

To: CAO for the Electoral Area Services Committee

Date: 2019-12-10

From: Robin Beukens, Planner I

File No: 3920-20

Subject: Development Application Fees Bylaw Update

RECOMMENDATION

THAT the Fraser Valley Regional District Board consider giving three readings and adoption to the bylaw cited as the "*Fraser Valley Regional District Development Application Fees Bylaw No. 1560, 2019*".

STRATEGIC AREA(S) OF FOCUS

Provide Responsive & Effective Public Services

Foster a Strong & Diverse Economy

Support Healthy & Sustainable Community

BACKGROUND

The Development Application Fees Bylaw is being brought forward with amendments to update the bylaw, in particular the fees charged. The Development Application Fees Bylaw was last updated in 2013. Staff estimated the time and associated costs for staff to process each application type, while also considering that some application types are more in the private interests of the applicant, while others have a strong public benefit. A comparison scan was also completed of the development application fees charged by FVRD municipalities and nearby regional districts.

DISCUSSION

Legislation

The *Local Government Act* provides the legislative basis for local governments in BC to impose fees and charges for development applications. Section 462 (1) lists the types of planning and development applications fees can be applied to. Section 462 (2) addresses how fees can be determined, stating "A fee imposed under section (1) must not exceed the estimated average costs of processing, inspection,

advertising and administration that are usually related to the type of application or other matter to which the fee relates". Based on this legislation, the new proposed fees are based on the estimated costs incurred by the FVRD, as opposed to benchmarking against other local governments. The proposed bylaw is included as Attachment 1.

Process for Determining New Fees

Planning and Engineering staff estimated the amount of time required for each application as well as expenses incurred in application processing. The times were averaged out and then a cost per hour was applied to determine the total staff time for each type of application. The results, as well as the new proposed fees, are shown in Attachment 2. Applications of the same type can vary significantly in the amount of staff time required, depending on the nature of the application. This is a rough means of estimating actual costs, but the best available and fulfills the legislative requirement for determining appropriate fee amounts. The estimated cost to the FVRD is shown in Attachment 1, along with the new proposed fees.

Private versus Public Benefit

Another consideration in establishing the new fee amounts was how much each type of application is in the private or public interest. A major share of development application processing costs is absorbed by the public. It is appropriate to consider then, the public and private benefits of development application processes.

Some applications, such as development variance permits and site specific exemptions are considered to benefit the private interests of the applicant considerably, but have little public benefit. Other applications, such as development permits for riparian areas or geohazards, have strong public benefit related to environmental protection and public safety. For applications where the private interest of the applicant is high and the public benefit low, the recommended fee is set at full cost recovery. Applications that have a high level of benefit to the public interest have lower application fees and consequently a greater amount of the application processing costs are borne by the public through property taxes.

Proposed New Fees

Table 1 below shows the type of application, current and proposed fees, the estimated level of public benefit, and rationale for the new fee amounts. The level of public benefit is rated as low, medium, or high. This is a blunt means of assessing public vs. private interest, but is meant to help contextualize why some of the fee increases are more than others.

Table 1:

Application		Current Fee	Proposed	Level of Public Benefit	Rationale
Rezoning	Up to three dwelling units	\$2,500	\$2,800	Medium	There is significant benefit to the applicant in terms of land value increase. Some benefit to the FVRD of an increased tax base, community engagement from public meetings.
	Up to 10 dwelling units	\$5,000	\$5,500		
	11 or more dwelling units	\$7,500	\$8,300		
	Campground, resort, assembly, commercial, institutional, industrial	\$5,000	\$6,000		
	All other zones	\$2,500	\$2,800		
Official Community Plan Amendment		\$3,500	\$4,000	Medium	There is significant benefit to the applicant in terms of land value increase. Some benefit to the FVRD of an increased tax base and community engagement from public meetings. The reduced fee for OCP amendments accompanying zoning amendments has been removed to simplify the fee structure and move closer to cost recovery.
Major OCP Amendment		\$20,000	\$20,000	Medium	Fee staying the same. These are large applications that usually have major demands on staff time. There is significant benefit to the applicant in terms of land value increase. Some benefit to the FVRD of an increased tax base and community engagement from public meetings.
Development	Permit	\$250	\$300	High	Benefit is predominantly public in

(Geohazard, Environmental, Riparian)				terms of public safety and environmental protection. Applicants are required to complete what can be expensive reports. Keeping the fee low acknowledges this and the public benefit.
Development Permit for other DPAs (e.g. Form and Character)	\$350	\$500	Medium	Benefit both public and private. Less public benefit than geohazard or riparian protection development permits.
Development Variance Permit	\$350	\$1,300	Low	The benefit of the application is almost or entirely private, with the applicant granted approval to develop in variance to the FVRD bylaws. Little to no benefit to the public except in having a consistent public process for variance request. In the future, the need for routine development variances (i.e. for minor height increases, accessory building area, etc.) will be reduced through zoning bylaw amendments.
Development Variance Permit for building built without Building Permit	\$400	\$1,600	Low	The benefit of the application is almost or entirely private, with the applicant granted approval to develop in variance to the FVRD bylaws. Little to no benefit to the public. Some increased staff time costs for dealing with an already existing development.
Development Variance Permit with Advisory Planning Commission	\$350	\$1,800	Low	The benefit of the application is almost or entirely private, with the applicant granted approval to develop in variance to the FVRD bylaws. Little to no benefit to the public.

					Increased staff expenses for preparing for and attending a meeting with a Planning Advisory Commission.
Temporary Use Permit – Issue		\$1,500	\$1,800	Medium-Low	Dependent on the type of use, but usually more in the private interest than public interest as the applicant is granted a use they wish to have that would otherwise not be permitted.
Temporary Use Permit – Renewal		\$750	\$1,000		
Site Specific Exemption		\$400	\$1,300	Low	The benefit of the application is almost or entirely private, with the landowner getting increased development flexibility through the exemption. Some potential risk to the FVRD to have developments that are provided an exemption to the Flood Plain Bylaw.
Subdivision Application Review	Application	\$250	\$500	Medium	There is significant benefit to the applicant in terms of land value increase.
	Each proposed parcel	\$150	\$250		Some benefit to the FVRD of an increased tax base. Subdivision Approving Authority is the Ministry of Transportation and Infrastructure, who also collect a fee for the application as well.
Land Use Information Letter	Single family (per property)	\$100	\$100	Low	Fees are minimal and estimated at cost recovery for staff time.
	Other	\$200	\$200		

Other edits to the bylaw beyond fee changes:

- Some of the definitions for what constitutes a major OCP amendments were changed, and some new definitions for what constitutes a major OCP amendment were added.
- Land use contract applications were removed. These were introduced in earlier provincial legislation and are planned to be phased out entirely in the near future. OCP and/or rezoning

applications will address any existing land use contracts. There are currently very few of these in the FVRD.

- New type of application for development variance permits involving an advisory planning commission.
- Environmental site profile review was removed from the fee structure. These situations arise infrequently.

Comparison with other municipalities:

A comparison scan of planning application fees (Attachment 3) was completed examining the fees charged by the City of Abbotsford, City of Chilliwack, District of Mission, District of Kent, Village of Harrison Hot Springs, District of Hope, the Regional District of Nanaimo, and the Thompson-Nicola Regional District. There is considerable diversity between the different local governments and it is not always possible to make a direct comparison of application fees, depending on the types of applications the local government receives and how the local government charges and breaks down application types.

The chart is intended to provide some comparison context for the current and proposed FVRD development application fees. It was not used to inform the new proposed fees.

For further comparison, two mock applications were assessed to examine the fee for a development proposal requiring multiple types of development applications for each local government listed above. This is shown in Table 2 below.

Table 2:

Example Application	FVRD old fees	FVRD new fees	Abbotsford	Chilliwack	Mission	Kent	Harrison	Hope	RDN	TNRD
OCP map, Residential rezoning map, 3 lot (0.5 ha each) subdivision in geohazard DPA	\$5,350	\$8,350	\$7,930	\$3,460	\$6,864	\$5,000	\$4,750	\$6,750	\$3,300	\$3,900
Two lot subdivision requires a DVP	\$950	\$2,300	\$3,020	\$1,675	\$3,681	\$2,000	\$1,500	\$2,650	\$1,300	\$1,100

COST

As outlined in the report, the increase in fees is intended to move closer towards cost recovery. Full cost recovery is targeted for applications that primarily benefit the applicant and not the broader public.

CONCLUSION

A new Development Application Fees Bylaw is being proposed to replace the existing bylaw. As per the legislation, this was developed by estimating the expenses incurred by the FVRD. The public and private interests for each type of application were also considered and informed the proposed fees.

OPTIONS

Option 1 –Staff recommend that Fraser Valley Regional District Board consider giving three readings and adoption to the bylaw cited as the "*Fraser Valley Regional District Development Application Fees Bylaw No. 1560, 2019*". MOTION: That the proposed "*Fraser Valley Regional District Development Application Fees Bylaw No. 1560, 2019*" be given first, second and third reading. That the proposed bylaw "*Fraser Valley Regional District Development Application Fees Bylaw No. 1560, 2019*" be adopted.

Option 2 – Refer to Staff -- If the Board wishes to refer the bylaw back to staff to address outstanding issues, the following motion would be appropriate: MOTION: THAT the Fraser Valley Regional District refer the bylaw cited as the "*Fraser Valley Regional District Development Application Fees Bylaw No. 1560, 2019*" to FVRD staff.

COMMENTS BY:

Graham Daneluz, Director of Planning & Development

Reviewed and Supported.

Development application processes benefit both the private interests of the applicant and the broad interests of the public. Accordingly, costs for application processing are shared between the applicant through fees and the public through property tax requisition to support the EA Planning service.

A rough estimate is that in 2017/18, 20-30% of overall application processing costs were covered by application fees paid by the applicant. The public paid the majority of costs. In some cases this is

appropriate. However, where development applications confer benefits that are primarily private, the applicant should bear a larger share of the costs.

The proposed development application fees will shift costs to applicants where the benefits of the development are primarily private and in all cases reduce the overall gap between fee revenues and application processing costs.

Mike Veenbaas, Director of Financial Services

Reviewed and supported.

Jennifer Kinneman, Acting Chief Administrative Officer

Reviewed and supported.