



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Council**

From: **Finance Department**

Bylaw No: **8527**

Date: **August 18, 2025**

Inflationary Amendment to Development Cost Charges Bylaw

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATION:**

THAT first, second and third readings be given to Development Cost Charges Bylaw No. 7560, 2017, Amendment Bylaw No. 8527, 2025.

▪ **PURPOSE:**

The purpose of this report is to obtain Council's approval to increase Development Cost Charges rates by 2.6%, in line with 2024 Vancouver CPI, and to provide an update on recent legislative changes.

▪ **BACKGROUND:**

Development Cost Charges (DCCs) are a financing tool that allows local governments to collect fees from developers to help fund the infrastructure required to support new growth. Currently, Delta collects DCCs to enhance or expand water, sewer, drainage, roads, and parks amenities.

In 2023, City of Delta undertook a major amendment to Delta Development Cost Charges Bylaw No. 7560, 2017. The amendment came into effect in January 2024 for new applications and updated DCC rates based on revised growth estimates, added new DCC eligible infrastructure projects to support growth, revised cost estimates for existing projects, and redefined land use categories and units of charge. A subsequent amendment in January 2025 established a new effective date of March 22, 2025 for the 2023 Delta DCC rate increases to align with Metro Vancouver's DCC increases.

▪ **DISCUSSION:**

Best practices recommend a minor DCC bylaw review every few years, and a major update every 5 years. The *Local Government Act* (LGA) also permits an annual inflation increase to DCC rates, based on the local inflationary index. Inflation updates are permitted for a maximum of four years without the approval of the Inspector of Municipalities.

This is Delta's first proposed annual rate increase, so it may be completed without approval from the Inspector of Municipalities or community consultation.

Staff propose a 2.6% increase to DCC rates, in line with the 2024 Vancouver CPI rate, with an effective date of January 1, 2026. The change will help ensure Delta's rates keep pace with inflation with minimal financial impact on development projects. A comparison of current and proposed rates is provided in Attachment A. Delta's DCC rates will continue to be among the lowest in the region. In accordance with the LGA and Delta's DCC Bylaw, in-stream applications will receive protection from DCC rate increases for one year from the amendment effective date.

To facilitate the increase, staff recommend first 3 readings be given to Delta Development Cost Charges Bylaw No.7560, 2017, Amendment Bylaw No. 8527, 2025 (Attachment B).

Legislative Changes

In late 2023, the LGA was amended to broaden the scope of eligible DCC categories to include fire, police, solid waste and recycling facilities. At that time, the province introduced Amenity Cost Charges (ACCs) to help fund a broader set of amenities such as community centres, recreation facilities, libraries, day cares, and public spaces that are not DCC eligible. Delta's bylaws will require updating in future with approval from the Inspector of Municipalities to allow for the collection of these new categories. Staff are currently reviewing guidance from the Province and opportunities to consider these new categories and will report back to Council at a later date.

To support and accelerate residential development, Delta Council adopted a resolution at the May 26, 2025 Regular meeting, requesting the Minister of Housing and Municipal Affairs review existing legislation to allow greater flexibility in the timing of DCC collection and provide new mechanisms to secure collection at occupancy. Staff subsequently sent a letter to the Minister, including this resolution, advocating for these changes.

In July 2025, the Minister released proposed amendments to the DCC collection regulations. These include extending the timeline for developers to pay DCCs through instalments and introducing the option for qualified developers to provide on-demand surety bonds as security for those instalments. The changes are anticipated to come into effect January 1, 2026 at which time the City will implement the related updates to its DCC collection process. Bylaw amendments are not required.

Implications:

Financial Implications - City of Delta collected an average of \$2.4 Million in DCC revenue from 2020 to 2024. The proposed 2.6% rate increase is estimated to generate an additional \$60,000 in DCC revenue annually. It is important to note that this estimated impact is subject to the scope of development and timing of application submissions. Annual DCC revenue may vary significantly, ranging from \$0.9 to \$3.4 Million between 2020 and 2024.

▪ **CONCLUSION:**

Staff propose to increase DCC rates by 2.6%, in line with 2024 Vancouver CPI. This minor DCC update can be completed without review from the Inspector of Municipalities or consultation with the development community. Delta's DCCs rates would continue to be among the lowest of peer municipalities. To facilitate the rate increase, staff recommend that first, second and third readings be given to Delta Development Cost Charges Bylaw No. 7560, 2017, Amendment Bylaw No. 8527, 2025.



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NC/lb/eg

This report has been prepared in consultation with the following listed department.

Concurring Department		
Department	Name	Signature
Development	Doreann Mayhew	DM

▪ **ATTACHMENTS:**

- A. Development Cost Charge Rate Comparison
- B. Delta Development Cost Charges Bylaw No. 7560, 2017, Amendment Bylaw No. 8527, 2025