

Memo



Date: Dec 23/09
File: 3150-00
To: City Manager
From: General Manager, Community Services
Subject: DCC Bylaw Farm Property Interpretation Policy

Recommendation:

THAT Council approves a new Council Policy being a Development Cost Charge Bylaw Farm Property Interpretation Policy No. 353.

Background:

As a result of provincial legislative changes, in 2008 City Council approved changes to the DCC Bylaw to allow DCC charges to apply to developments of less than 4 residential units. This has allowed staff to collect DCC fees from developments such as individual residential units and duplexes. This better recognizes that all new developments within the community creates a demand on the city's infrastructure (roads, parks, water, and wastewater).

Staff has found there are unique situations that arise in agricultural areas that require special consideration particularly relating to housing for full time and part time farm help and also where tourist accommodation is being provided. Legally Council must deal with farm housing consistent with housing forms in other land use zones. The proposed policy formally addresses those uses and the criteria applied.

The proposed policy covers all potential new building construction situations that can occur on agricultural land in addition to the housing situations. The policy will provide direction to staff and those choosing to develop on agricultural land.

The policy directions are as follows:

- 1) Construction of a single family home on a vacant agricultural parcel will trigger the applicable single family DCC charges.
- 2) Where the existing home on agricultural land is converted to house farm help and a new home is being constructed on the property, the DCC charge will vary depending on the size of the existing home. If the existing home is less than 90m² then the size is consistent with the Secondary Suite Rate and that rate will apply (currently \$2500). Otherwise a single family DCC rate will apply. As well, the owner will have to register a covenant with a commitment that the farm help housing will only be for farm help and not for rental revenue.
- 3) Where the housing is being constructed strictly for farm help:
 - a. Where individual units for seasonal farm help are being constructed and are under 90m² then the Secondary Suite Rate shall apply and a covenant will be registered restricting the use of the units for the farm help.
 - b. Where farm help is proposed to be housed in a single large building then a single family DCC rate will be applied. Again the covenant will be registered against the building.

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- 4) For various non residential buildings likely to be constructed on farm land:
 - a. Livestock housing buildings - No DCCs
 - b. Farm Equipment Storage - No DCCs
 - c. Crop Processing Buildings - Industrial DCC rate
 - d. Kennels, Riding Stables, Fruit and Vegetable stands, Cottage Wineries, Veterinary Services, Commercial Nursery, home based businesses space - commercial DCC rates would apply
- 5) Agricultural Tourism
 - a. Farm Inn - If the units have individual kitchens then Residential rates apply, without kitchen then Commercial rates
 - b. Any Tourism housing buildings of value over \$50,000 - then residential rates will apply depending on the size.

The rates proposed reflect the loadings these types of buildings place on the city's infrastructure consistent with other buildings constructed within the City. It also recognizes that unique construction occurs on agricultural land to accommodate the staffing and facility needs of the agricultural industry. It is understood that where the development does not use City water or sanitary sewer facilities that there would be no DCC charge for those infrastructure.

Internal Circulation:

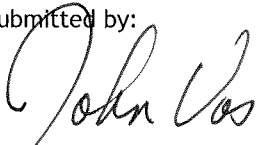
Director of Development Services, Director of Land Use Management, Director of Financial Services, Subdivision Approving Officer, Building and Permitting Manager

Existing Policy: none

Considerations not applicable to this report:

- Financial/Budgetary Considerations:
- Personnel Implications:
- Technical Requirements:
- External Agency/Public Comments:
- Communications Considerations:
- Alternate Recommendation:
- Legal/statutory Procedural Requirements:
- Legal/Statutory Authority:

Submitted by:



John Vos, P. Eng.
General Manager, Community Services

CC: All internal circulation



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250 469-8500
kelowna.ca

Council Policy

Development Cost Charge Bylaw - Farm Property Interpretation

APPROVED @

RESOLUTION:
REPLACING: NA
DATE OF LAST REVIEW: January 2010

Under the City of Kelowna Development Cost Charge Bylaw No. 9095, the bylaw allows for Development Cost Charges (DCC's) to apply to developments of less than four residential units **which** allows collecting DCC fees from developments such as individual residential units and duplexes. The primary role is to clarify **that** the applicable DCC charges are for farm help housing as well as for tourism housing. The policy identifies all potential DCC charges that are applicable to the many uses on agricultural lands.

GUIDELINES

- 1) Construction of a single family home on a vacant agricultural parcel will trigger the applicable single family DCC charges.
- 2) Where the existing home on agricultural land is converted to house farm help and a new home is being constructed on the property the DCC charge will vary depending on the size of the existing home. If the existing home is under 90m² then the size is consistent with the Secondary Suite Rate and that rate will apply (currently \$2500). Otherwise a single family DCC rate will apply. As well the farm help building will have to register a covenant with a commitment that the farm help housing will only be for that purpose.
- 3) Where the housing is being constructed strictly for farm help:
 - a. Where individual units for seasonal farm help are being constructed and are under 90m² then the Secondary Suite Rate shall apply and a covenant will be registered for the farm help.
 - b. Where farm help is proposed to be housed in a single large building then a single family DCC rate will be applied. Again a covenant will be registered against the building.
- 4) For various non residential buildings likely to be constructed on farm land:
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 - d. Kennels, Riding Stables, Fruit and Vegetable stands, Cottage wineries, Veterinary Services, Commercial Nursery, home based businesses space – commercial DCC rates would apply
- 5) Agricultural Tourism
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 - b. Any Tourism housing buildings of value over \$50,000 – then residential rates will apply depending on the size.

REASON FOR POLICY

To provide direction to staff and potential developers.

LEGISLATIVE AUTHORITY

Local Government Act, Part 26, Division 10.

PROCEDURE FOR IMPLEMENTATION

Implementation through various City staff.