February 10, 2025 from the Director of Finance, be received for information.

The question on the motion was not called as in response to queries from Committee, staff advised that (i) staff will provide a memorandum with respect to the scope of work undertaken by Street and Sidewalk Vegetation Control Services, and (ii) approximately 98 percent of contracts are awarded to an entity based in Canada, with the majority in the lower mainland.

The question on the motion was then called and it was **CARRIED**.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:54 p.m.).

CARRIED

Certified a true and correct copy of the
Minutes of the meeting of the Finance
Committee of the Council of the City of
Richmond held on Monday, March 3,
2025.

Mayor Malcolm D. Brodie
Chair

Raman Grewal
Legislative Services Associate



City of Richmond

Report to Committee

To: Finance Committee
From: Mike Ching, CPA, CMA
Director, Finance
Date: March 7, 2025
File: 03-0905-01/2025-Vol
01
Re: 2024 Annual Development Cost Charges Report

Staff Recommendation

That the staff report titled, "2024 Annual Development Cost Charges Report," dated March 7, 2025 from the Director, Finance be received for information.

Mike Ching, CPA, CMA
Director, Finance
(604-276-4137)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Development Applications	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

In compliance with section 569 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30th, with information from the previous year. The DCC report must include the following, reported under subsection (2) of section 569 for which the local government imposes development cost charges in the applicable year:

- (a) *the amount of development cost charges received;*
- (b) *the expenditures from the development cost charge reserve funds;*
- (c) *the balance in the development cost charge reserve funds at the start and at the end of the applicable year;*
- (d) *any waivers and reductions under section 563 (2).*

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

The City's 2024 Annual DCC Report covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program;
- (ii) 2024 DCC reserve fund balances;
- (iii) 2024 DCC credits;
- (iv) 2024 and 2025 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2024 Annual Development Cost Charges Report includes contribution amounts for which the City holds a Letter of Credit from the developer, where the cash will be received in the future based on the defined payment schedule. The Report does not include amounts received as of December 31, 2024 that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

New DCC rates established through the Development Cost Charges Imposition Bylaw No. 10558 were approved by Council on July 8, 2024, with an inflationary rate increase of 4.3%. Staff is in the process of updating the DCC bylaws to align with the new provincial housing legislation introduced through Bill 46, and once approved, these changes will be reflected in future reports.

March 7, 2025

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A copy of the 2024 Annual Development Cost Charges Report, which will be available for public viewing on the City's website before June 30, 2025 as per legislation, is attached for information.

Financial Impact

None.

Conclusion

The attached 2024 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 569 of the *Local Government Act*.



Cindy Gilfillan, CPA, CMA
Manager, Financial Reporting
(604-276-4077)

Att. 1: 2024 Annual Development Cost Charges Report

City of Richmond
**2024 Annual Development
Cost Charges Report**

For the year ended December 31, 2024

CITY OF RICHMOND

2024 ANNUAL DEVELOPMENT COST CHARGES REPORT

This 2024 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond (“City”) pursuant to Section 569 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City’s DCC Program
- II. 2024 DCC Reserve Fund Balances
- III. 2024 DCC Credits
- IV. 2024 and 2025 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

I. DESCRIPTION AND PRINCIPLES OF THE DCC PROGRAM

What is the purpose of the DCC Program?

The purpose of the DCC Program is to provide the municipality with a dedicated source of funding to plan, develop and implement infrastructure services identified by the City. The objective of the DCC program is to ensure that those who will use and benefit from the services developed will pay their share of the costs in a fair and equitable basis. The DCC program is one of the many pieces of the City’s broader community development framework. It is developed in ways that are consistent with the City’s long-term planning objectives and financial strategies.

What are DCC’s?

DCC’s are levies placed on new development to assist in financing the cost of upgrading or providing infrastructure services, as well as supporting the cost of acquiring and developing parkland needs in order to accommodate the growing population.

Capital projects include but are not limited to:

- New or widening of existing arterial roads, improvements to traffic signals, sidewalks, walkways, bicycle lanes, upgrades to transit-related road infrastructures and traffic safety projects;
- Upgrades to watermain, pressure reducing valve stations, drainage pipes, box culverts, drainage pump stations, canals, sanitary sewers and sanitary pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.).

CITY OF RICHMOND

2024 ANNUAL DEVELOPMENT COST CHARGES REPORT

What are the guiding principles in developing the DCC program?

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating that development. The City's DCC program has been developed to be consistent with the following legislation, plans, and policy guides:

- *Local Government Act*
- Development Cost Charges Best Practices Guide
- City of Richmond Official Community Plan (OCP)
- Urban Futures Community-Level Projections of Population, Housing & Employment
- City of Richmond Parks and Open Space Strategy
- City of Richmond City Centre Transportation Plan
- City of Richmond City Centre Area Plan (CCAP)
- City of Richmond Employment Lands Strategy
- City of Richmond Trail Strategy
- City of Richmond Hamilton Area Plan Update

Furthermore, to ensure that affected stakeholders are informed about the DCC program, the City is required to consult, receive and consider comments from representatives of the development industry. Representatives include members from the Urban Development Institute (UDI), Homebuilders Association Vancouver (HAVAN), National Association of Industrial and Office Properties (NAIOP), and local homebuilders and developers.

How are DCC rates derived?

The City began the DCC process by determining the amount of growth expected to occur based on the City's OCP. Using the growth projections for residential, commercial, industrial, and institutional developments, the City identified specific infrastructure needs to accommodate this growth. The corresponding estimated costs formed the basis of the DCC program.

New DCC rates established through the Development Cost Charges Imposition Bylaw No. 10558 were approved by Council on July 8, 2024, with an inflationary rate increase of 4.3%.

How are DCCs used?

Funds collected through the DCC program are deposited in a separate reserve account. These funds may only be used to pay for the expenditures of the capital project or finance the costs related to debt incurred for the capital project.

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2024 ANNUAL DEVELOPMENT COST CHARGES REPORT

DCC cannot be used for costs incurred to operate and maintain parks, roads, water, sanitary, and drainage infrastructure already in place to serve the existing residents of the City, or to replace infrastructure if the replacement is not capacity-driven as a result of development.

How are costs allocated to growth and existing users?

To achieve the objective of promoting growth and ensure the use of a fair and equitable basis of allocating costs, the costs of the DCC are allocated between growth and the existing population. The benefit allocation represents the benefit received from the DCC projects to the entire community and is paid for through tax or other City sources.

II. 2024 DCC RESERVE FUND BALANCES

The City records and maintains separate accounts for each DCC reserve fund. The following table provides a continuity schedule of each DCC reserve fund (by service) for the 2024 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>				
	January 1 Balance	Transfers In	Interest Earned	Transfers Out/Adj	December 31 Balance
City-Wide:					
Drainage	\$ 54,896	\$ 6,212	2,527	(71)	\$ 63,564
Parks Acquisition	50,562	9,558	1,171	(57,993)	3,298
Parks Development	11,494	6,990	608	(2,046)	17,046
Roads	72,183	16,207	3,288	(9,691)	81,987
Sanitary Sewer	33,663	3,631	1,548	(1)	38,841
Water	10,739	1,398	484	(649)	11,972
Total City-Wide	\$ 233,537	\$ 43,996	9,626	\$ (70,451)	\$ 216,708
Local Area - Alexandra:					
Drainage	\$ 1,804	\$ 40	78	\$ -	\$ 1,922
Parks Acquisition	1,134	377	58	-	1,569
Parks Development	466	47	20	-	533
Roads	3,799	349	173	-	4,321
Sanitary Sewer	612	17	28	-	657
Water	282	8	12	-	302
Total Local Area	\$ 8,097	\$ 838	\$ 369	\$ -	\$ 9,304
Total DCC Reserve	\$ 241,634	\$ 44,834	\$ 9,995	\$ (70,451)	\$ 226,012

Note: all amounts are unaudited, and balances include committed amounts approved by Council through the Capital Budget.

CITY OF RICHMOND
2024 ANNUAL DEVELOPMENT COST CHARGES REPORT

2024 DCC CREDITS

Drainage

No credits for drainage were issued during 2024.

Parkland Acquisition

No credits for parks acquisition were issued during 2024.

Parkland Development

No credits for parks development were issued during 2024.

Roads

No credits for parks development were issued during 2024.

Sanitary Sewer

No credits for sanitary sewer were issued during 2024.

Water

No credits for water were issued during 2024.

CITY OF RICHMOND
2024 ANNUAL DEVELOPMENT COST CHARGES REPORT

III. 2024 and 2025 DCC PROGRAMS

Drainage

The projects in the Drainage DCC Program include upgrades to box culverts, dikes, drainage pipes and pump stations.

A summary of the projects funded by the Drainage DCC during 2024 and the projects set to begin in 2025 is contained in Appendix 1.

Parkland Acquisition and Park Development

The projects in the Parks Acquisition DCC Program include acquisition and internal repayments for park land and open space required to meet the needs of the City's growth. The projects include park planning and development as well as new playgrounds. Areas impacted include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC during 2024 and the projects set to begin in 2025 is contained in Appendix 2.

Roads

The projects in the Roads DCC Program include new/widening of roads, intersection and traffic signal improvements, selected arterial improvements, pedestrian and cyclist improvements, transit-related road infrastructure, traffic safety projects and internal repayments.

A summary of the projects funded by the Roads DCC during 2024 and the projects set to begin in 2025 is contained in Appendix 3.

Sanitary Sewer

The projects in the Sanitary Sewer DCC Program include upgrades to sanitary sewers, forcemains and pump stations.

A summary of the projects funded by the Sanitary Sewer DCC during 2024 and the projects set to begin in 2025 is contained in Appendix 4.

Water

The projects in the Water DCC Program include upgrades to watermains and pressure reducing valve stations.

A summary of the projects funded by the Water DCC during 2024 and the projects set to begin in 2025 is contained in Appendix 5.

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2024 ANNUAL DEVELOPMENT COST CHARGES REPORT

IV. WAIVERS AND REDUCTIONS

Section 563 of the *Local Government Act* provides the option for municipalities to exempt or waive DCC for the following classes of eligible development:

- Not-for-profit rental housing, including supportive living housing;
- For-profit affordable rental housing;
- A subdivision of small lots that is designed to result in low greenhouse gas emission; and
- A development designed to result in a low environmental impact.

Any waivers made under this section would require the City to pay an equivalent amount from other non-DCC funding sources. During 2024, no waivers or reductions were requested or granted.

V. MUNICIPAL ASSIST FACTOR

The *Local Government Act* requires that the existing municipality provides a contribution to help growth in meeting its service cost obligations. In determining the municipal assist factor, the City considers the following factors:

- Future land use patterns and development;
- Phasing of works and services;
- Whether the charges are excessive in relation to the capital costs of prevailing standards of service;
- Whether the costs will deter development; or
- Whether the charges will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land.

Based on the above factors and the assessment that the majority of the capital improvements are a result of new growth, the City's municipal assist factor has been set at 1% which is the minimum amount the City may contribute. The assist factor is separate from the portion of the infrastructure cost that is allocated based on the benefit received to the population at large.

While the City leverages new development to pay for the growth-related infrastructure assets, only capital programs identified in the approved DCC plan can be funded by DCCs. In addition to growth, a DCC-approved capital project can also benefit the existing population. In accordance with the *Local Government Act*, the City is responsible for paying for the portion of the total infrastructure cost that benefits the existing population, through tax or other funding sources, and the one per cent municipal assist factor to assist future growth in paying its share of the DCC infrastructure costs. The City funding related to the Drainage, Water and Sanitary Sewer DCC programs will be funded by their corresponding capital reserves. The City funding for Roads, Parks Acquisition and Parks Development DCC programs will be funded by the Capital Reserve (Revolving Fund).

DRAINAGE – 2024 Expenditures

This table summarizes all projects approved in 2024 and earlier that had expenditures funded by the Drainage DCC during 2024:

Location	Type of Infrastructure / Description
City Wide	Disaster Mitigation

DRAINAGE – 2025 Projects

This table summarizes all projects funded by the Drainage DCC that have been approved in the 2025 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Dike Upgrade Designs

PARKS – 2024 Expenditures

This table summarizes all projects approved in 2024 and earlier that had expenditures funded by the Parks DCC during 2024:

Location	Type of Infrastructure / Description
City Wide	Advanced Planning & Design
City Wide	Community Gardens
City Wide	General Development
Minoru Park	Lakes renewal and development of neighbourhood park
City Wide	Parkland Acquisition
Garden City Community Park	Park Development
London Steveston Neighbourhood School Park	Park Development
Middle Arm Waterfront Greenway	Park Development
King George/Cambie Community Park	Park Development
City Wide	Parks Identity Signage Program
Paulik Neighbourhood Park	Parks Renewal
City Wide	Playground improvements
Steveston Community Park	Playground improvements

PARKS – 2025 Projects

This table summarizes all projects funded by the Parks DCC that have been approved in the 2025 Capital Budget:

Location	Type of Infrastructure / Description
Minoru Park	Clement Track Assessment and Improvement Concept
City Wide	Parks Advance Planning and Design
City Wide	Parks General Development
Hugh Boyd Community Park	Playground Renewal

ROADS – 2024 Expenditures

This table summarizes all projects approved in 2024 and earlier that had expenditures funded by the Roads DCC during 2024:

Location	Type of Infrastructure / Description
City Wide	Active Transportation Improvement Program
City Wide	Advanced Design
City Wide	Arterial Roadway Improvement Program
City Wide	LED Street Name Sign Program
No 2 Rd	Multi-Use Pathway
Garden City	Multi-Use Pathway
Steveston Hwy	Multi-Use Pathway
Westminster Hwy	Multi-Use Pathway
City Wide	Neighbourhood Walkway Program
City Wide	Railway Crossings
City Centre-Sexsmith Road to Brown Road	Sexsmith Road/Brown Road Bike Route
City Wide	Special Crosswalk Program
City Wide	Top 20 Collision Prone Intersections- Implementation of Medium-/Long-term Improvements
City Wide	Traffic Calming Program
City Wide	Traffic Signal Power Backup System (UPS)
City Wide	Traffic Signal Program
City Wide	Traffic Video and Communication Program
Cambie Rd	Transit Roadways Improvement Program
City Wide	Transit Roadways Improvement Program
City Wide	Transit-Related Amenity Improvement Program
City Wide	Transportation Planning, Functional and Preliminary Design

ROADS – 2025 Projects

This table summarizes all projects funded by the Roads DCC that have been approved in the 2025 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Active Transportation Improvement Program
City Wide	Arterial Roadway Improvement Program
City Wide	Neighbourhood Walkway Program
City Wide	Special Crosswalk Program
City Wide	Top 20 Collision Prone Intersections- Implementation of Medium-/Long-term Improvements
City Wide	Traffic Calming Program
City Wide	Traffic Signal Power Backup System (UPS)
City Wide	Traffic Signal Program
City Wide	Traffic Video and Communication Program
City Wide	Transit-Related Roadway Improvement Program
City Wide	Transportation Planning, Functional and Preliminary Design
City Wide	Public Works Infrastructure Advanced Design

SANITARY SEWER – 2024 Expenditures

This table summarizes all projects approved in 2024 and earlier that had expenditures funded by the Sanitary Sewer DCC during 2024:

Location	Type of Infrastructure / Description
City Wide	Public Works Infrastructure Advanced Design

SANITARY SEWER – 2025 Projects

This table summarizes all projects funded by the Sanitary Sewer DCC that have been approved in the 2025 Capital Budget.

Location	Type of Infrastructure / Description
City Wide	Public Works Infrastructure Advanced Design

WATER – 2024 Expenditures

This table summarizes all projects approved in 2024 and earlier that had expenditures funded by the Water DCC during 2024:

Location	Type of Infrastructure / Description
City Wide	Watermain replacement

WATER – 2025 Projects

This table summarizes all projects funded by the Water DCC that have been approved in the 2025 Capital Budget:

Location	Type of Infrastructure / Description
City Wide	Watermain replacement upgrades