POLICY REPORT
URBAN STRUCTURE

Date: April 30, 2003
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Meeting Date: May 13, 2003

TO: Vancouver City Council

FROM: Director of City Plans and Director of Financial Planning and Treasury, in consultation with the Director of Current Planning, the General Manager of Engineering Services, the Director of the Housing Centre, the Director of Social Planning, the General Manager of the Park Board, and Director of Legal Services

SUBJECT: Financing Growth - Paying for Facilities to Serve a Growing Population: The Role of City-Wide Charges on New Development

RECOMMENDATIONS

A. THAT Council receive this report and refer the following Recommendations and Consideration items for public delegations to be heard.

B. THAT for the City-Wide Development Cost Levy (Vancouver DCL), Council approve the following:

B1. Increase DCL rates, to increase the proportion of growth costs recovered from new development:

- ***Multi-family residential: From $2.50/square foot ($26.91/square metre) to $5.00/square foot ($53.82/square metre)***
- ***Commercial: From $2.50/square foot ($53.82/square metre) to $5.00/square foot ($21.52/square metre)***
- ***Industrial: From $1.00/square foot ($10.76/square metre) to $2.00/square foot ($21.52/square metre).***

B2. For schools (k-12) maintain the rate at $0.51/square foot ($5.49/square metre); and for daycare reduce the rate from $0.51/square foot ($5.49/square metre) to $10.00/Building Permit.

B3. ***Expand the exemption for social housing to include rental or co-op housing owned and operated by a non-profit housing society or housing co-op, secured by a City Housing Agreement.***

B4. ***For non-profits, provide DCL relief, where considered necessary, to non-profit-owned facilities that are already approved for a Civic Capital Grant, with DCL relief in the form of additional grant money, to pay back some or all of their DCL.***

B5. ***For Downtown Eastside development (area of tripartite Vancouver Agreement), report back on whether the DCL rate should be lower than for the rest of the City-Wide DCL, after receiving the consultant economic impact analysis.***

B6. ***Provide a grace period of one year from approval of these recommendations before DCL rate increases come into effect. Rate reductions will take effect on approval of the appropriate revisions to the DCL By-law.***

B7. ***Allocate DCL revenues among project categories, in the same proportion as growth costs:***

- ***Park 41%***
- ***Replacement housing 32%***
- ***Transportation 22%***
- ***Childcare 5%***

And, make the allocation percentages effective at the same time as DCL rate increases.

B8. ***In each 3-year Capital Plan cycle, provide each project category with DCL revenue in the same percentages as its long-term allocations (see B7).***

B9. ***Spend only DCL revenue that is available -- i.e., establish a pay-as-you-go policy for DCL expenditures for the next Capital Plan cycle, rather than borrowing, and review this approach based on experience.***

B10. ***Apply the following criteria for individual expenditures of City-Wide DCL revenue. Projects should be:***

- ***DCL-eligible capital project categories identified in the allocations: parks, replacement housing, transportation, and daycare;***
- ***In the City-Wide DCL boundary;***
- ***Needed due to city-wide growth, or anticipated growth;***

- *Part of a city-wide system of facilities and services, and will help maintain City service standards across the city;*
- *Secured for long-term service use, through appropriate mechanisms, such as City ownership; Housing Agreements, or covenants; and*
- *In response to Council- (or Park Board-) approved plans and policies, based on public input, including city-wide plans and Community Visions.*

B11. ***Since growth needs cannot be met by DCL revenues alone, combine DCL revenue with Capital Plan funds for overall program expenditure, to work toward meeting growth needs and to provide the required "municipal assist"; and integrate DCL spending with the Capital Plan process as described in this report.***

B12 ***Limit the addition of layered area-specific DCLs (that apply in addition to the City-Wide DCL), generally to areas where there is a new area-wide plan or zoning for growth, and additional growth-related facilities are required that are not covered by Community Amenity Contributions or other sources, as described in this report.***

B13. ***Request the Director of Legal Services to report back, for enactment, revisions to the Vancouver DCL By-law arising from the previous recommendations, where authorized by the Vancouver Charter .***

B14. ***Request Charter amendments from the Provincial government, arising from this report, and summarized in Appendix A - generally to remove the DCL exemption for less than 4 residential units; to permit exemptions for small additions, City-owned buildings, and heritage transferred bonus density; to permit the City to use DCL revenue to help pay DCL system administration and implementation costs; and to provide more clarity for transportation definitions. And, following approval of any of these requests, staff to report back to Council for direction on follow-up work.***

B15. ***Make DCL rates subject to periodic rate review (every 3 years), taking into account inflationary factors affecting construction costs and land values, and other relevant factors; review whether any changes to the City-Wide DCL should apply to area-specific DCLs (e.g., reduced daycare rate); revisit allocations when new information is available affecting growth costs.***

C. ***THAT for the City-Wide Community Amenity Contribution (CAC) Policy, Council approve the following:***

C1. ***Continue to secure amenities when additional density is achieved from rezonings, through a consistent City-Wide CAC framework, using both the flat rate and negotiation, as follows:***

- ***Standard rezonings: Flat rate CAC - rate remaining at $3.00/sq. ft.($32.29/square metre) on the additional density approved by the rezoning.***
- ***Non-Standard rezonings: reported to City Council, on a case by case basis, to determine whether to apply the flat rate or a negotiated approach.***

C2. ***Reduce the site size for large site rezonings, classified as Non-Standard, from 10+ acres, to 5+ acres - unless located in a Community Vision_designated Neighbourhood Centre/Shopping Area, where large sites would be defined as 2+ acres.***

C3. ***Make rezonings on the Downtown peninsula Non-Standard.***

C4. ***Make rezonings that change the land use from commercial to residential Standard/flat rate (unless on large sites or Downtown).***

C5. ***Continue to exempt rezonings for non-residential change of use (unless on large sites or Downtown).***

C6. ***Exempt small sites that are rezoned from single family, where the new zone is residential, or institutional; the new density is less than apartment density (up to 1.35 FSR); and the site size is less than one full city block.***

C7. ***Exempt (along with heritage, social housing, and places of worship which are already exempt):***

- ***Social housing to include rental or co-op housing owned and operated by a non-profit housing society or housing co-op, secured by a City Housing Agreement.***
- ***Housing Demonstration Projects (as defined in City policy).***
- ***Community facility rezoning where the facility is: providing City-related social and/or cultural services; operated by a non-profit society; open and accessible to all; accepted by the City as a Community Amenity; and secured through a legal agreement and/or land ownership.***
- ***Public schools (k-12).***

C8. Make revisions to the City-Wide CAC Policy effective for rezoning applications submitted beginning in six months from the date of Council approval of these recommendations.

C9. As the purpose of CACs is to secure amenities through rezonings, and rezonings are localized changes to land use, the amenities provided should serve the immediate site and/or community in which the rezoning occurs. The specific amenity must be approved by City Council, and should be determined according to the guidelines provided in this report related to public input, Community Visions or other area or city-wide plans, and evaluation of a full range of City service needs.

D. THAT staff notify the development industry and the general public of the approved DCL and CAC changes.

E. THAT Council approve the creation of one permanent full-time Planner II to coordinate and expedite work on Financing Growth implementation, as described in Appendix B, at an annual cost of $75,600. The total cost for fiscal 2003 (six months) including salary, fringe benefits and computer is $39,800 to be funded from existing Community Services budgets. Future funding for this position to be added to the Community Services Operating budget without direct offset beginning in fiscal 2004. Position subject to classification by the Director of Human Resources.

CONSIDERATION

THAT, should Council wish to increase the time period before higher DCL rates become effective beyond one year, Council could amend the timing as follows:

F. A two-step DCL rate increase: the first increase to become effective in one year: from $2.50/sq. ft. to $4.00/sq. ft. for commercial and residential and from $1.00/sq. ft. to $1.60/sq. ft. for industrial; and the second increase to become effective six months later: from $4.00/sq. ft to $5.00/sq ft for commercial and residential and from $1.60/sq. ft. to $2.00/sq. ft. for industrial.

THAT Council consider whether or not more projects should be eligible for DCL revenue, and either:

G. Continue as is - DCL revenue can only be used for the currently eligible facilities: parks, childcare, replacement housing, and specified engineering infrastructure (transportation, sewer, water, drainage)

OR

H ***Request a Charter change to expand the list of facilities that the City can use DCL revenue for, to include all City-owned facilities that provide public services and have growth costs: community centres, libraries, cultural facilities, social service facilities, and fire and police facilities.***

CITY MANAGER'S COMMENTS

This report has been prepared through an interdepartmental process and has involved community and business interests. It seeks to meet the City's sustainability objectives by balancing the needs for environmental, economic, and social sustainability. The recommendations provide a way to maintain community livability while not compromising economic vitality as the city grows and changes. The recommendations seek to share the burden of paying for City facilities and services fairly between new development and existing development in a way which meets the needs of the present without compromising the choices for our children and future generations. The City Manager RECOMMENDS approval of the foregoing, and puts forward F, and G or H for CONSIDERATION.

COUNCIL POLICY

To address increased demands for City services as a result of new residential and employment growth, in January 1999, Council adopted two types of interim city-wide charges on new development, to help pay for new facilities:

- ***The Interim City-Wide Development Cost Levy (DCL), for all new development to help pay for specified growth-related costs:***
  - *S* ***A charge of $2.50 per square foot in residential and commercial areas, and $1.00 per square foot for industrial areas, taking effect in January 2000; and***
- ***The Interim City-Wide Community Amenity Contribution (CAC) Policy, to secure additional amenities from privately-initiated rezonings where additional density is approved:***
  - *S* ***For "Standard" rezonings, a flat rate of $3.00 per square foot, charged on the additional density created by the rezoning; and for "Non-Standard" rezonings, City Council determines whether to charge the flat rate, or follow a site-specific negotiated process to define the amenities to be provided.***

Council also approved the Financing Growth Review for a more complete look at the growth costs and how to best use development charges in the overall City context. The interim charges were to remain in effect until the completion of the Financing Growth Review.

In June 2002, Council referred "Financing Growth - Paying for facilities to serve a growing population: the role of city-wide charges on new development" for broad public discussion, with a report back due in 2003.

SUMMARY AND PURPOSE

Vancouver has been growing and will continue to grow. More people will place more demands on parks, daycare, affordable housing, libraries, transportation, community centres, and other City facilities. A key issue is how to accommodate growth without deterioration in the level of amenities and services for those who live and work here already, as well as for those who are the new residents and employees.

Charges on new development are a way for new development to contribute to the costs of new facilities needed to serve the growing number of residents and employees. These types of charges have evolved gradually in Vancouver over the past two decades, starting in sub-areas being planned for new growth (e.g., North False Creek, Downtown South).

By the year 2000, this had left a piecemeal pattern of development charges in the city. Only some areas had development charges. Most of the city did not. Yet, growth will occur across the whole city. To help pay for the increased demands for City services as a result of city-wide growth, City Council introduced a city-wide system of interim charges on new development:

- an Interim Development Cost Levy (DCL) for all development, and
- an Interim Community Amenity Contribution (CAC) Policy for rezonings.

The interim charges cover the area referred to as the City-Wide Area. This excludes areas already covered by area-specific DCLs, CACs, and related agreements. (See map in Background section of this report.)

To accompany the interim charges, City Council also asked staff to undertake the Financing Growth Review. This work, under the Director of City Plans and Director of Financial Planning and Treasury, involved an Interdepartmental Team and a public multi-stakeholder Resource Group. An economic consultant was also commissioned to look at DCL and CAC economic impacts.

In June 2002, a draft discussion report, "Financing Growth - Paying for City facilities to serve a growing population: the role of city-wide charges on new development," was presented to Council.

The June 2002 report provided information for the first time on city-wide growth costs, and how they fit into the City budget context, and addressed issues of who pays development charges, how much, and how the revenue is used. The report described a set of specific questions about City-Wide DCLs and CACs, and presented policy choices, with their implications, and preliminary staff recommendations.

Council received the June report and referred the policy choices and preliminary staff recommendations for broad public process, for report back in 2003. During the public process, staff sent out brochures, maintained a web site, placed newspaper ads, met with over 30 community and business and development groups, and hosted a public workshop attended by over 80 people.

Submissions were received from: 100+ individuals (mostly residents and community group members); six business and development groups; and the Heritage Commission, the Health Authority, and the School Board. (Public input is summarized in Appendix D.)

Public input was broadly supportive of the staff-recommended policy choices from the June Financing Growth report. Over 90% of individuals and four of six business and development groups supported increasing the DCL rate charged on new development, to a higher rate than the Interim rate. On other policy choices, individual input was also very supportive, while business and development groups were varied - from the Board of Trade support for almost all staff recommendations (especially on DCLs) to the National Association of Office and Industrial Properties who did not support most of the staff-preferred policy choices.

Staff are now bringing to Council, in this report, the results of the public input and the final staff recommendations. The Park Board will review the report at its meeting of May 12 and Council will be informed of the outcome of this consideration. It is also recommended (Recommendation A) that the report be referred so that public delegations can be heard by Council.

The staff recommendations in this report are very similar to those in the June discussion report, and are summarized below. (Appendix C identifies recommendations that differ from the June report.)

DCLs: These are a charge on all new development to help pay for new capital facilities needed due to growth. DCL recommendations are:

- Increase DCL rates, to increase recovery of growth costs (from 1/3 of costs, to 2/3):
  - $2.50/sq. ft. to $5.00/sq. ft. for residential and commercial, and
  - $1.00/sq. ft. to $2.00/sq. ft. for industrial areas;
- Request Charter amendment to charge a DCL on less than 4 units, currently exempt.
- Expand rate relief somewhat, where the City has a role:
  - City-owned public service facilities (e.g., community centres, libraries, fire, police), a Charter amendment request.

  - Social housing (now a required exemption under the Charter): to include non-profit rental & co-op - with Housing Agreement.
  - Transferred heritage bonus density: request Charter amendment to exempt.
  - Non-profits - that receive Civic Capital Grant: pay DCL, but may receive some or all as grant back.
  - Keep lower rate for schools (k-12) - with a proposed Charter amendment to limit the lower rate to public schools. No lower rate for other senior government health or education facilities;
- Downtown-Eastside [tripartite Vancouver Agreement area]: possible lower rate depending on economic impact study;
- Provide a one-year grace period before higher rates come into effect. Lower rates to come into effect as soon as appropriate by-law revisions approved;
- Periodic review of rates in line with inflation;
- Revenue to be allocated in proportion to each project's growth costs (41% park, 32% housing, 22% transportation, 5% daycare);
- Allocations apply in short term, as well as long term (each project has its share of revenue as revenue comes in); and
- Revenues used for city-wide, growth-related priorities, and based on city-wide plans and policies, and area plans/community visions.

A question for Council is whether or not to seek a Charter amendment so that DCL revenue can be used for a wider range of facilities, such as community centres and libraries, or remain focussed on currently eligible facilities, parks, daycare, replacement housing, engineering infrastructure.

CACs: Community Amenity Contributions are quite different from DCLs. They are community amenities provided when additional density is approved by City Council through a rezoning. CACs may be used for a wider variety of purposes than DCLs. CAC recommendations are:

- Maintain City-Wide CAC structure, balancing the certainty of a flat rate, with the flexibility of a site-specific negotiation, by classifying rezonings into three types:
  - Standard rezonings: The flat rate applies (flat rate remains at $3.00/sq.ft. - on the additional density approved by the rezoning);
  - Non-Standard rezonings: Council decides on case-by-case basis whether flat rate, or negotiated; and
  - Exempt rezonings: No CAC applies (e.g., social housing, heritage);
- Reclassify some rezonings. E.g., for large sites to be considered Non-Standard rezonings, reduce the threshold size from 10 acres to 5 acres, and to 2+ acres in Community Vision designated Neighbourhood Centre/Shopping Areas; and
- CACs to be provided on the site and/or in the community impacted by the rezoning.

BACKGROUND

Vancouver has been growing and will continue to grow under current regional and City plans and zoning. More people will place more demands on parks, libraries, transportation, community centres, and other City facilities. A key issue is how to accommodate growth without deterioration in the level of amenities and services for those who live and work here already, as well as for those who are the new residents and employees.

Charges on new development have evolved gradually in Vancouver over the past two decades. In several sub-areas of the city, policies and by-laws were put in place in the 1980s and 90s for new development to help pay for new facilities. These focussed on newly planned areas, such as North False Creek, Downtown South, and the new Arbutus Neighbourhood

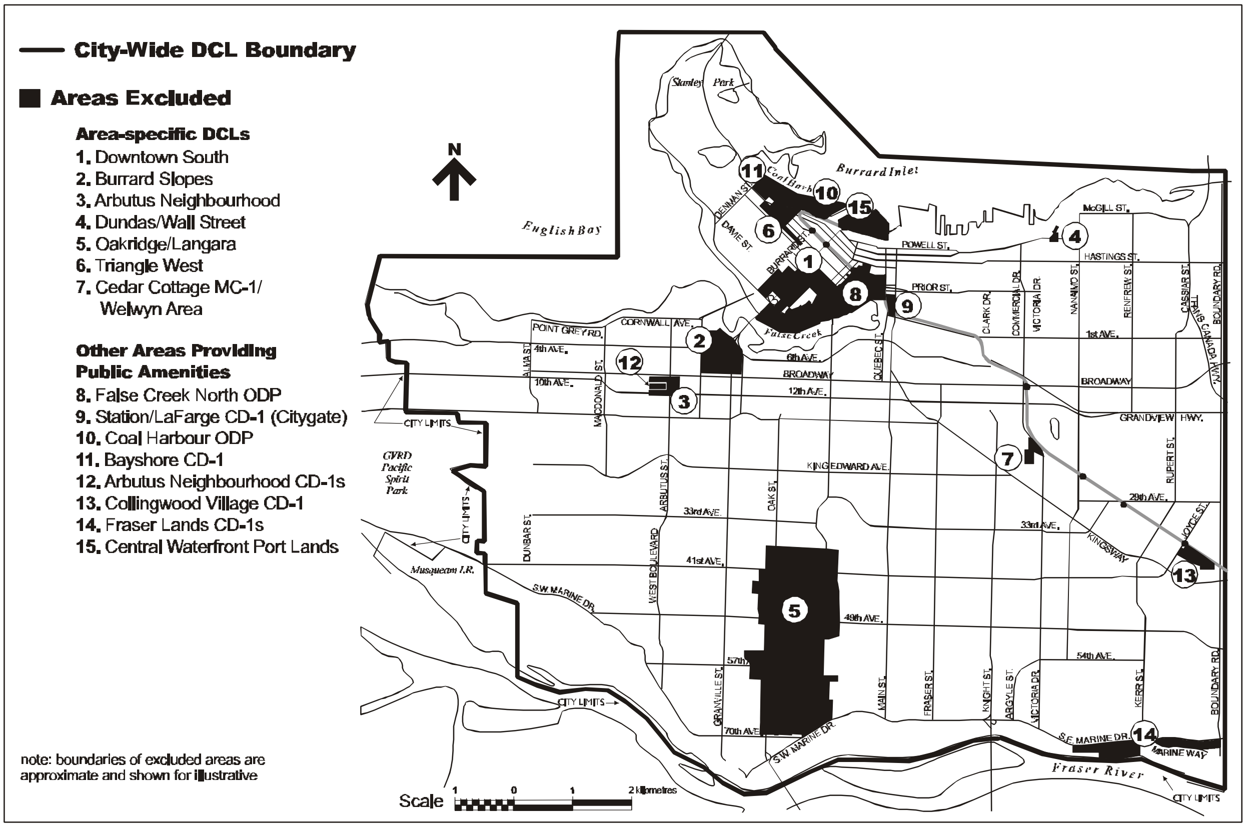
By the year 2000, this had left a piecemeal pattern of development charges in the city. Most of the city did not have a mechanism for new development to contribute to growth costs. Yet, growth will occur across the whole city. To help pay for the increased demands for City services as a result of city-wide growth, City Council introduced a city-wide system of interim charges on new development:

- an Interim Development Cost Levy (DCL) for all development, and
- an Interim Community Amenity Contribution (CAC) Policy for rezonings.

The interim charges cover the area referred to as the City-Wide Area (white area on map below). This excludes areas already covered by area-specific DCLs, CACs, and related agreements.

To accompany the interim charges, City Council also asked staff to undertake the Financing Growth Review. The work, under the Director of City Plans and Director of Financial Planning and Treasury, involved an Interdepartmental Team, including representatives from Housing, Social Planning, Cultural Affairs, Engineering, Parks Board, Library, Police, Fire, Real Estate, and a liaison staff from the School Board. Staff also commissioned two studies on DCLs and CACs by Coriolis Consulting, on market impacts and market implications. These studies used literature reviews, empirical evidence, and specific development pro formas. A copy of the studies is available for reference in the City Clerk's office.

A public multi-stakeholder Resource Group, composed of community members and members of the development industry, met with staff on a monthly basis, to review information, help identify questions that needed to be answered, make sure a full range of policy choices was included, and improve the understandability of the material.



In June 2002, the Financing Growth discussion report, "Financing Growth - Paying for City facilities to serve a growing population: the role of city-wide charges on new development," was presented to Council. The report provided information for the first time on city-wide growth costs, and how they fit into the City budget context. The report described policy choices for DCLs and CACs, addressing who pays, how much, and how the revenue is used.

The June report was guided by principles for DCLs and for CACs, based on the Interim City-Wide charges, the previous experience with DCLs and CACs in some sub-areas of the city, and on the province's Best Practices Guide. These DCL/CAC system principles, in summary, are:

- Maintain community livability as the city grows.
- Require new development to contribute to paying for its growth costs and impacts.
- Share the burden of paying for City facilities and services fairly between new development and existing development, and among various types of developments.
- Provide for consistency with other City policies, such as heritage and social housing.
- Check economic impact so as not to deter development or harm housing affordability.

- Provide a system that is city-wide and that is consistent and predictable for both the development industry and community.
- Provide certainty of rates for most new development, and allow for flexibility where there are special opportunities and situations in some rezonings.
- Make the system as transparent and simple as possible.
- Develop and implement the system with broad input from all stakeholders.

Council received the June 2002 draft Financing Growth report and referred the policy choices for broad public process, for report back in 2003. The public process consisted of:

- An introductory letter and brochure mailed to over 300 community, business, and development groups in October; and a public workshop invitation mailed in January.
- Copies of the brochure in all libraries and community centres.
- Notices in the Weekly Planning update, and in the DCL and CAC Information Bulletins, including on-line versions on the City web site.
- A Financing Growth web site as part of the City website.
- Coordination and cross-reference with the Capital Plan public material leading up to the November Capital Plan plebiscite.
- Newspaper ads in eight community and weekly newspapers (including newspapers in other languages): one ad at the beginning of the public process in the fall, and a second ad prior to the January public workshop.
- Public Service Announcements on the "Greater.Vancouver." t.v. show.
- Staff meetings with 30+ community and business groups - see Appendix D.
- The Public Workshop in January 2003, attended by 80+ people.
- A Feedback Form, including an on-line version, for individuals and groups to use to provide their input on the specific choices described in the Financing Growth June report.

As a result of the public review, input has been received from the following:

- 100+ individuals (mostly residents and community group members).
- Six business and development groups: Urban Development Institute (UDI); Board of Trade, Economic Development Commission, National Association of Office and Industrial Properties (NAOIP), the Gastown Business Improvement Society, and Chinatown Business Improvement Association.
- The Heritage Commission, the Health Authority, and the School Board (input specific to DCL rates and CAC policies affecting their facilities).

Details on the public input are in Appendix D. A binder containing all written submissions and comments received from the public is available for reference in the City Clerk's office.

The Park Board will review the report at its meeting of May 12 and Council will be informed of the outcome of this consideration.

DISCUSSION

This section summarizes the policy choices from the Financing Growth June 2002 draft report, and, for each topic, describes the public input and staff recommendations. More details and research findings related to the recommendations can be found in the full Financing Growth June 2002 report and Technical Supplement. The recommendations in this report are for the most part the same as in the June report. (A summary list of differences is provided in Appendix C.)

The two main sections below are **Development Cost Levies** and **Community Amenity Contributions.** For each sub-section , the related Recommendation reference is noted in the sub-title. Some of the recommendations can take effect immediately. Others require a Charter amendment request to the Province. The latter are grouped under one recommendation, but are discussed separately below.

DEVELOPMENT COST LEVIES (DCLs)

DCLs are very structured in their application based on legal requirements in the Vancouver Charter. They are a charge on all new development to help pay for new capital facilities needed due to growth. The revenue can only be used for specified projects: parks, replacement housing (housing to replace affordable rental housing lost through redevelopment), daycare, transportation, and sewer, water, and drainage. DCLs help to pay for the initial capital costs of new facilities when growth occurs, while property taxes fund the on-going costs of operating and maintaining services.

DCLs must be based on a calculation of how much it will cost to provide the new capital facilities to serve the expected growth. For this study, expected growth was based on current zoning, and on CityPlan and the City's Regional Context Statement. Costs for new facilities for this growth were determined using existing City standards, plans, policies, and service levels. Contributions from other sources (e.g., senior government) were subtracted to arrive at net costs of growth to the City. These net costs are the growth costs referred to in the rest of this report.

DCLs - PART ONE: WHAT SHARE OF GROWTH COSTS SHOULD NEW DEVELOPMENT PAY?

This is the first and key topic of the Financing Growth report. With DCLs in place, there is a mechanism for the capital costs of new facilities needed to serve growth to be shared primarily between property taxes and development charges. The share of growth costs paid by new development is determined by the DCL rates charged. This topic is discussed below, divided into the following four sections: **multi-family residential, commercial, industrial, and residential less than 4 units.**

! MULTI-FAMILY RESIDENTIAL DCL RATES (Recommendation B1)

Policy Choices
Multi-family residential accounts for most population growth. The June report described a range of policy choices, from the Interim rate of $2.50/sq.ft, which covers 1/3 of the growth costs, to a maximum of $7.50/sq. ft,. which would cover close to 100% of growth costs.

The preliminary staff recommendation in the June report was for $5.00/sq. ft, to cover 2/3 of growth costs.

Public Input
Over 90% of individuals and four of six business and development groups supported increasing the DCL rate from the Interim $2.50/sq. ft.

As for a specific rate, close to 70% of individuals supported an increase to at least $5.00/sq. ft., with $5.00 receiving the most support. The business and development groups varied in their preferred rate, from NAOIP and Gastown BIS support of maintaining the Interim $2.50, to the Board of Trade's support of $5.00, with the UDI in between at $4.00.

Both the UDI and Board of Trade made their support of higher rates contingent on a longer phase-in period than the one year staff had recommended. The UDI also asked that a new rate to be effective only after a comprehensive review of standards on which growth costs are based.

Recommendation
Staff recommend increasing the residential DCL from the Interim $2.50/sq.ft. to $5.00/sq.ft. because:

- It will increase the share of growth costs recovered from DCLs from 1/3 to 2/3. This is important because the Capital Plan alone does not have enough funding to maintain the level of services as population and jobs increase.
- It will bring the Vancouver residential rate from the lowest in the Greater Vancouver region, to equal the regional median.
- Consultant studies on the economic impact of DCLs by Coriolis concluded that rates in this range will not deter development nor impact housing affordability. This was based on two studies, using literature reviews, empirical evidence, and specific development pro formas.

Discussion on when new higher rates should come into effect (related to the UDI and Board of Trade public input) is found later in this report in the discussion related to Recommendation B6.

In response to concerns from the UDI about the standards on which the growth costs are based, staff note the following information:

- The growth-related needs are based on existing City policies, plans, and standards, generally continuing current service levels into the future.
- Even with the recommended rate increase, the DCL revenue will only recover 2/3 of the growth costs.

! COMMERCIAL DCL RATES (Recommendation B1)

Policy Choices
Growth costs from places of employment include the impacts of employees, clients, customers, and suppliers on transportation, daycare, and other City services. The June 2002 report described two policy choices: continuing with the same DCL rate for commercial as for residential, or a lower rate for commercial than for residential. Vancouver has always charged commercial and residential rates the same per square foot. Most other GVRD municipalities charge commercial less than residential.

The preliminary staff recommendation was to continue to charge the same for commercial as for residential.

Public Input
75% of the individuals agreed with charging the same DCL rate to both residential and commercial. Input from business and development groups was varied, with the Board of Trade and Gastown BIA supporting equal rates for both commercial and residential, and the Economic Development Commission, UDI, and NAOIP preferring a lower rate for commercial.

Issues raised by groups were: Vancouver's competitiveness with other municipalities in the region; the lack of national comparisons - i.e., competitiveness with other major cities; and the high commercial property tax rate compared to residential property tax rate.

Recommendation
Staff recommend charging commercial and residential at the same rate -- i.e., making the same increase in the commercial DCL rate as for residential, from $2.50/sq. ft. to $5.00/sq. ft., in order to have the same growth cost recovery for both - i.e., 2/3. Although a $5.00/sq. ft. rate will be above the suburban regional median, there are higher rates, particularly in Vancouver area-specific DCLs. The reasons for recommending a Vancouver commercial DCL rate at $5.00/sq. ft., the same as the residential rate, are:

- Studies indicate that, on a per square foot basis, Vancouver commercial development has similar growth costs to residential.

- The Corilois economic impact study noted that rates in this range would not deter commercial development or displace it to other areas.
- Vancouver has more employment and more employment growth than any other GVRD municipality. In the City-Wide DCL area, along with 50,500 residents, the growth figures call for 48,000 commercial employees, over the 25-year period of this study.
- Buildings in Vancouver increasingly serve a variety of commercial and/or residential functions, with live-work; work-live, and conversions from one use to another. The DCL is charged only once, when the building is first constructed.

To address questions raised by the Economic Development Commission on national competitiveness, staff did undertake further research. In particular, a recent study prepared for Toronto on global competitiveness identified six economic foundations for regional competitiveness: human resources, technology, financing, infrastructure (hard and soft), quality of life, and business climate. The business climate category relates most closely to DCL rates, as it includes tax levels, prices, and rents. But the study notes that this category plays a relatively small role compared to the other factors, and that its role is more within a region than between regions. Staff also observe that the revenue raised by DCLs contributes to the infrastructure and quality of life noted as important for competitiveness.
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The other concern raised by some business groups was property tax rates. The Vancouver commercial (business) property tax rate is higher than the residential rate, and higher than elsewhere in the GVRD, but compares favourably with other major cities. Council continues to approve transfers of the tax burden to reduce the residential-business differential. This is ongoing policy work related to property taxes.

! INDUSTRIAL DCL RATES (Recommendation B1)

Policy Choices
Typically industrial rates are lower than commercial, both in Vancouver and elsewhere in the GVRD. Only one choice/recommendation was put forward for this topic in the June 2002 report: that the DCL rate in industrial areas remain at 40% of the rate for residential and commercial because of lower service and amenity requirements in industrial areas.

Public Input
There was strong support that the industrial DCL rate should be 40% of the residential and commercial rate. With a $5.00/sq. ft rate for residential and commercial, this would be $2.00/sq. ft. for industrial areas. 75% of individuals supported an industrial rate of $2.00/sq. ft. or more. For development and business groups, the preferred rate ranged from the current Interim rate of $1.00/sq. ft. (NAOIP), to the staff recommendation of $2.00/sq. ft. (Board of Trade), with the other groups' recommendations falling in between.

Recommendation
Staff recommend remaining with an industrial rate that is 40% of the commercial-residential rate -- i.e., an increase of the current rate from $1.00/ sq.ft. to $2.00/sq.f t. for industrial areas. Although a $2.00/sq. ft. rate will be higher than the regional median of about $1.30, it will not be the highest in the region. (Industrial rates at or above $2.00/sq. ft. are charged in five other municipalities, including Richmond and Surrey.) The reasons for recommending an industrial area DCL of $2.00/sq.ft. in Vancouver are:

- It is in keeping with the overall cost recovery of 2/3 of growth costs. Industrial areas have a lower growth costs due to lower employee density and fewer amenities. (Industrial areas that vary from this norm, or have additional costs, such as sewer and water, have an additional area-specific DCL, e.g., False Creek Flats.)
- The Coriolis economic impact study noted that rates even up to $3.00/sq. ft. would not deter industrial development or displace development to other municipalities.

! DOWNTOWN-EASTSIDE DCL RATES (Recommendation B5)

A rate question raised during the public process was whether the recommended rate increases would be equally appropriate to the development economics of the Downtown-Eastside, where the tripartite Vancouver Agreement is in place. The consultant who did the economic impact analysis of DCL rates used a cross section of city areas for the analysis, but staff did not single out the Downtown Eastside in the consultant's initial terms of reference. However, the Downtown-Eastside is clearly distinct, and a separate consultant study is now underway, to be reported to Council before final DCL rates are put into place in a new DCL by-law. If different rates were to be put into effect in this area, they should be revisited periodically to assess whether they continue to be necessary.

! DCLs FOR LESS THAN 4 UNITS (Charter change - Recommendation B14)

Policy Choices
The Vancouver Charter does not give the City the power to charge DCLs on less than 4 units. This portion of new growth does not contribute to development charge revenues for needed new facilities. The June 2002 report put forward two policy choices: less than 4 units to remain exempt, or for the City to request a Charter amendment from the Province to permit charging all new development regardless of number of units.

The preliminary staff recommendation was for the Charter amendment.

Public Input
There was strong support from all groups and a large majority of individuals (over 80%) for requesting a Charter amendment to charge DCLs on developments with less than four units.

Recommendation
Staff recommend requesting the Charter amendment to permit charging DCLs on developments with less than four units. Currently there is no cost recovery through DCLs for the substantial growth created in Vancouver in these smaller developments:

- 30% of the target population growth will occur in new single-family houses with suites.
- Even without suites, new single-family houses are on average 1/3 larger, with on average one more person per unit than older houses.
- Other municipalities do charge development levies on new single family, two-, and three-unit development if they are part of a new subdivision. (Vancouver does not have this power, and in any event, most housing in Vancouver does not require subdivision.)
- The Coriolis economic impact study noted that rates being considered in the Financing Growth report would not affect housing supply and affordability. Depending on the rate, there may be some shift toward renovation, instead of demolition and new development.

If the City had the power to charge smaller developments, staff would recommend that the DCL rate be about 25% of the rate for multi-family residential and commercial, because new one-, two-, or three-unit development usually replaces an existing house. In addition, there is a staff recommendation for an accompanying Charter amendment request, to permit the City to exempt small additions.

DCLs - PART TWO: SHOULD INSTITUTIONS, HERITAGE, AND NON-PROFIT HOUSING HAVE DCL RELIEF?

The June 2002 report put forward a wide range of policy choices concerning whether various types of institutional uses, heritage, and social and non-profit housing should be exempt from DCLs or have a lower rate. This is a difficult issue because these types of facilities may provide services in response to growth. At the same time, they also have growth costs and impacts of their own. One important distinction is whether or not the City usually has a role in providing these facilities. For the June report, the facilities were divided into the following four categories: **City and DCL-eligible facilities, heritage, non-profit facilities, and senior government health and education facilities.**

! DCLs FOR CITY FACILITIES AND DCL-ELIGIBLE PROJECTS
(Recommendations B2, B3, B14)

Policy Choices
This category includes City buildings such as libraries and community centres. It also includes daycare and social housing on which the City has authority to spend DCL revenue. Currently the latter two are the only facilities with DCL relief. (Social housing is a required exemption under the Vancouver Charter. The City provides daycare with a lower rate.)
Policy choices in the June report ranged from limiting relief to expanding relief.

The preliminary staff recommendation was relief for all City facilities and DCL-eligible projects.

Public Input
Broad relief was supported by a large majority of individuals (close to 80%) and by three of the five business and development groups (Board of Trade, Economic Development Commission, and Chinatown BIA). More limited relief, or no relief, was favoured by the UDI and NAOIP.

Recommendation
Staff recommend expanding relief so that all City facilities are included, along with social housing and daycare. This is a case where the payer and collector of the DCLs are the same, so it makes sense for the City not to have to go through the motions of "paying itself."

For daycare which already has a lower rate of $0.51/square foot, the recommendation is to lower the rate to a nominal DCL rate of $10.00 per Building Permit.

For social housing which is already a required DCL exemption under the Vancouver Charter, the recommendation is to broaden the definition of what constitutes social housing. Until now there has been a limited definition, aimed at developments receiving senior government subsidies. Staff recommend including rental housing or co-op housing, owned and operated by a non-profit society or housing co-op and secured by a City Housing Agreement. This is to recognize changing government housing programs, and that housing developed by non-profit societies provides affordability over the long term.

For City-owned facilities, such as libraries, community centres, and cultural facilities, staff recommend a DCL exemption. This requires a request for a Charter change.

! DCLs FOR HERITAGE TRANSFERRED DENSITY (Charter change, Recommendation B14)

Policy Choices
Under the current DCL system renovations are exempt, and bonus density on a heritage site can receive relief through a Heritage Revitalization Agreement. However, when bonus density is transferred off-site, the full DCL is charged. The June report contained two choices: whether to keep the system as it is, or to also seek relief for heritage bonus density when it is transferred off-site. This would require a Charter amendment

The preliminary staff recommendation was to seek DCL relief for heritage bonused density transferred to another site.

Public Input
Relief for transferred heritage bonus density had broad support from individuals (over 70%) and support from the Board of Trade, and from three groups involved in heritage issues: Gastown BIS,

Chinatown BIA, and the Heritage Commission. It was not supported by the Economic Development Commission, NAOIP, or the UDI.

Recommendation
Staff recommend seeking a Charter change to permit a DCL exemption for transferred heritage bonus density, as part of the City's heritage initiatives.

! DCLs FOR NON-PROFIT FACILITIES (Recommendation B4)

Policy Choices
Some non-profits build their own, purpose-built facilities. For these, there is the question of whether a DCL should apply. Three policy choices were put forward in the June report, ranging from the present policy of no relief to wide relief.

The preliminary staff recommendation was to use the Civic Capital Grants process to provide relief. A DCL would be paid, and then Grant funding, if available, could be used to pay back some or all of the DCL.

Public Input
85% of individuals and two of three groups supported relief for non-profit facilities, but there was variation in the mechanism through which they felt this relief should be provided. 53% of individuals supported the staff recommendation in the June report of using the Civic Capital Grants budget to determine where relief would be provided. But an alternative policy choice, of providing a lower rate for all non-profits (subject to some criteria), appealed to a substantial number of individuals, and to the two business/development group that supported relief for non-profits (Economic Development Commission and Chinatown BIA).

NAIOP, and the UDI, which did not support relief for City facilities and heritage, continued this approach by not supporting relief for non-profits. The Board of Trade which did support relief for City facilities and heritage, did not support relief for non-profits.

Recommendation

Staff recommend using the Civic Capital Grants process to provide DCL relief, where appropriate. One of the reasons not to give a blanket exemption to non-profits is that they cover a wide range, and many would not be eligible for a City grant or be seen as providing a City service. The Civic Grants process provides a screening mechanism to assess which of the wide variety of non-profits serve City goals. This approach also helps to ensure that a City grant is not "cancelled out" by a DCL payment. However, there is limited funding available in the Civic Capital Grants budget If DCL relief is provided from this budget, this may require an increase in the Grants budget.

! DCLs FOR SENIOR GOVERNMENT HEALTH AND EDUCATION FACILITIES (Recommendation B2 and B14)

Policy Choices

The June report put forward several policy choices: relief as in the Interim DCL (only schools k-12); no relief; or relief for some or all types of health and post-secondary education, from long-term care to hospitals and colleges.

Staff had no preliminary recommendation in the June report. On the one hand, health and education are high public priorities. On the other hand, this sector serves a broader population than City residents and goes well beyond the City's normal roles and responsibilities.

Public Input

These policy choices resulted in the biggest differences of opinion between individuals and business/development groups. More than half the individuals supported relief to a wide array of these institutions. Business and development groups, except the UDI, were not in favour of wide relief. Relief was requested by the Health Authority and School Board.

Recommendation

There was no preliminary recommendation, but staff now recommend keeping relief limited to that already provided, i.e., for schools (k-12). In addition, staff recommend making a new distinction for this relief by only providing relief to public schools. Public schools (k-12) would be the only senior government facility to have DCL relief. (Making this distinction would require a Charter amendment.)

The rational for relief to public schools is that they clearly provide a community service. Schools provide shared space for childcare, community centre activities, and playgrounds, for a more sustainable use of community facilities.

This staff approach to senior government facilities is consistent with an approach of keeping DCL relief limited to facilities where the City has a role and where the services provided are to City residents.

Staff do not recommend providing broader DCL relief because this would mean the City, in essence, provides a form of subsidy to senior governments, when the services provided are for a wider population than Vancouver residents. Furthermore, from recent experience with rezonings, staff are finding that changing service delivery models and a growing mix of private, public, and quasi-public uses in these institutions, make it increasingly difficult to distinguish public vs private portions of facilities, or to guarantee continued public use over time.

! WHEN SHOULD NEW DCL RATES COME INTO EFFECT? (Recommendation B6; Consideration F)

Policy Choices

The policy choice/recommendation put forward in the June report was for a one-year grace period for new higher rates, with lower rates (rate relief) coming into effect sooner. This is consistent with the one-year phase-in when the Interim DCL was introduced. Reasons for a phase-in are to ensure land purchase prices take into consideration the higher DCL rate.

Public Input

Over 75% of individual input supported the one-year grace period. This was also supported by NAOIP, the Economic Development Commission, and the Chinatown Business Improvement Association. However, the Board of Trade requested 24 months, and the UDI requested a phase-in, in increments, over at least 2-3 years, noting that phase-in periods might also vary for residential, commercial, and industrial.

Recommendation

Staff recommend a one-year grace period before new, higher DCL rates become effective. However, in response to public input from the UDI and Board of Trade, staff put forward for Council consideration an alternative two-step phase-in: from $2.50/sq. ft. to $4.00/sq. ft. effective in one year; and $4.00/sq. ft. to $5.00/sq ft. effective in another six months.

The reasons that staff continue to recommend one year are:

- This is the same time period and same dollar value increase as was applied when the Interim rate was introduced.
- The slower phase-in could mean up to $3 million in foregone revenue.
- There should already be awareness of the pending rate increases, first, through Council approval of an Interim rate in 1999; second, through the Financing Growth Resource Group which met in 2000-02 and included members of the development industry; and thirdly, through the Council's release of the Financing Growth report in June 2002 and the broad public process that followed. Consequently, a prudent developer or investor over this time should have considered the possibility of a rate increase when acquiring land.

DCLs - PART THREE: ALLOCATING, BUDGETING, AND SPENDING DCL REVENUE

The previous two sections addressed how much revenue is generated by DCLs and from what types of development. This section addresses how DCL revenue is spent. The significance of DCL revenue is shown in the 2003-05 Capital Plan, the first prepared with City-Wide DCL revenue available. The General portion of the Plan saw an increase of 13% due to the inclusion of DCL revenue. At the Interim DCL rates, the average annual expected revenue is $5 million. At the increased DCL rates, recommended in earlier sections of this report, average annual expected revenue would be $10 million. The following discussion is divided into three sections: **allocation of DCL revenue; types of facilities eligible to use DCL revenue; and budgeting and spending**.

! ALLOCATION OF DCL REVENUE (Recommendation B7)

Policy Choices
The legal requirements for establishing a DCL include establishing an allocation for how the revenue will be distributed among the eligible project categories over the long term. The eligible projects are currently park, replacement housing (housing that replaces affordable rental units lost through redevelopment), childcare, and engineering infrastructure. The latter includes transportation (including pedestrian, bicycle, and transit amenities), sewer, water, and drainage. Only one policy choice was put forward in the June report: to continue to allocate revenue in the same proportion as the growth costs.

Public Input
70% of individuals and three out of five groups supported the approach recommended in the June report. Two groups had a different suggestion: NAOIP put forward an allocation split more evenly among projects. The UDI asked that the allocation be based on a review of standards.

Recommendation
Staff recommend that the DCL revenue be allocated in proportion to growth costs for park, housing, transportation, and daycare. (While sewer, water, and drainage are eligible for DCL revenue, the City pays for these through user-based utility fees, the Capital Plan, and new development connection requirements, so they were not included in the growth costs.)

Allocation of DCL Revenue = % Growth Costs

Project category	Growth costs	Recommended Allocation
Neighbourhood park	$197M = 41%	41%
Replacement housing	$156M = 32%	32%
Transportation	$105M = 22%	22%
Daycare	$ 25M = 5%	5%
Total	$483M = 100%	100%

Related to the UDI input, Recommendation B15 also calls for revisiting allocations in future when any changes occur that will affect growth costs (such as revisions to standards, or contributions from other sources).

! TYPES OF FACILITIES ELIGIBLE TO USE THE DCL REVENUE (Consideration G OR H)

Policy Choices

The two policy choices in the June report were to retain the focus of DCL revenues on the currently eligible projects (parks, childcare, replacement housing, engineering infrastructure), or to request a Charter amendment to expand eligibility to all City projects included in the Financing Growth report (libraries, community centres, cultural facilities, social facilities, fire, police). There was no preliminary staff recommendation.

Public Input

Close to 80% of individuals supported expanded eligibility. Groups were more split, two for expanded eligibility (Board of Trade and Chinatown BIA), and three against (NAOIP, UDI, and Economic Development Commission).

Recommendation/Consideration

Staff put forward two options for Council consideration.

- The reasons for limiting are that expanded eligibility will not mean more revenue. If the revenue is spread among more categories, there will be less for the already-eligible projects. These projects already make up the majority of the growth costs.

- The reasons for expanding eligibility are that it would put more funding tools in the City's "tool basket." Making all projects eligible does not require the City to allocate funds; it means the City can make the decision as to which services should receive DCLs in changing circumstances.

If Council prefers to expand eligibility, this would be included in the Charter amendment requests.

! DCL BUDGETING AND SPENDING (Recommendations B8, B9, B10, B11)

Policy Choices
One set of policy choices/recommendations was put forward to address issues of how to budget and spend.

Public Input
Due to the more administrative nature of these recommendations, the specifics were not included in the Feedback Form, and there were no public submissions on these topics. However, at meetings there was often interest, especially in the issues of transparency and the process for determining how DCL revenue would be spent. These topics were included in the staff presentations and staff provided more information on the recommendations when requested.

Recommendation
The budgeting recommendations are summarized as follows:

- Spend only DCL revenue that is available.
- Provide each project category with its percentage allocation of DCL revenue on an on-going basis.

In essence, what this means is that all the DCL revenue accrued at any time is divided among all eligible project categories – rather than used for one category which would leave the others to await future DCL revenue. Short term priorities or special opportunities that require additional funds can be addressed through normal Capital Plan and other funding processes.

The above recommendations determine how much revenue is available for each project category. All actual DCL spending must be approved by City Council. The recommendation on spending criteria restates the legal basis of DCLs, and connects the spending to City plans and policies. Projects funded through City-Wide DCL revenue should be:

- DCL-eligible project categories that are included in the growth cost estimates: i.e., park, replacement housing, transportation, childcare; and
- In the City-Wide DCL boundary; and
- Needed due to city-wide growth, or anticipated growth; and
- Part of a city-wide system of facilities and services, to help maintain City service standards across the city; and
- Secured for long-term service use, through appropriate ownership or legal mechanisms; and
- In response to Council- (or Park Board-) approved plans and policies based on public input (e.g., Community Visions, Greenways and Bikeway Plans, Civic Childcare Policy).

City-Wide DCLs are collected, and will be spent, on a city-wide growth-related basis, to provide a consistent network of services across the city. A project in one area of the city is likely to be funded with DCL revenue coming from various areas of the city. For example, daycare downtown may be funded with DCL revenue from all neighbourhoods because it serves people who come to work downtown from all neighbourhoods. Another example is the Greenway and Bikeway systems that serve all communities. All communities benefit from extension and completion of these networks.

The recommendations also include integrating DCL expenditures with the Capital Plan. Growth needs cannot be met by DCL revenues alone and Capital Plan funds will continue to be needed to work toward meeting these needs. Integration with the Capital Plan will also provide an opportunity for public input on City priorities.

Specific DCL projects, identified at the time the Capital Plan is prepared, will be included in the Capital Plan. Where specific projects are not known at the time of the Capital Plan (e.g., daycare needs may be known, but specific daycare projects not yet identified), information will be provided on expected DCL revenue to meet these needs over the Capital Plan period. And information on past DCL expenditures will be made available.

DCLs - PART FOUR: AREA-SPECIFIC DCL AREAS

! AREA-SPECIFIC DCLs (Recommendation B12)

Policy Choices

Prior to the City-Wide DCL, there were several area-specific DCLs put in place during area planning, such as Downtown South. These are excluded from the City-Wide DCL. Legally, no new exclusions are now permitted.

However, new area-specific DCLs may be layered on top of the City-Wide DCL. This has occurred in two places: False Creek Flats and Grandview-Boundary. Developments in these areas pay the City-Wide DCL and an area-specific DCL.

The Financing Growth June report sought to answer the question of what role area-specific DCL layers should play in the City-Wide system based on experience with False Creek Flats and Grandview-Boundary.

Public Input
Due to the more administrative nature of these recommendations, the specifics were not included in the Feedback Form, and there were no public submissions on these topics.

Recommendation
Staff recommend limiting the addition of layered area-specific DCLs. The following criteria, developed from experience with False Creek Flats and Grandview-Boundary, are recommended to assess whether new area-specific DCL areas should be created:

- There is a new area-wide plan or zoning for growth; and
- Additional growth-related facilities are required beyond what the City-Wide DCL will cover, and that are not covered by other sources (e.g., CACs); and
- The area-specific boundary is of sufficient size to accommodate needed growth-related facilities (DCL revenue must be spent within the DCL boundary); and
- The economic impact of the additional DCL has been taken into account.

The primary system is the City-Wide DCL system. If area-specific DCL areas are created, their rates will vary (according to their growth needs and economic impact analysis), while the City-Wide rate will remain consistent across the city.

Area-specific DCL areas generate two streams of revenue. Area-specific revenue will be spent based on area allocations and priorities, while the City-wide revenue will be spent according to city-wide allocations and priorities.

COMMUNITY AMENITY CONTRIBUTIONS (CACs)

The previous sections of this report discuss Development Cost Levies (DCLs), which apply to all new development, for growth-related capital costs for specifically-defined facilities.

Community Amenity Contributions (CACs) are quite different. They are community amenities provided when additional density is approved by City Council through a rezoning. CACs are more flexible than DCLs. CACs have been used to address both growth-related needs and past deficiencies. CACs can be used for a wider variety of amenities than DCLs. For example, CACs have provided a neighbourhood house, library branch, community centre additions, and cultural facilities. CACs may be provided in cash or in-kind. The latter tends to occur on larger sites.

The Interim City-Wide CAC Policy, like the City-Wide DCL, applies to areas that do not already have their own DCL and/or CAC policy. (See map in Background section at beginning of this report.)

CACs - PART ONE: GENERAL CAC FRAMEWORK (Recommendation C1)

Unlike DCLs which are required to be charged as a flat rate, CACs can be determined through either a flat rate or a negotiated approach. Flat rates provide more certainty to the developer when estimating costs associated with a rezoning. Negotiated CACs are more responsive to particular circumstances, and thus might be said to provide more certainty for the community that the local impacts of the rezoning will be addressed.

Policy Choices

The Interim CAC Policy provided a city-wide structure and struck a balance between the two approaches of flat rate and negotiation, by applying each approach to different types of rezoning. The staff recommendation in the June report was to keep this overall structure.

Public Input

Public input was focussed on which types of rezonings should be flat rate or negotiated. This is discussed is Part Two below.

Recommendation

Staff recommend keeping the City-Wide CAC structure and rate used in the Interim CAC Policy:

- Standard/flat rate rezonings: CAC of $3.00/sq. ft. on the additional density approved by the rezoning.
- Non-Standard rezonings: reported to City Council, on a case by case basis, to determine whether to apply the flat rate or a negotiated approach.
- Exempt rezonings, such as social housing.

Determining which types of rezonings are Standard, Non-Standard, or Exempt is the subject of the following section.

CACs - PART TWO: DIFFERENT TYPES OF REZONINGS: STANDARD, NON-STANDARD, OR EXEMPT

In the June 2002 report, rezonings were grouped into several types, based on a rezoning database constructed for this work. For each type, there were two policy choices: an "as is" choice which maintains the Interim Policy approach, or an alternative. The Interim CAC Policy has been a testing ground for three years, and the preliminary staff recommendations were a result of this experience. The following six rezoning groupings were included in the June report: **large sites; downtown sites; small sites outside downtown; social housing and institutions; senior government health and education; and "change of use" rezonings.**

! LARGE SITE CACs (Recommendation C2)

Policy Choices
Large sites are Non-Standard rezonings, leading to Council determination of whether the CAC should be the flat rate or negotiated. The June 2002 report put forward two choices regarding the threshold size for a site to be considered large: 10+ acres, as in the Interim Policy; or a change to 5+ acres.

The preliminary staff recommendation was 5+ acres.

Public Input
Over 60% of individuals supported the 5+ acre threshold, and another 20% suggested an even lower threshold. Groups were split. The Economic Development Commission and Chinatown BIA also supported the lower threshold of 5+ acres, while the Board of Trade, NAOIP, and UDI supported the 10+ acres. Adding more rezonings to the Non-Standard category creates more uncertainty for the developer about amenity provisions.

Recommendation
Staff continue to recommend lowering the threshold for large sites to be included as Non-Standard rezonings, from 10+ acres to 5+ acres because:

- 5+ acres are large sites, up to two full City blocks.
- Development on this size of site can accommodate over 300 housing units and/or substantial commercial space.
- These developments are large enough and generally with sufficient land value increase from the rezoning, to meet many needs on site, through negotiation, that a flat rate would not provide.

Also, as a result of the public input suggesting a lower threshold than 5 acres, and the new Community Vision Neighbourhood Centres planning initiative, staff have added a further recommended clause: that the 5+ acres apply, unless the rezoning is in a Community Vision designated Neighbourhood Centre/ Shopping Area, in which case the threshold should be 2+ acres. This is because:

- These are up to one full city block, a very significant in size in a neighbourhood centre context. (E.g., a recent rezoning application for 2.4 acres includes 350 residential units and 114,000 square feet of commercial space.)
- They are large enough to provide an on-site, in-kind amenity, responsive to the Community Vision and Neighbourhood Centre plans.
- They generally have a sufficient land value increase to meet needs, through negotiation, that a flat rate would not provide.

There are not many large rezonings. A review of rezonings over nine years shows that only two would have become Non-Standard as a result of the staff recommendation (including the 2 acre threshold in neighbourhood centres). Consequently, the recommended change to the policy, to provide for a lower threshold for Non-Standard/negotiated CACs, would not affect many sites, while it would improve the integration of amenities in strategic new community developments.

! DOWNTOWN PENINSULA CACs (Recommendation C3)

Policy Choices

Downtown was defined in a map in the June report as the Downtown peninsula, including the West End, Downtown, and Downtown-Eastside/Strathcona. The report put forward two policy choices for Downtown rezonings: As in the Interim Policy the Standard/flat rate; or a change to Non-Standard.

The preliminary staff recommendation was for Non-Standard.

Public Input

As with the large site topic, there was a high level of individual support (75%) for Downtown rezonings to be Non-Standard. Again, groups were split. Four out of six groups responding to this set of choices, preferred that the Downtown remain Standard/Flat Rate. Groups with a heritage interest, the Heritage Commission and Chinatown BIA, supported the Non-Standard category.

Recommendation

Staff recommend changing the classification for Downtown rezonings from Standard/flat rate to Non-Standard/negotiated for the following reasons:

- The downtown development context is largely a negotiated system, including policies in place for social housing, heritage, and cultural amenity bonuses. Providing for negotiated CACs provides consistency with these other policies.
- Many downtown rezonings are encouraged to buy heritage bonus density (from heritage sites that cannot use the density on their own site). This bonus density trades at a market value of about $20.00/sq.ft. If an equivalent density increase without heritage is charged the CAC flat rate of $3.00/sq. ft, this is a disincentive for new development to purchase heritage density.
- A Non-Standard approach recognizes the very wide site-specific variations in adjacent Downtown sub-areas, from Victory Square and the Downtown Eastside, to the Central Business District and West End.

Making Downtown rezonings Non-Standard would not affect many rezonings. Most Downtown rezonings provide social housing or are heritage-related, and thus are already negotiated and exempt from CACs. The rezoning database shows that two additional rezonings over a nine-year period would have become Non-Standard as a result of the staff recommendation to make all rezonings in the Downtown Non-Standard.

! CACs FOR SMALL SITES OUTSIDE DOWNTOWN (Recommendation C6)

Policy Choices

Small sites were defined in the June report as sites rezoned from single family to residential development that is less than apartment density, and can provide ground-oriented housing called for in the Livable Region Strategic Plan and in CityPlan. The June report provided two choices: as in the Interim Policy, these are Standard/flat rate rezonings; or a change to making these rezonings exempt from CACs.

The preliminary staff recommendation was that these rezonings be exempt from CACs. (They do, however, pay DCLs.)

Public Input
Individual support for the staff preliminary recommendation was just over 50%. The only group to support the exemption was the UDI.

Recommendation
Staff support a CAC exemption for rezonings from single family to residential which is less than apartment density (less than 1.35 FSR), and on sites less than one full block in size. (A full block is bounded by streets, not lanes.) The reasons for this exemption are as follows:

- Experience with these rezonings shows that there is little or no increase in land value created, because of the high value of single family land; thus CACs may deter this form of development altogether.
- This housing provides ground-oriented housing (townhouses, rowhouses, lower density apartments) that is a desired family housing type in City and regional plans.

This exemption would also apply to institutional rezonings (e.g., long term care), which meet the same criteria. (See discussion under Recommendation C7.)

! CACs FOR SOCIAL HOUSING AND INSTITUTIONS (Recommendation C7)

Policy Choices
The prime purpose of many rezonings is to provide a facility which may be considered the equivalent of a CAC and thus the question arises of whether an "additional" CAC should be charged as well. The June 2002 report provided two choices: a limited set of CAC exemptions, as in the Interim Policy; or a somewhat expanded set of CAC exemptions.

The preliminary staff recommendation supported an expanded set of exemptions.

Public Input
90% of individuals supported the expanded set of exemptions. Groups were almost evenly split. The Board of Trade and NAOIP did not support any expansion of exemptions in this category, while the UDI supported the full set of expanded exemptions. The Vancouver Economic Development Commission and Chinatown BIA supported some, but not all.

Recommendation
Staff recommend an expanded set of exemptions, which includes the following:

- Rezonings already CAC exempt: social housing, heritage, and places of worship
  Plus:
- An expanded definition of social housing, to include not only government-subsidized rental, but also rental or co-op housing, owned and operated by a non-profit housing society or housing co-op and secured through a Housing Agreement.
- Housing Demonstration Projects (City policy on Housing Demo Projects already states that "any increase in land value, beyond the normal profit allowed by City's standard bonusing process, be converted into improved affordability.")
- Community facilities, subject to conditions (e.g., neighbourhood house).

The rationale for these exemptions is that these rezonings, by their very nature, are already providing a community amenity, and any increased land value from the rezoning is already being directed toward achieving this benefit.

! CACs FOR SENIOR GOVERNMENT HEALTH AND EDUCATION (Recommendation C7)

Policy Choices
These rezonings are discussed separately from the institutions above, because the City does not play a role in the delivery of health and education services. There were two choices in the June report: as in the Interim Policy, health and education rezonings are treated like other rezonings; or a change to making health and education rezonings exempt from CACs.

There was no preliminary staff recommendation. On the one hand, health and education are high public priorities. On the other hand, this sector provides service to a broad public beyond Vancouver residents, and goes well beyond the City's normal roles and responsibilities.

Public Input
57% of individuals supported the policy of treating these rezonings like other rezonings. Four out of five business and development groups agreed. (The Chinatown BIA preferred that rezonings for these facilities be CAC exempt).The Health Authority and School Board requested exemption.

Recommendation

There was no staff recommendation in the June report. Staff now recommend continuing to treat these rezonings like other rezonings, rather than exempting them from CACs. The reasons for not making them exempt from CACs are:

- It would in essence lead the City into a new role of assisting provincial services at a time when the City is already struggling with increasing demands and less provincial funding.
- These can be very large facilities, serving residents from throughout B.C., and with major impacts on the City, and specifically on the neighbourhoods in which they are located. CACs can help to mitigate these local impacts.
- It is increasingly difficult to distinguish public vs private components of these types of rezonings, and consequently it would be difficult to determine which portion of a development should be exempt from the CAC.

Staff do, however, recommend a CAC exemption in one instance, for public schools k-12, as requested by the School Board. Schools are the only senior government facility for which there is frequent shared use with City facilities.

As for the other senior government health and education facilities, treating them like other rezonings does provide some flexibility to respond to individual situations (e.g., hospitals are usually on large sites which are Non-Standard rather than Standard/flat rate).

! CACs FOR "CHANGE OF USE" REZONINGS (Recommendation C4 and C5)

Policy Choices

"Change of use" rezonings is the term the June report gives to rezonings where the total permitted density does not increase, but the density for one use does increase, e.g., rezoning industrial to residential, or commercial to residential.

The Interim CAC Policy normally applies only to additional total density permitted, and, therefore change of use rezonings are exempt in the Interim Policy–in all cases but one: industrial to residential is a Non-Standard rezoning. The June report provided two sets of policy choices: one for rezonings to residential; one for rezonings to non-residential.

The staff preliminary recommendation was to apply CACs to more types of change of use rezonings.

Public Input

Over 85% of individuals supported applying CACs to more change of use rezonings. Groups were again split. The Economic Development Commission also supported applying CACs to change of use rezonings. The Board of Trade supported CACs for residential change of use rezonings, but not for non-residential. The Chinatown BIA supported the reverse. NAOIP and the UDI did not favour any expansion of CACs to change of use rezonings.

Recommendation
Staff recommend applying CACs to more types of change of use rezonings:

- For change of use to residential: CACs should apply, not only for industrial to residential, but also for commercial to residential, to help ensure that appropriate residential services are provided.
- For other change of use: CACs should apply if the site is large, as defined above in the discussion of large sites (Recommendation C2).

A summary chart, showing the Interim CAC Policy and the Recommended CAC Policy, for all the types of rezonings discussed in this section, is shown below.

! EFFECTIVE DATE FOR CHANGES TO CAC POLICY (Recommendation C8)

The recommendation is to provide a six-month period, from approval of these recommendations, before changes to the CAC Policy would apply. The new policies would apply to all rezoning applications submitted after that date.

One exception would be if, during the six-month period, there is a rezoning application for a use that would be a CAC exemption under the new policy, but is not an exemption under current policy. These would be reported to City Council.

Summary Comparison of CAC Policy Choices

Type of rezoning	Interim CAC	Recommended
Large sites	Non-Standard: If 10+ acres	Non-Standard: If 5+ acres Or, 2+ acres in a Community Vision designated Neighbourhood Centre/Shopping Area
Downtown sites	Standard/Flat Rate	Non-Standard
Small single-family sites (outside Downtown)	Standard/Flat Rate	Exempt: Where rezoning is from single family to residential, or institutional, which is less than apartment density (1.35 FSR), on sites less than 1 full block
Social housing, heritage, community amenities	Exempt: Heritage Social housing [Others are Standard/Flat Rate]	Exempt: Heritage Social housing, includ. non-profit rental & co-op Housing Demonstration Project Community facilities subject to conditions (e.g., neighbourhood house)
Senior gov't health & education	Treated like other rezonings - CAC depends on site size and location	Treated like other rezonings, except: Public schools (k-12) exempt. [Also see above under small sites - institutions - exempt]
Change of use	Non-Standard: Industrial to residential Exempt: Commercial to residential Other change of use	Non-Standard: Industrial to residential Any large site or any Downtown site Standard/Flat Rate: Commercial to residential Exempt: Other change of use
Other sites	Standard/Flat Rate	Standard/Flat Rate

CACs - PART THREE: DETERMINING WHAT THE CAC WILL BE (Recommendation C9)

Amenities provided by a CAC are not limited to certain categories, as are DCLs. The appropriate amenity that the CAC provides varies from one rezoning to another, depending on local circumstances and impacts. One set of policy choices/recommendations was put forward. There were no specific public submissions on this topic, although there were questions and information provided at meetings.

The CAC may be provided in three forms. Often CACs are provided in-kind, on the development site, especially for larger rezonings. Sometimes they are a cash contribution for an off-site amenity specified at the time of the rezoning. Other times they are an unallocated cash contribution. There can also be a mixture of all three from one rezoning. Unallocated cash contributions are placed in the City's CAC Reserve Fund, by area.

The recommended policy is as follows: As the purpose of CACs is to secure amenities through rezonings, and rezonings are localized changes to land use, the amenities provided should serve the immediate site and/or community in which the rezoning occurs. The specific amenity must be approved by City Council, and should be based on the following guidelines:

- Determine the CAC where possible as part of the rezoning process:
  This may be in-kind/on-site or for a specified community amenity off-site and should serve the site and/or community needs as follows:
  - Growth-related, or meet past deficiencies or other community priorities;
  - Identified through an evaluation of a full range of City services, and through public input (obtained during the rezoning and from community plans or Visions; and/or city-wide plans and policies);
  - Operationally viable and within City servicing standards; and
  - Accepted by Council as a Community Amenity Contribution; Or
- If the amenity is not determined through the rezoning process and consequently there are unallocated CAC funds to be spent at a later date, these funds should be used to provide an amenity that will serve the community in which the rezoning is located, subject to the same guidelines as above.

FINANCIAL IMPLICATIONS AND IMPLEMENTATION PLAN (Recommendations B14, B15, and E)

A City Plans staff team has coordinated the Financing Growth review, with input from staff throughout the City. If Council approves the recommendations in this report, there will be implementation work (see Appendix B), involving a range of City departments, including the following:

- Putting new DCL and CAC policies into effect, including by-law revisions, and public notifications.
- Providing and maintaining public information on DCLs and CACs, including publications and web site information.
- Providing staff training/advice/interpretation.
- Arranging for Charter amendment requests and follow up.
- Providing policy responses to issues arising from existing policy.
- Tracking and reporting on DCLs and CACs received.
- Periodic review, including periodic DCL rate review.
- Improving integration of DCLs with the Capital Plan.
- Improving consistency of DCL and CAC systems across city.

In order to have staff to undertake the implementation work listed above, the report recommends funding for a new Planner II position. The funding for this new position does not have a direct offset. However, this work results in significant revenue for the City. The revenue collected from the Interim City-Wide DCL has averaged over $4 million per year, and if the DCL rate is increased as recommended in this report, the expected revenue would be $10 million per year on average, or $250 million over 25 years - covering 2/3 of growth costs.

Staff also recommend requesting a Charter amendment to seek authority to use DCL revenue to help recover administrative and implementation costs of the DCL system.

There is also a recommendation that DCL rates be reviewed periodically, taking into account inflationary factors affecting construction costs and land values, and other relevant factors. This was suggested several times during the public process.

In addition, if the Charter amendment request to charge DCLs on less than 4 units is granted, an increasing number of building permits will be assessed DCLs, resulting in more revenue for the City, and increasing the workload for DCL collection in the Licenses and Inspections Department. If this Charter amendment is approved, implementation follow up would be reported to Council, including revenue and funding implications and recommendations.

CONCLUSION

As Vancouver continues to grow, with more residents and more employees, the City confronts the challenge of providing services and facilities to people already here, as well as to new residents and employees. Since the 1980s, the City has been turning to charges on new development to help pay for new facilities to serve growth. By the year 2000, after experience with these charges in several sub-areas, City Council adopted an Interim City-Wide system, to cover the rest of the city, and instructed staff to undertake the Financing Growth review.

The Financing Growth report, an interdepartmental collaboration, was released as a draft discussion report in June 2002. The report identified, for the first time, the costs of new facilities for growth over the next 25 years; examined development charges as a financing tool and their place among other City tools; and provided a series of policy choices to address issues related to the use of DCLS and CACs in Vancouver. A public review period followed, involving community members, development and business groups, and city-wide groups with interests in housing, heritage, parks, and other issues.

This report is the culmination of the Financing Growth work and the public input. It provides recommendations for revisions to the Interim City-Wide DCL and CAC. DCL revisions will result in new development covering a larger share of its growth costs, through increased DCL rates on new residential, commercial, and industrial development. CAC revisions will result in more flexibility to obtain amenities from larger and more complex rezonings, while retaining a flat rate, and increasing exemptions, for smaller developments and developments already providing equivalent amenities, such as social housing.

In the larger context, the City's normal operating budget, supported mostly by property taxes, will continue to pay for operating costs and for maintenance and replacement, while also contributing to growth costs - sharing the initial costs of new facilities with development charges. In addition, sustaining services and facilities requires a wide array of tools. Contributions continue to be needed from senior governments and non-profits groups. As well, the City continues to develop and refine other tools, with initiatives as varied as co-location of City facilities, social housing bonuses, land leases for daycare, and permeability requirements for new development.

* * * * *

Summary of Charter amendment requests

Recommendation B14 in this report deals with requests to the Province for amendments to the Vancouver Charter regarding DCL authority, as follows. These are discussed in more detail in the body of the report.

- To permit DCLs to be charged on new residential developments of 1, 2, and 3 units.
- To provide DCL exemptions for development with a low building permit value (e.g., less than $50,000).
- To permit a lower rate or exemption for City-owned facilities that provide public services.
- To permit exemption for transferred heritage bonus density.
- To permit the lower DCL rate for schools to apply only to public schools (k-12)
- To permit DCL revenue to be used to help pay City DCL system implementation and administration costs.

In addition, one of the consideration items, if approved by Council, would lead to a Charter amendment request:

- Permit DCL revenue to be used for a wider range of City facilities.

Another request is described in the June 2002 Financing Growth report and included here. The report uses the term “Transportation” to describe one component of growth costs. The language in the Vancouver Charter is “Highway Facilities.” In both cases, the specified projects are within the street or road right-of-way. But, for additional clarity, the following Charter amendment request is also recommended:

- Define 'Highway Facilities" as including transportation infrastructure for roadways, transit facilities, pedestrians, greenways, bikeways, and Intelligent Transportation Systems.

Financing Growth Implementation Tasks Summary

- Put new DCL and CAC policies into effect
  Public notifications of pending DCL and CAC revisions
  Track Building Permits prior to effective date of new DCL by-law
  DCL By-law revisions and report back to Council for by-law approval
  CAC Policy revisions

- Provide and maintain public information on the DCL and CAC
  Information and Administration Bulletin updates and distribution to reflect new policy
  Financing Growth report revisions to reflect/consolidate Council policy
  Financing Growth web site update
  City Web site improvements e.g., DCL by-laws on-line & links to Information Bulletins, search engines, etc

- Staff training/advice/interpretation
  For new policies, and as needed as issues arise

- Arrange for Charter amendment requests and follow up
  Prepare background material and submit to Province
  Arrange follow-up meetings with Provincial staff
  Track amendment requests
  Report back on implementation process and staffing implications, if requests granted
  Follow up to implement

- Policy responses to issues arising from existing policy
  Including: Council reports, by-law revisions, bulletin updates, etc

- Tracking and periodic review
  Improved financial systems and information on DCL expenditures
  Improved CAC tracking (in-kind or in-cash)
  Periodic DCL rate review and CAC review
  Capital Plan integration

- Consistency of City DCL and CAC systems
  Applicability of new policies to excluded areas, including follow up with by-law revisions, etc
  Track build-out of excluded areas (as areas are built-out they will no longer be excluded from the City-wide DCL) and report to Council as needed with by-law revisions
  DCL By-laws consolidation

Financing Growth: Changes to recommendations compared to June 2002 report

In June 2000, Council released the draft Financing Growth report for public discussion. The report contained a series of policies choices, and for most of these choices, a preliminary staff recommendation. Since then, most recommendations have remained the same. The following list identifies changes between the June 2002 preliminary recommendations and the final recommendations in this report.

DCLs:

- Specific rate for daycare: reduced from $0.51/sq. ft. to $10.00/building permit. (Recommendation B2)

- Non-profit co-ops included in social housing definition (exempt from DCLs) - owned and operated by a non-profit housing co-op and secured by a City Housing Agreement. (B4)

- Review of DCL rate for Downtown-Eastside, based on consultant economic impact study, to determine if the recommended rate increase for rest of city is supportable for this area covered by the tripartite Vancouver Agreement. (B5)

- Request for DCL Charter amendment to use DCL revenue to help pay system administration/implementation costs. (B14)

- Retain lower DCL rate for schools (k-12); and request Charter amendment to distinguish only public schools. (No other lower rates for senior government health and education.) (B2 & B14)

- Provision for periodic DCL rate review (every 3 years). (B15)

CACs:

- Large sites for Non-Standard category: 2+ acres if in Community Vision designated Neighbourhood Centre/Shopping Area. (Recommendation C2)

- Small sites for Exempt category: include institutions (C6)

- Non-profit co-ops included in social housing definition (exempt from CAC) - owned and operated by a non-profit housing co-op and secured by a City Housing Agreement. (C7)

- Exempt public schools (k-12). (No other senior government exemptions). (C7)

- Effective date to be six months after approval of these recommendations. (C8)

PUBLIC RESPONSE TO FINANCING GROWTH POLICY CHOICES

Total Responses
Groups and individuals responded to the Policy Choices contained in the *Feedback Form* as follows:

Type of Response Received	Number of Respondents
Group Responses	**9**
Individual Responses (includes 74 responses from Jan. 18th, 2003 Public Workshop)	**106**

Reading the Results:
Responses are presented in two sections: 2.1 Development Cost Levy (DCL) Policy Choice Summary, and 2.2 Community Amenity Contribution (CAC) Policy Choice Summary.

Numbers Vary:
Many respondents provided input only on the Policy Choices of interest to them, so the total responses on individual Choices can vary.

"*" **Beside a Policy Choice:**
An asterisk "*" beside a Policy Choice means that staff made a preliminary recommendation of support for this item in the "Financing Growth" discussion report.

Group Responses:
Group input included: *Feedback Forms* (on behalf of the group), letter submissions, or both. Some groups only commented on a few key policy choices. Group responses are summarized in table form showing names of group respondents.

Individual Responses:
Individual input includes all those who submitted a *Feedback Form*, participated in the Financing Growth Public Workshop, on January 18th, 2003, or provided a written submission. Individual responses are summarized in bar charts that show the number of respondents and their affiliation (where known). Three categories of affiliation are shown:

- **Community**: residents or belong to a community group (e.g., neighbourhood based committee) and/or a city-wide group (e.g., environment, housing, daycare, etc.).
- **Development:** involved with the development industry (e.g., builder, developer, etc.) and/or a business group (e.g., business improvement association).
- **Mixed:** indicated multiple affiliations and/or no affiliations.

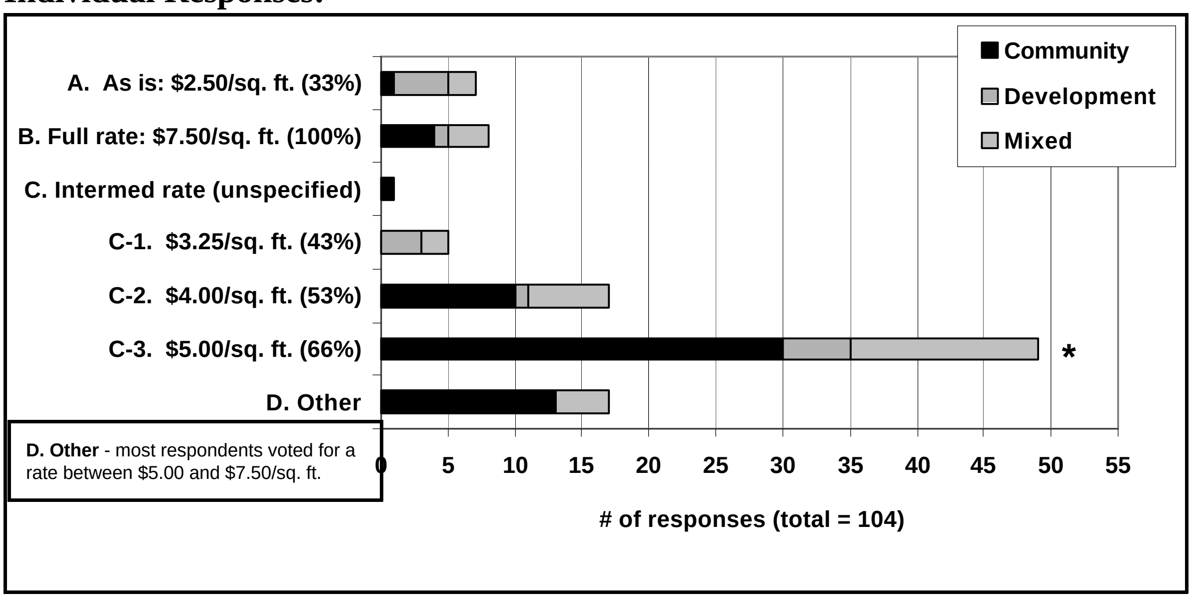
2.1 Development Cost Levies (DCLs): Policy Choice Results Summary

What share of growth costs should new development pay? - Residential (Apartment) Rates

Group Responses:

A. As is: $2.50/ft^2 -- 33% growth costs covered.	**B. Full rate: $7.50/ft^2 -- 100% growth costs covered.**	**C. Intermediate Rate: ($3.25 -$5.00/ft^2 43 - 66% growth costs covered).**	**C.1: $3.25/ft^2 - 43% growth costs covered. Median area-specific DCL rate outside Downtown.**	**C.2: $4.00/ft^2 - 53% growth costs covered. Median area-specific DCL rate across Vancouver.**	**C.3: $5.00/ft^2 - 66% growth costs covered. Median rate in other GVRD municipal-ities. ***
• National Assoc. of Industrial and Office Properties • Gastown Business Improvement Society		• Vancouver Economic Development Commission	• Chinatown Business Improvement Association	• Urban Development institute "...not more than $4.00/ sq.ft. and only after a comprehensive review of standards." (also see Phase-in timing)	• Vancouver Board of Trade

Individual Responses:



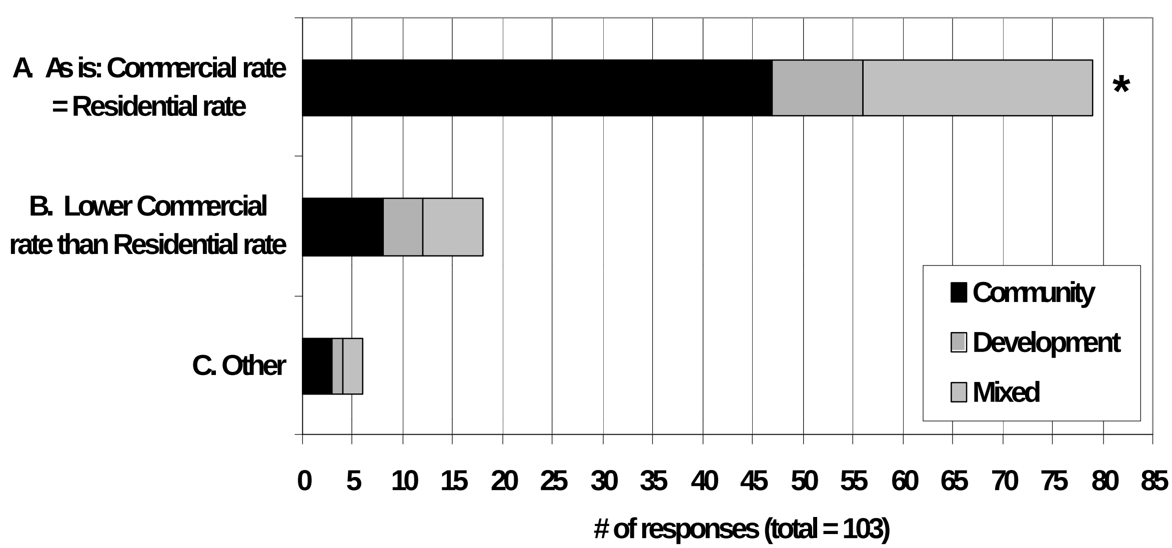
What share of growth costs should new development pay? -- Commercial Rates

Group Responses:

A. As is: Commercial rate = Residential (apartment) rate - equal % growth costs covered. *	B. Lower Commercial rate than Residential rate - lower % growth costs covered.
• Vancouver Board of Trade ($5.00/sq.ft.) • Chinatown Business Improvement Association ($3.25/sq.ft.)	• Vancouver Economic Development Commission (80% of residential rate and exempt additions to commercial buildings where use does not change)($2.60 to $4.00/sq.ft.) • Urban Development Institute ($2.50/sq.ft.) • National Assoc. of Industrial and Office Properties ($2.50/sq.ft.)

Note: Rates in ($----) are the implicit, or specific, rates recommended by these groups.

Individual Responses



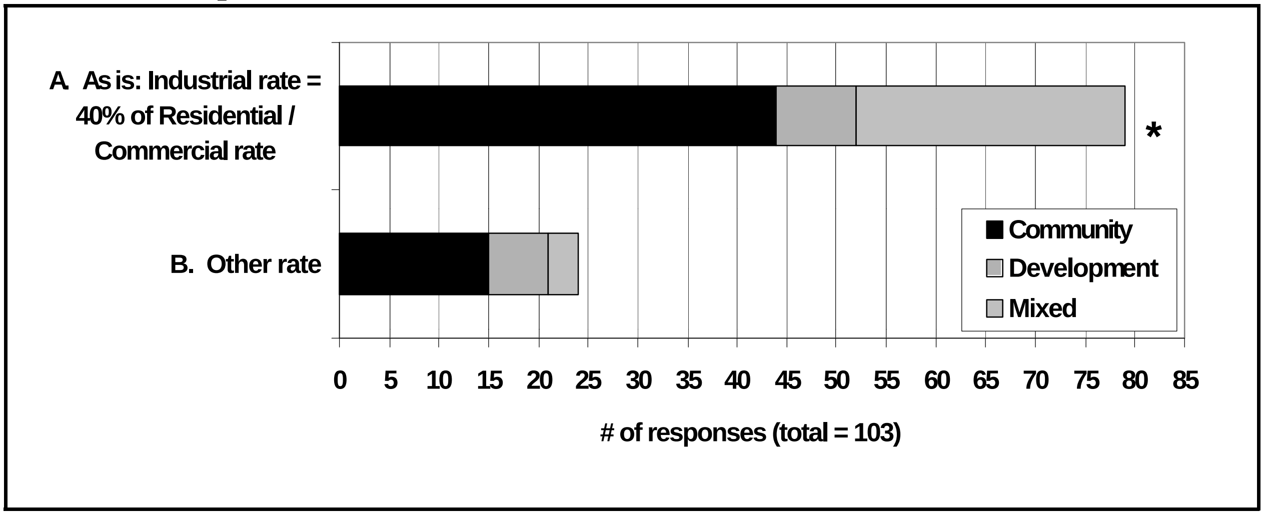
What share of growth costs should new development pay? -- Industrial Rates

Group Responses:

A. As is: Industrial rate = 40% of Residential/ Commercial rates - equal proportion growth costs covered. *	B. Other rate?
• Vancouver Board of Trade ($2.00/sq.ft.) • Chinatown Business Improvement Association ($1.30/sq.ft.) • Vancouver Economic Development Commission (and exempt additions to industrial buildings where use does not change) ($1.04 to $1.60/sq.ft.) • Urban Development Institute (and recommends future review of rates to consider decreases...) ($1.00 to $1.60/sq.ft.)	• National Assoc. of Industrial and Office Properties ($1.00/sq.ft.)

Note: Rates in ($----) are the implicit, or specific, rates recommended by these groups.

Individual Response:

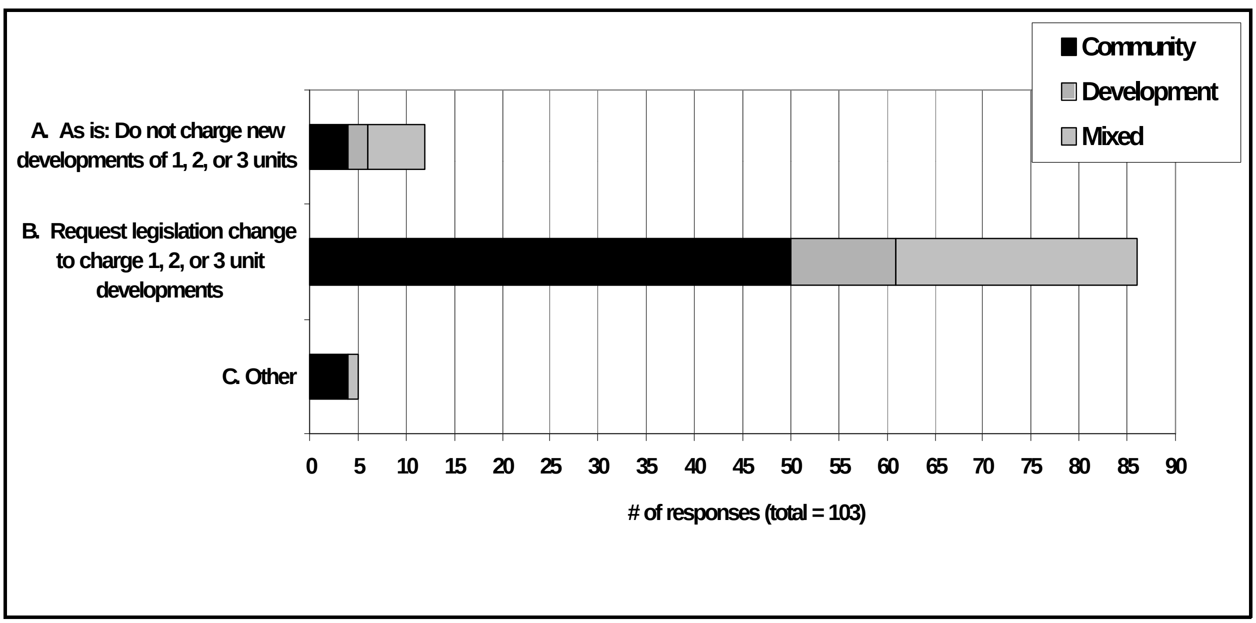


Should new single family and 2- or 3-unit housing pay toward growth costs?

Group Responses:

A. As is: Do not charge new developments of 1, 2, or 3 units.	B. Request legislation change to charge developments of 1, 2, or 3-units and also exempt small additions. *
	• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties • Gastown Business Improvement Society • Chinatown Business Improvement Association • Vancouver Economic Development Commission • Urban Development Institute

Individual Responses:

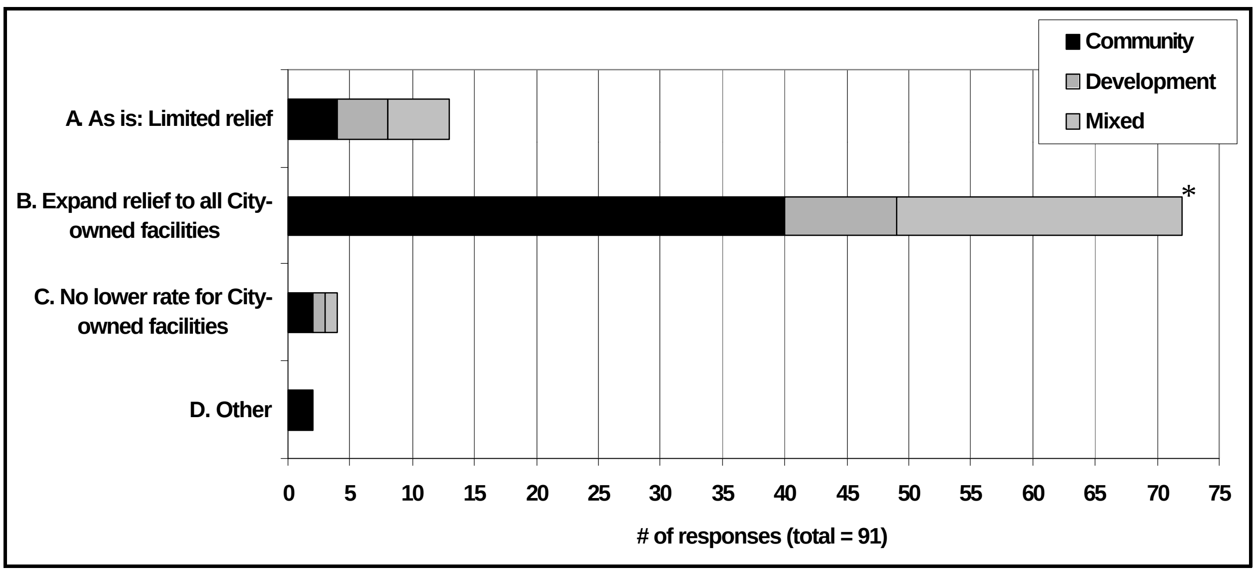


Should City and DCL-eligible facilities, including non-profit housing, have lower rates?

Group Responses:

A. As is: Limited relief, i.e., lower rate for daycare, and exemption for social housing (other City facilities pay full rate).	B. Expand relief to all City-owned facilities (e.g., libraries & community centres) and expand definition of social housing to include non-profit rental housing. *	C. No lower rate for City-owned facilities (i.e., remove lower rate for daycare).
• National Assoc. of Industrial and Office Properties	• Vancouver Board of Trade • Vancouver Economic Development Commission • Chinatown Business Improvement Association	• Urban Development Institute

Individual Responses:

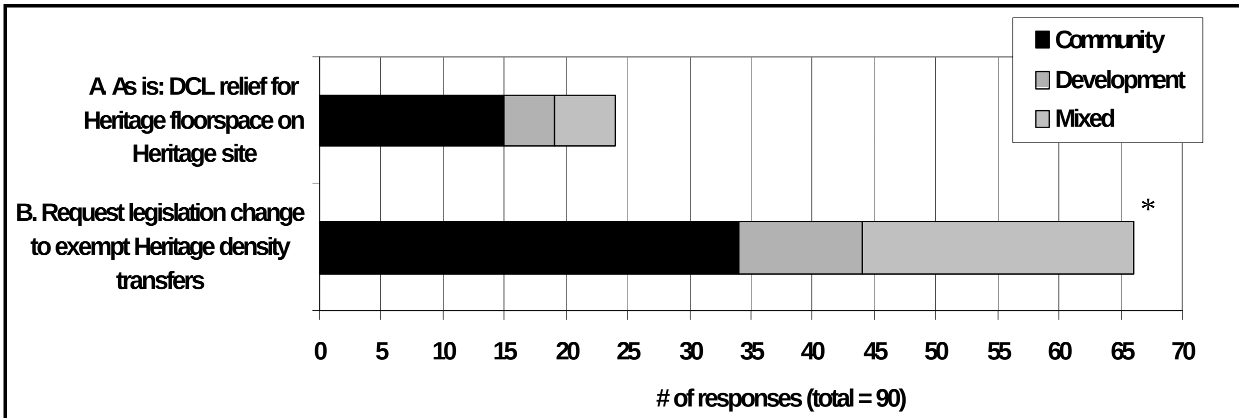


Should heritage buildings have lower rates?

Group Responses:

A. As is: DCL relief only to heritage floorspace, on a heritage site.	B. Request legislation change to allow DCL exemption of bonus heritage density transferred off-site. *?	C. Other
• Vancouver Economic Development Commission • National Assoc. of Industrial and Office Properties • Urban Development Institute	• Vancouver Board of Trade • Vancouver Heritage Commission • Gastown Business Improvement Society • Chinatown Business Improvement Association	• Gastown Business Improvement Society: Designated heritage areas should be DCL exempt (including DCL charges on new construction in the heritage area).

Individual Responses:

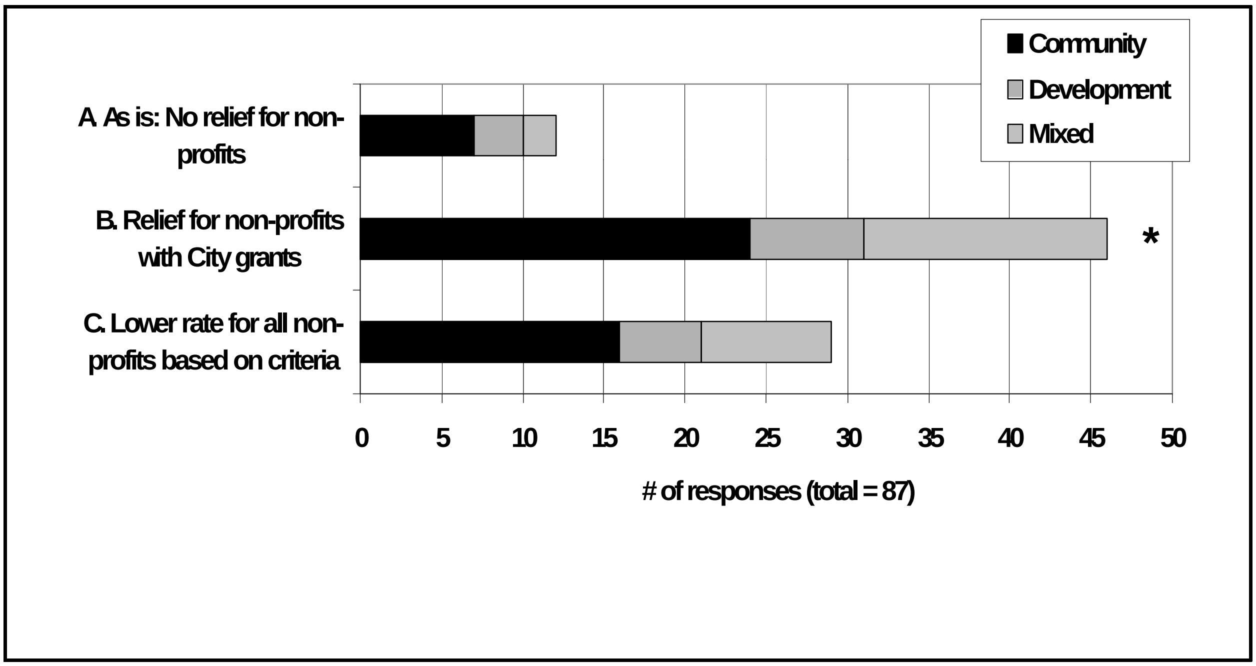


Should non-profit facilities have lower rates?

Group Responses:

A. As is: No relief for non-profit facilities.	B. Relief for non-profits approved for City capital grant, via additional grant funding. *	C. Lower rate for all non-profit-owned facilities meeting City "service" criteria.
• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties • Urban Development Institute		• Vancouver Economic Development Commission • Chinatown Business Improvement Association

Individual Responses:

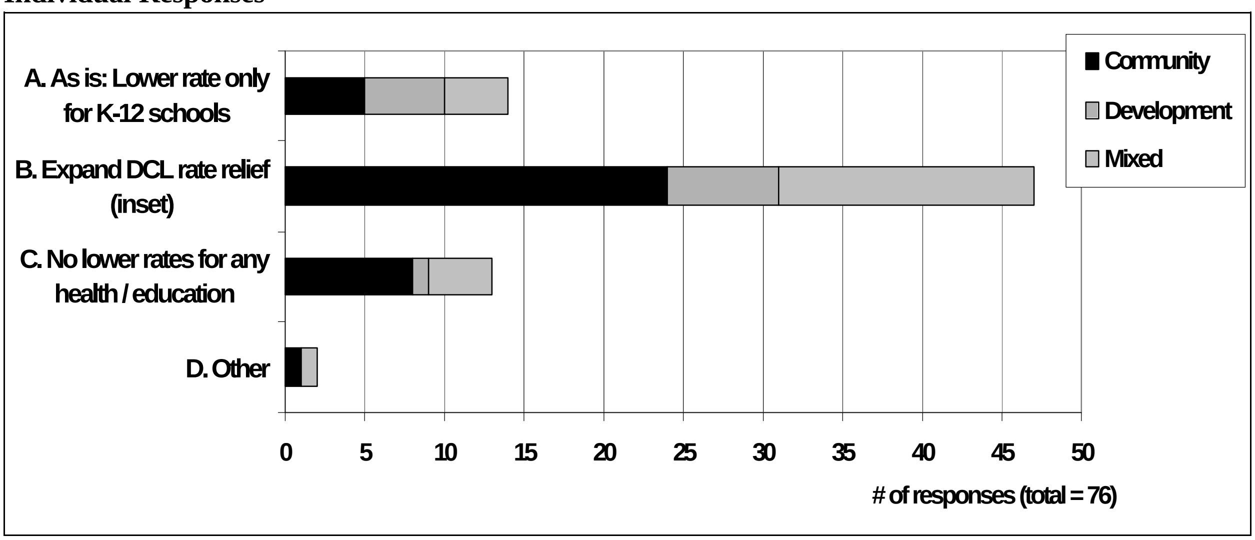


Should senior government - health and education facilities have lower rates?

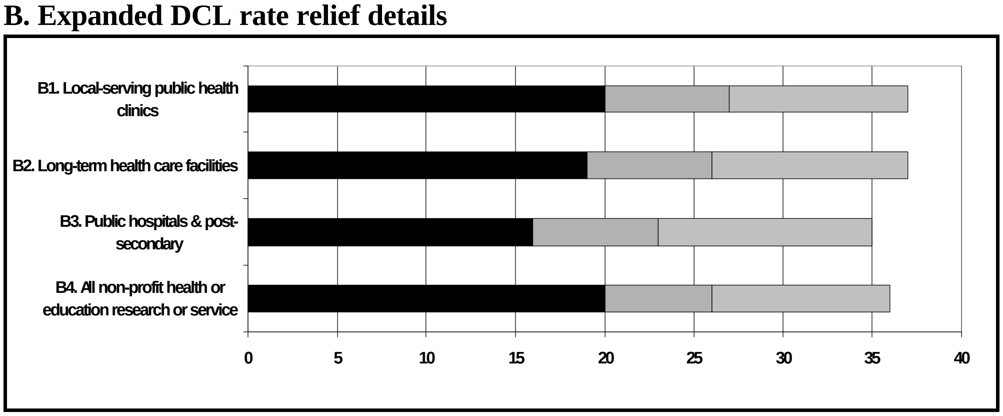
Group Responses:

A. As is: Lower rate only for K-12 schools.	B. Expand relief and provide lower rates for any or all of the following:				C. No lower rates for any health or education facilities.
	B.1 Local-serving health clinics.	**B. 2 Long-term health care facilities**	**B.3 Public hospitals and post-secondary institutions**	**B.4 All non-profit health, education, research or service facilities.**	
• National Assoc. of Industrial and Office Properties • Vancouver Economic Development Commission • Vancouver School Board: supports relief & recommends request for Charter change to DCL exempt K-12 public schools.	• Vancouver Coastal Health Authority • Urban Development Institute	• Vancouver Coastal Health Authority • Urban Development Institute	• Vancouver Coastal Health Authority • Urban Development Institute	• Chinatown Business Improvement Association • Urban Development Institute	•Vancouver Board of Trade

Individual Responses



B. Expanded DCL rate relief details



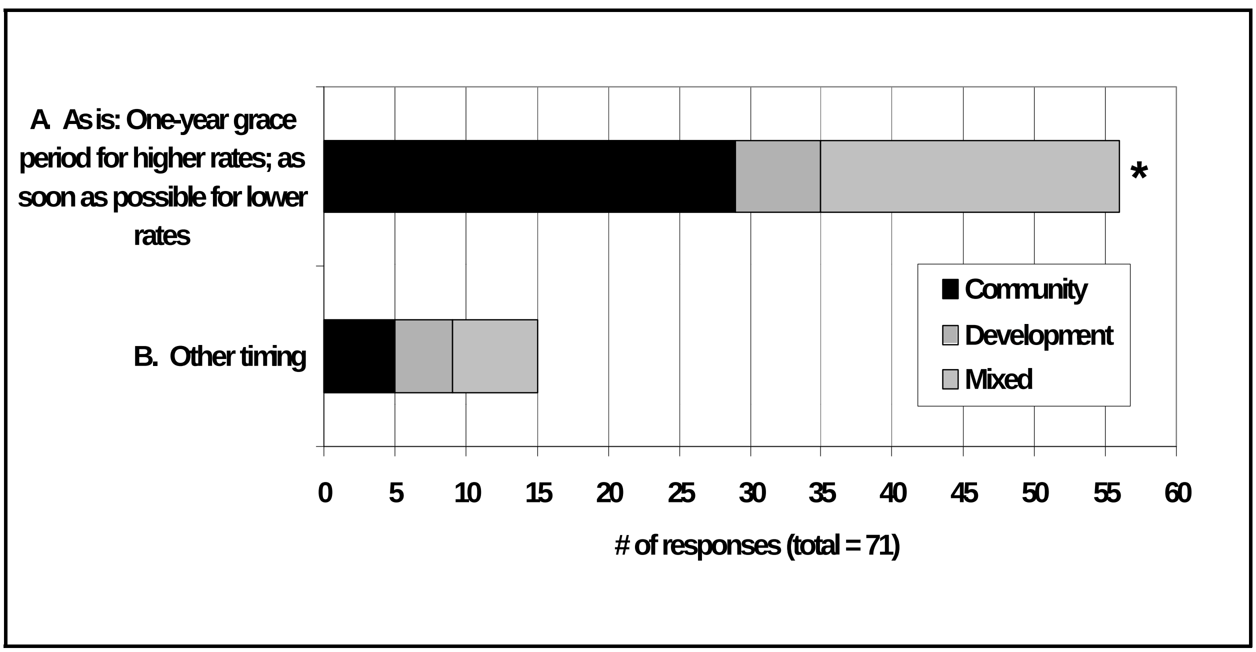
Note: individuals could vote for any or all of the expanded DCL relief options, so total responses vary.

How should new DCL rates be phased-in?

Group Responses:

A. One year grace period for higher rates; as soon as possible for lower rates. *	**B. Other timing?**
• National Assoc. of Industrial and Office Properties • Vancouver Economic Development Commission • Chinatown Business Improvement Association	• Vancouver Board of Trade: 24 months • Urban Development Institute: "...increase should be incremented over at least 2-3 years and not implemented in a lump-sum. Grace period should be at least one year for any increase rate; phase-in period may be also be required after the grace period depending upon the amount of increase. Phase-in periods may also vary for residential, commercial, and industrial."

Individual Responses:

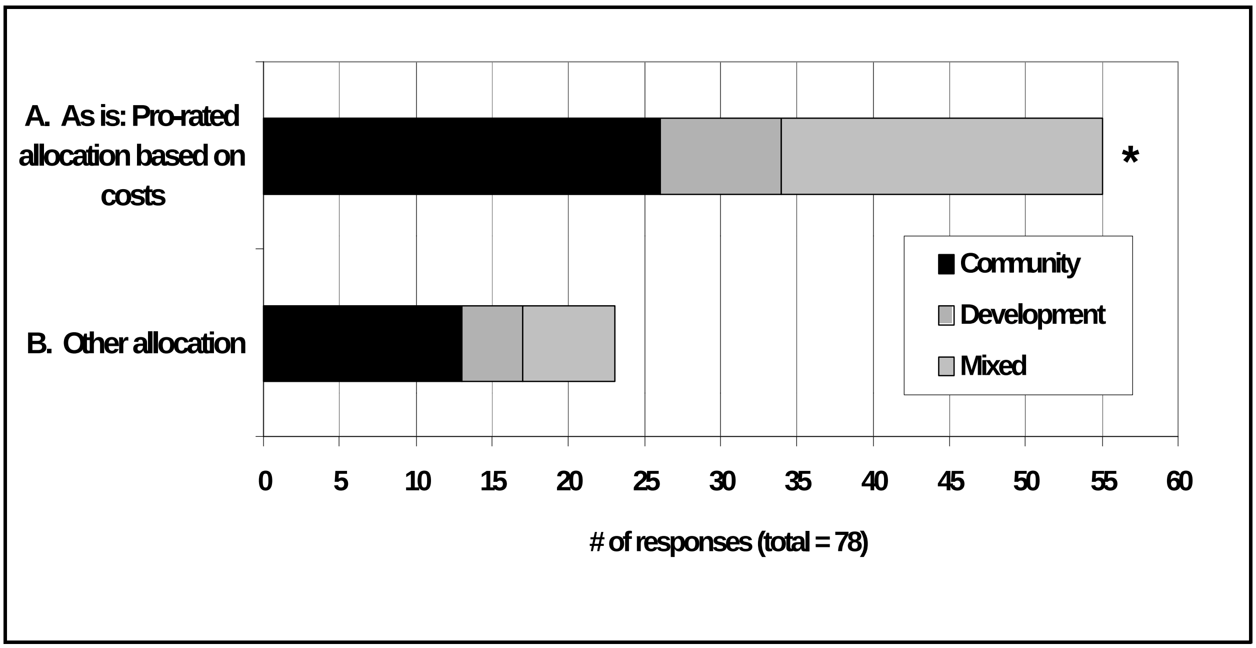


How much revenue should be allocated to each DCL capital project category?

Group Responses:

A. As is: each category gets a pro-rated allocation based on growth costs (e.g. 41% park, 32% replacement housing, 22% transportation, 5% childcare). *	B. Other allocation?
• Vancouver Board of Trade • Vancouver Economic Development Commission • Chinatown Business Improvement Association	• National Assoc. of Industrial and Office Properties: 30% park, 30% replacement housing, 30% transportation, 10% childcare. • Urban Development Institute: "....allocation formulas should be based on objective study and analysis after a careful review of standards."

Individual Responses:

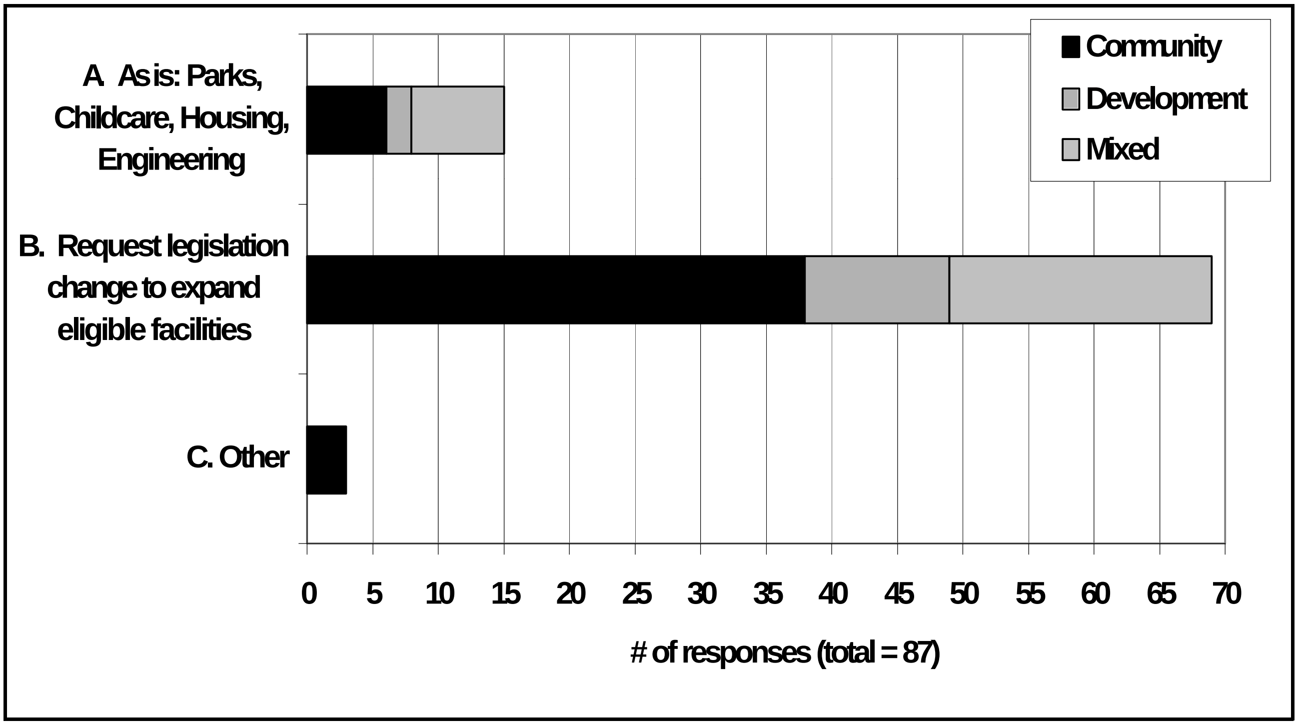


Should more facilities be eligible for DCL funding?

Group Responses:

A. As is: only parks, childcare, replacement housing and engineering infrastructure.	**B. Request legislation change to also fund other City facilities (e.g., community centres, libraries, cultural facilities, social service facilities, fire and police).**
• National Assoc. of Industrial and Office Properties • Vancouver Economic Development Commission • Urban Development Institute	• Vancouver Board of Trade • Chinatown Business Improvement Association

Individual Responses:



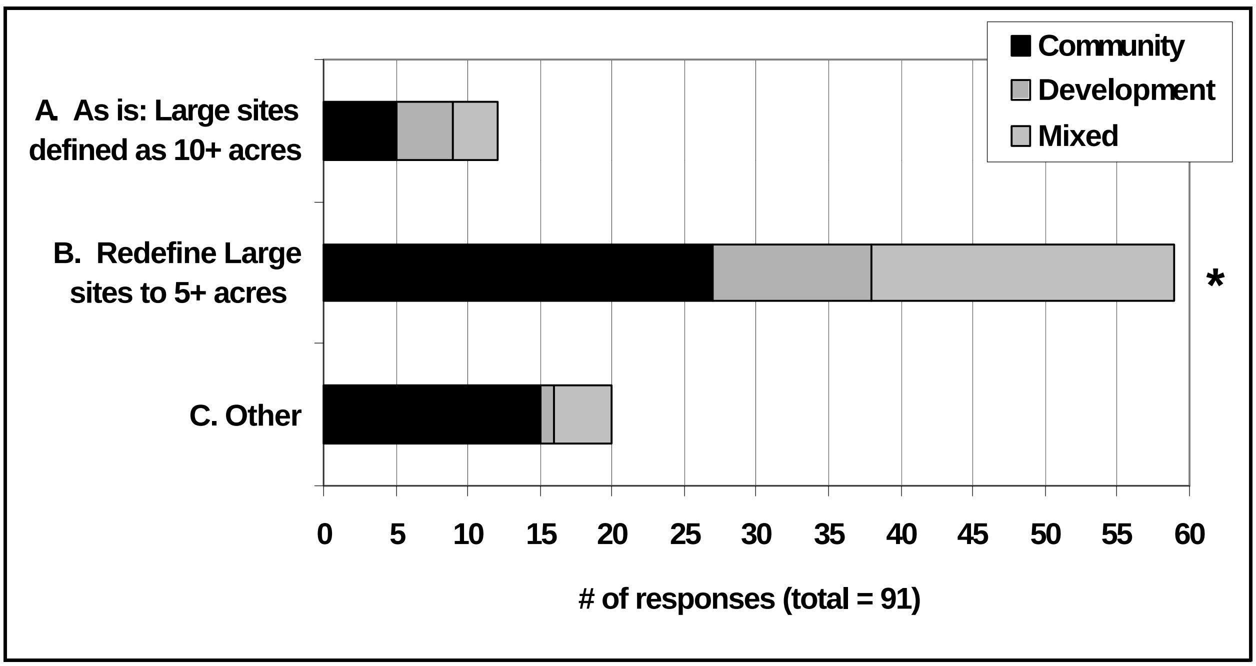
Community Amenity Contributions (CACs): Policy Choice Results Summary

How should different types of rezonings be treated?
Rezoning on Large Sites

Group Responses:

A. As is: large sites defined as 10+ acres are Non-standard rezonings, where Council decides whether to apply a flat rate or negotiate, case-by-case.	B. Redefine large sites to 5+ acres as Non-standard rezonings. *
• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties • Urban Development Institute	• Vancouver Economic Development Commission • Chinatown Business Improvement Association

Individual Responses:



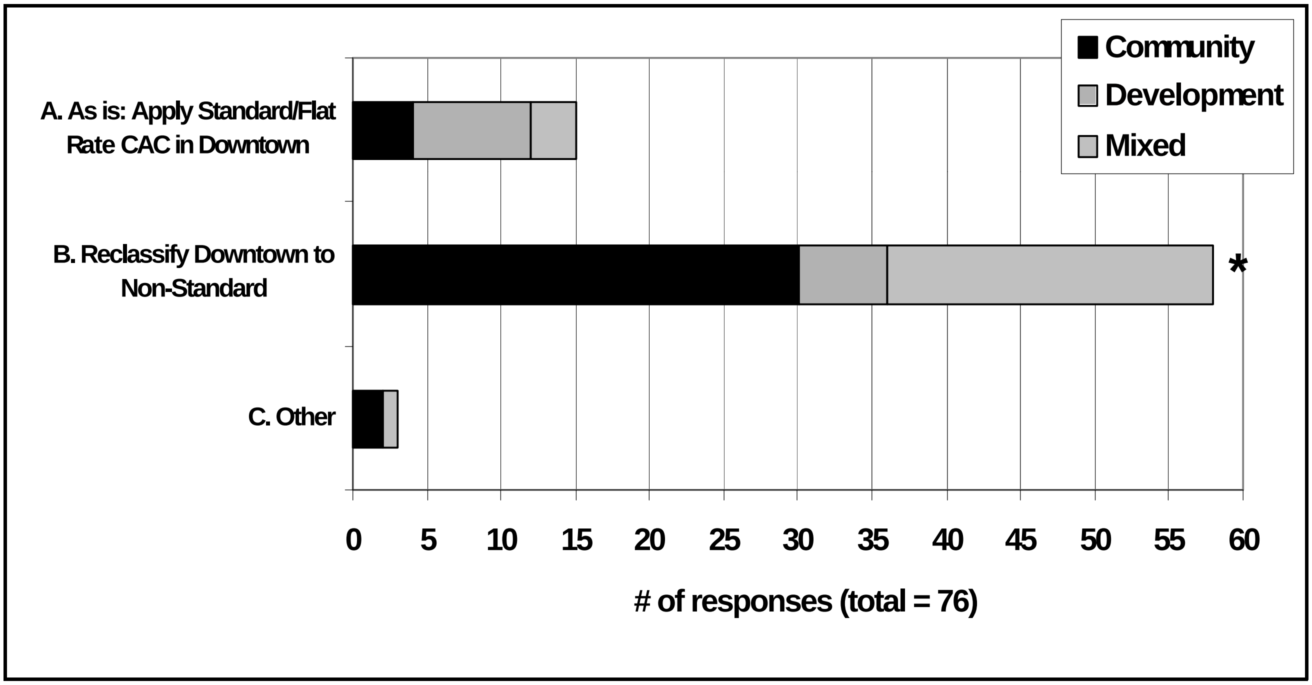
C. Other: all respondents voted for less than 5 ac., mostly 2.5 ac. or 1 city

How should different types of rezonings be treated?
Downtown Rezonings

Group Responses:

A. As is: Downtown rezonings are Standard/Flat Rate, at $\$3/ft^2$ on additional density.	B. Reclassify Downtown rezonings to Non-standard, where Council decides whether to apply a flat rate or negotiate, case-by-case. *
• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties • Vancouver Economic Development Commission • Urban Development Institute	• Vancouver Heritage Commission • Chinatown Business Improvement Association

Individual Responses:

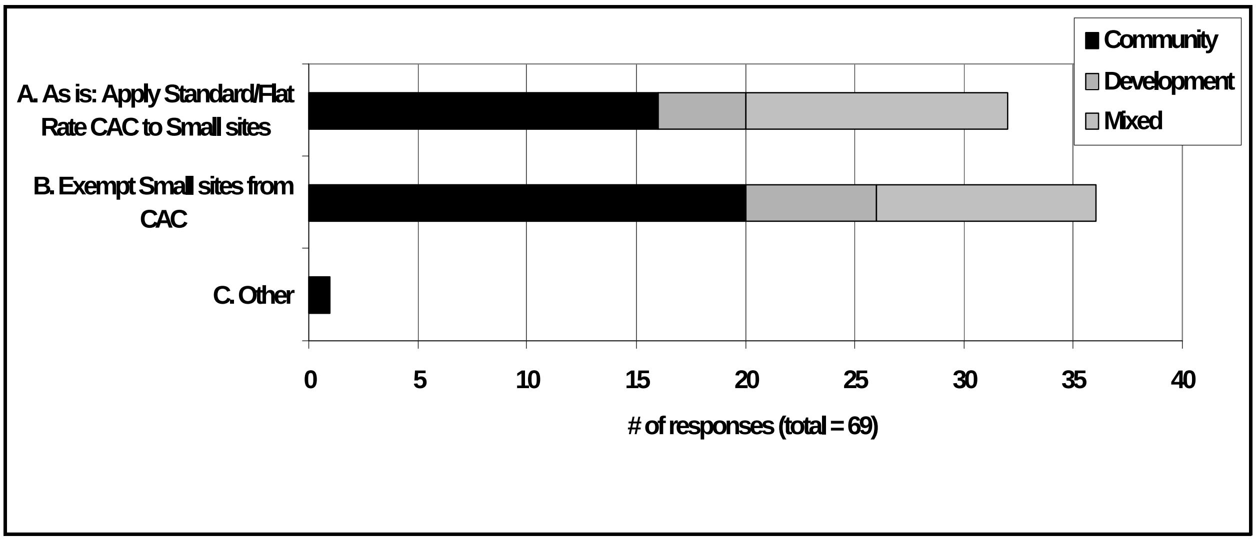


How should different types of rezonings be treated?
Rezoning Small Sites from Single Family to less than Apartment Density

Group Responses:

A. As is: Small site rezonings are Standard/Flat Rate, at $3/ft^2 on additional density.	B. Exempt small sites from CAC -- where outcome is less than apartment density, and the site size is less than one block. *
• Vancouver Board of Trade • Vancouver Economic Development Commission • National Assoc. of Industrial and Office Properties • Chinatown Business Improvement Association	• Urban Development Institute

Individual Responses:

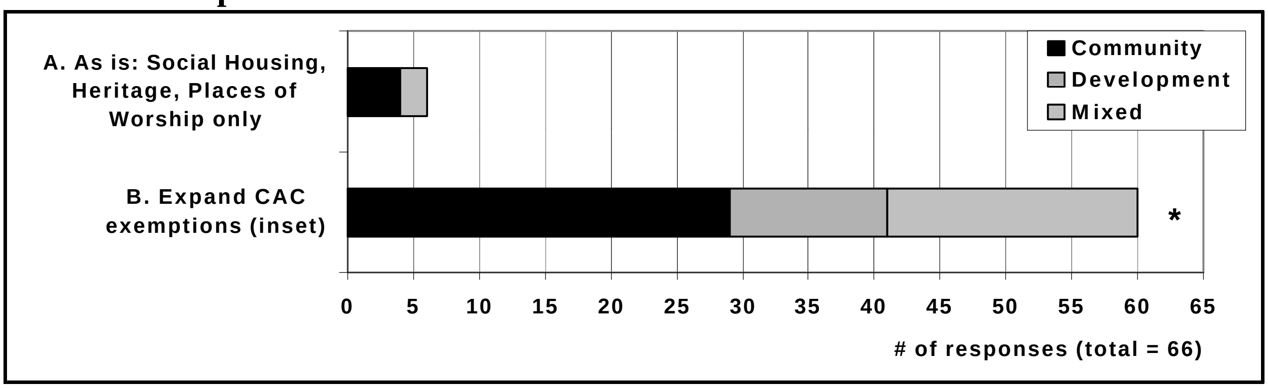


How should different types of rezonings be treated?
Rezonings Which Expand or Create Affordable Housing, Heritage, Community Amenities

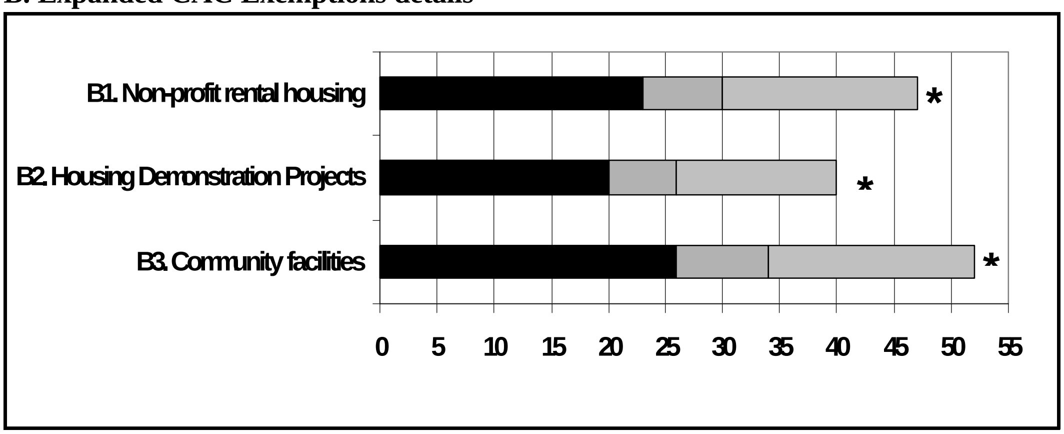
Group Responses:

A. As is: Social housing, heritage and places of worship are CAC exempt. Other housing and amenity rezonings are Standard/Flat Rate.	B. Expand CAC exemption to any or all other cases where increased land value from rezoning is directed to achieve a related City policy.*		
	B.1 Expand definition of social housing to included non-profit rental housing. *	B.2 Housing Demonstration Projects (increased land value goes to affordability).*	B.3 Community facility rezoning meeting City criteria, e.g., neighbourhood house. *
• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties	• Vancouver Economic Development Commission • Chinatown Business Improvement Association • Urban Development Institute	• Chinatown Business Improvement Association • Urban Development Institute	• Vancouver Economic Development Commission • Urban Development Institute

Individual Responses:



B. Expanded CAC Exemptions details



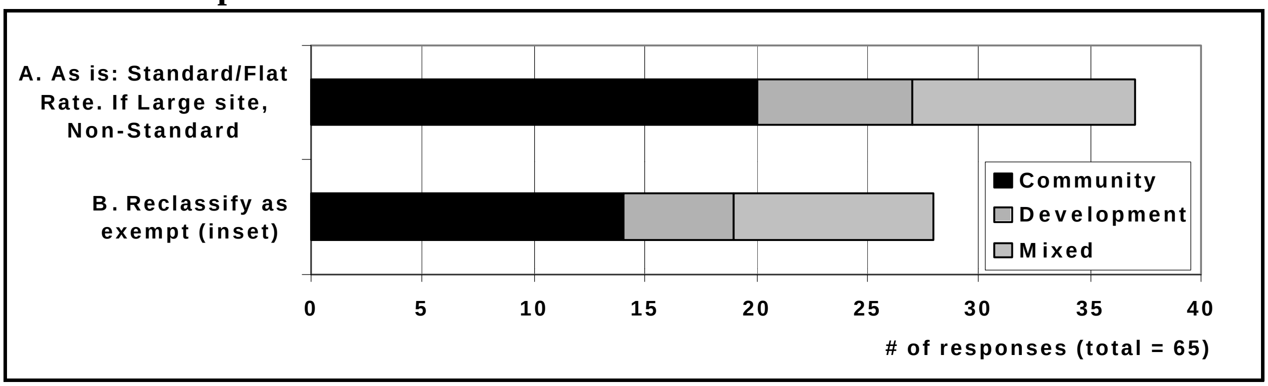
Note: respondents could vote for one or more of expanded CAC exemption choices so total responses vary.

How should different types of rezonings be treated?
Rezonings for Senior Government Funded Facilities: Health and Education

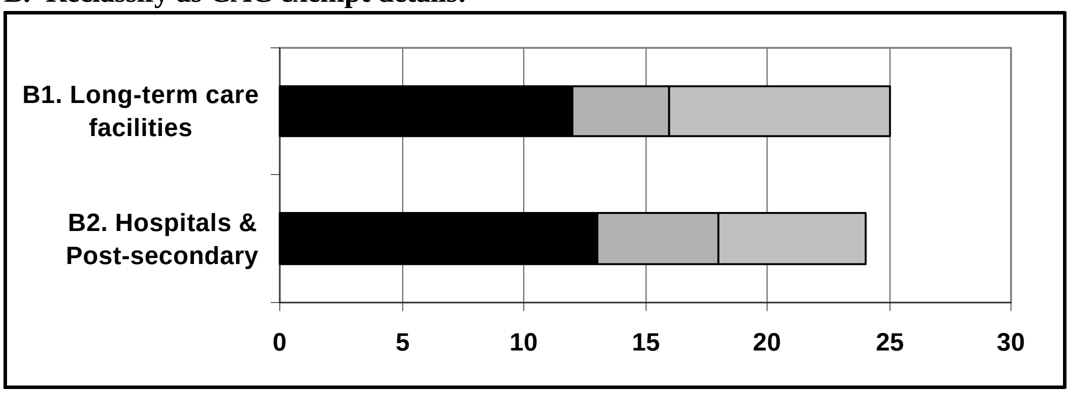
Group Responses:

A. As is: Standard/ Flat Rate. If large site size, Non-standard.	B. Reclassify any of the below as CAC exempt: B. 1 Long-term care facilities, government funded with care available regardless of income.	B.2 Hospitals and post-secondary institutions (for the public facility portion only)	C. Other
• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties • Vancouver Economic Development Commission • Urban Development Institute	• Chinatown Business Improvement Association • Vancouver Coastal Health Authority	• Chinatown Business Improvement Association • Vancouver Coastal Health Authority	• Vancouver School Board: Recommends rezonings for the School District's school facilities be reclassified as CAC exempt.

Individual Responses:



B. Reclassify as CAC exempt details:



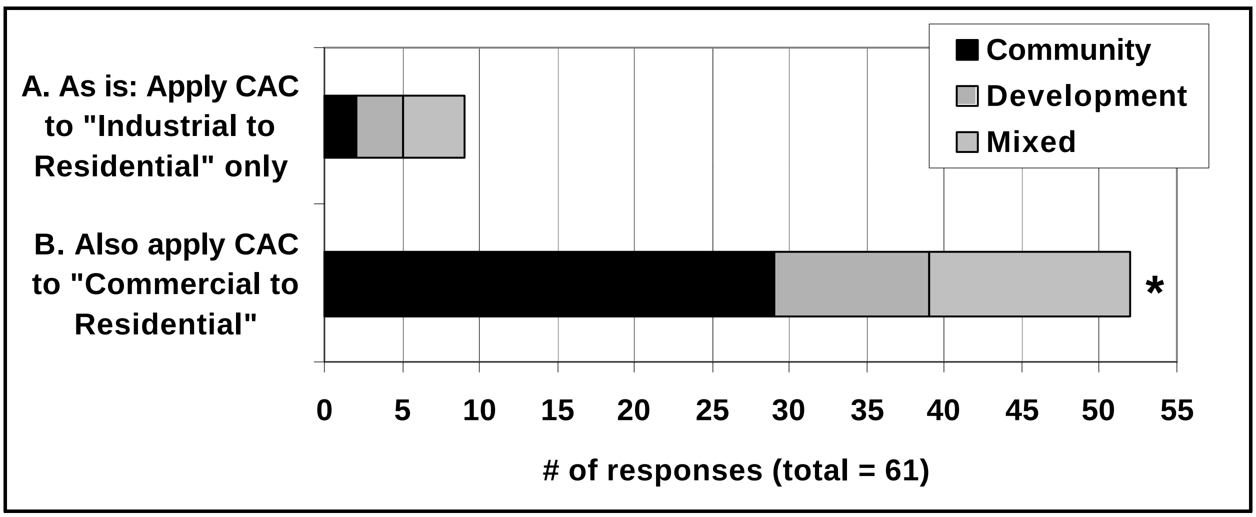
Note: respondents could vote for one or more of expanded CAC exemption choices so total responses vary.

How should different types of rezonings be treated?
Rezonings which Change the Use but not the Total Density:
Change of Use to Residential

Group Responses:

A. As is: Apply CAC only when rezoning is from industrial to residential: Non-standard.	B. Apply CAC when rezoning is from industrial or commercial to residential. (Industrial to residential rezonings remain Non-standard; commercial to residential rezonings become Standard/Flat Rate) *
• National Assoc. of Industrial and Office Properties • Chinatown Business Improvement Association • Urban Development Institute	• Vancouver Board of Trade • Vancouver Economic Development Commission

Individual Responses:

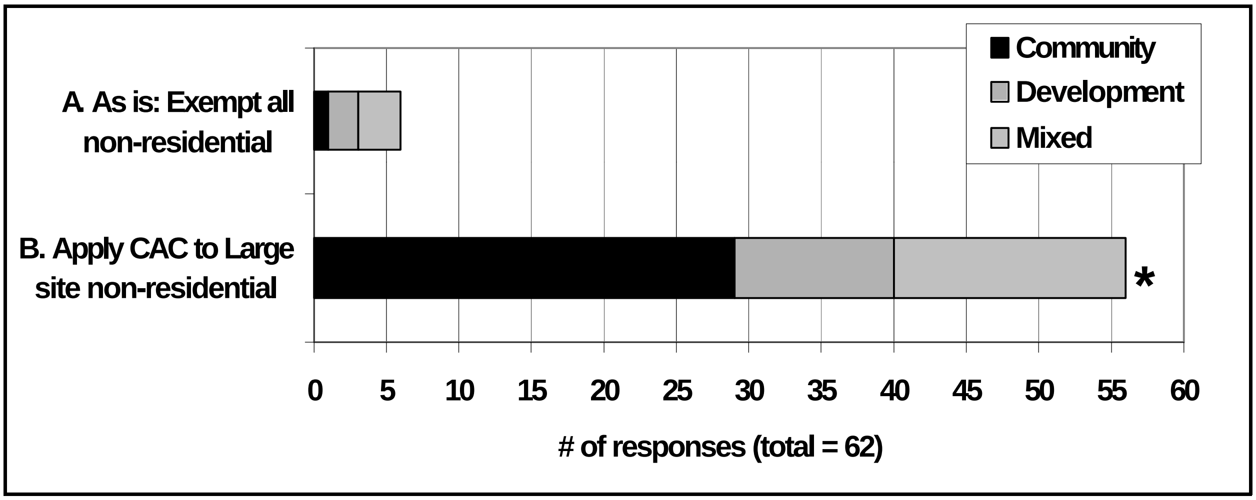


How should different types of rezonings be treated?
Rezonings which Change the Use but not the Total Density:
Change of Use to Non-Residential

Group Responses:

A. As is: Exempt all non-residential change of use rezonings (e.g., industrial to commercial).	B. Apply CAC to large site, non-residential change of use rezonings (like any large site rezoning); Non-standard. *
• Vancouver Board of Trade • National Assoc. of Industrial and Office Properties • Urban Development Institute	• Vancouver Economic Development Commission • Chinatown Business Improvement Association

Individual Responses:



Group & Individual Submissions

Below are the names of all groups and individuals that provided *Feedback Forms*, written submissions and/or detailed comments. Copies of the these submissions and comments are available on-file with the City Clerk.

Group Submissions

Written submissions were received from the following groups:

- Gastown Business Improvement Society (letter)
- National Association of Office and Industrial Properties (letter & *Feedback Form*)
- Urban Development Institute (letter & *Feedback Form*)
- Vancouver Board of Trade (letter & *Feedback Form*)
- Vancouver Economic Development Commission (letter & *Feedback Form*)
- Vancouver Heritage Commission (minutes - see Item 4.a)
- Vancouver/Richmond Health Board (now Vancouver Coastal Health Authority) (letter)
- Vancouver School Board (letter & supporting VSB staff report)
- Chinatown Business Improvement Association (*Feedback Form* only)

Individual Submissions

Written submissions were received from the following individuals:

- Mr. T. Astles & Mr. A. Whitchelo, Bentall Real Estate Services
- Dr. W. C. Gibson, F.R.C.P.
- Mr. K. Jacobson, President Killarney Community Centre
- Mr. K. Timewell

Individual Respondents & Workshop Participants

Name: Individuals	Group Affiliations (where provided)
Bill & Maxine Draper	Sunset Community Assn
Uli Rasehorn	KCC CityPlan Cttee
Jim Close	Hastings North BIA
Niels Bendtsen	INFORM Ltd.& Gastown Business Improvement Society
Megan Balmer	Vancouver Heritage Commission
Barbara Fousek	Hastings Park Conservancy
Mavis Dixon	Evergreen Foundation / Gibby's Field Group in KCC
Marcia Martinez	West Pt. Grey Community Assn
Victoria Paskalides	South Hill Community Vision
Jean Morris	
Bruce Chown	
Chris Payne	
Jean Schwartz	
J & R Deedman	
Mariken van Nimwegen	
Peter Whitelaw	
Jeff Devins	Vancouver City Planning Commission
Frances Boer	
Thomas Nichols	Save Our Parkland Association

Name	**Group Affiliations** (cont.)
Samuel Ho	
Edith Lear	
Harry Jung	Strathcona BIA
Jack Clerkson	Clerkson Consulting Inc.
Joel Bronstein	Little Mountain Neighbourhood House
Dennis Dineen	Peoples Trust & NAIOP
Doug Avis	Canada Lands Co. & NAIOP
Jan Pierce	
Karen Taylor	
Joe __________	
Thom Armstrong,	Co-op Housing Fed of B.C
Ronak Bakhsh	
Megan Balmer	Vancouver Heritage Comm.
Franca Bassanese	
Ian Beardmore	Joyce Stn Area Planning Assn, Financing Growth Resource Group
Marilyn Bell	Parkland is Sustainable and Supportable, Financing Growth Resource Group
Bemocker	
June Binkert	Save Our Parkland Assn
Fran Boer	
Jan Boer	
Donna Braaten	Van Society of Childrens' Centres
Renate Bublick	Urban Development Institute
Gordon Buchholz	
Cindy Burton	Strategic Communications Consult
Raymond Chang	
Jeanne Coleman	Paul Merrick Architects
Christine David	
Mavis Dixon	Evergreen Foundation
Rachel Dumas	
Roy Funk	YMCA
Wendy Galczik	
Richard Gauntlett	Britannia Community Centre
Pauline Gomez	
George Grant	Victoria-Fraserview/Killarney CityPlan Committee
Betty Greenwell	
Enzo Guerriero	Britannia Community Centre
Varouj Gumuchian	
Ian Haywood-Farmer	Van Dusen Botanical Gardens
Renee Hildebrand	Bohn and Associates Media
Samuel Ho	
Jocelyn Honeyman	
Kai Hui	
Susan Kainer	
Keating	
Tanis Knowles	
Guy La Pierre	
Bob Laurie	CB Richard Ellis, Financing Growth Resource Group
Edith Lear	
Kevin Lee	
Raymond Louie	Councillor, City of Vancouver (observer at Jan. 18th Workshop)

Bonnie Ma	
Graham MacLeod	Coal Harbour Arts Complex Society
Name	**Group Affiliations** (cont.)
Patty MacLeod	Coal Harbour Arts Com Society
Ian MacRae	
Alan Martin	
Marcia Martinez,	W. Pt Grey Community Assn
Ricci Mills	
Jo-Ann Moore	
Pavin Nachi	
Richard Nantel	
Lee Nicol	
Heidi Nikkhah	
Nick Nowosad	
Kim Nulty	
Jeff Nulty	
Robert Ostrom	
Joseph Paithouski	
Paula Parkinson	Sunset Community Assn
Victoria Paskalides	
David Peterson	Devon Knight Events
Janice Plumstead	Vancouver Economic Development Commission
Christopher Richardson	
Anita Romaniuk	Commissioner, Vancouver Park Board
Michael Sanderson	Uptown Vancouver BIA
Jean Schwartz	
Peter Seed	Goddard & Smith International Realty
Chris Shelton	
Shane Simpson	Burrardview Neighbourhood Association
Catherine Steele	
Janet Stethem	Fairview Slopes Association, Financing Growth Resource Group
Clara Tepait	
Ken Thompson	Sunset Community Centre
Fulton Tom	Langara College
Martha Welsh	Uptown Vancouver BIA
Shelagh Westberg	
Vernon White	
Valerie Whitehead	
Vincent Wong	
Loretta Woodcock	Commissioner, Vancouver Park Board
Olivia Yarmoluk	