



CITY OF VANCOUVER

A7

ADMINISTRATIVE REPORT

Report Date: October 14, 2008
Authors: Allison Dunnet/
Kathy Morgan
Phone Nos.: 7810/7760
RTS No.: 07721
VanRIMS No.: 08-2000-20
Meeting Date: October 28, 2008

TO: Vancouver City Council

FROM: Director of Planning in consultation with the Director of Legal Services

SUBJECT: Modernization of the Vancouver Development Cost Levy By-law No. 8149

RECOMMENDATION

THAT the Director of Legal Services be instructed to bring forward for enactment a new Vancouver Development Cost Levy By-law which modernizes the by-law language (Appendix A).

CITY MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

On March 21, 1989, the Vancouver Charter was amended to permit the City to charge Development Cost Levies where new development contributes to the need for parks, day care, replacement housing and certain engineering infrastructure. In subsequent years, nine DCL by-laws were adopted for specific geographic areas.

On January 28, 2000, the Vancouver Development Cost Levy By-law came into effect and was thereafter amended on numerous occasions.

On January 18, 2007, the nine existing area-specific DCL By-laws were repealed and replaced by one consolidated and modernized Area-Specific Development Cost Levy By-law.

PURPOSE

This report recommends the modernization of the existing Vancouver Development Cost Levy By-law.

BACKGROUND

City-wide DCL generate a significant portion of the funding required for the delivery of the following public amenities: providing and improving park land, constructing, altering, expanding or replacing sewage, water, drainage and highway facilities, replacement housing and establishing child care and acquiring property for such facilities.

DISCUSSION

Staff recommend replacing the existing Vancouver Development Cost Levy By-law with one which will modernize the language and be similar to the Area Specific Development Cost Levy By-law which was consolidated from nine existing area specific DCL By-laws and modernized in January, 2007.

FINANCIAL IMPLICATIONS

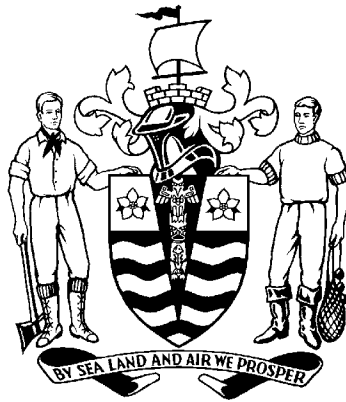
There are no financial implications.

CONCLUSION

A modernized Vancouver Development Cost Levy By-law will consolidate existing amendments, improve existing By-law language and streamline the By-law in line with the Area Specific Development Cost Levy By-law.

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CITY OF VANCOUVER BRITISH COLUMBIA



VANCOUVER DEVELOPMENT COST LEVY BY-LAW NO. _____

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**A By-law to impose development
cost levies in the general area of the city**

PREAMBLE

Council is satisfied that the amounts raised by levies imposed by this By-law in the general area are unlikely to exceed the estimated costs of projects for the general area.

Council has determined that imposing levies in the amounts set out in this By-law in the general area to contribute to the costs of projects for the general area are fair and equitable.

Council is excluding those areas of land described in Part 1 of Schedule A from this By-law because Council has previously determined that development anticipated in those areas will contribute to the need to provide capital projects, and has previously imposed development cost levies with respect to those areas.

Council is excluding those areas of land described in Parts 2 and 3 of Schedule A from this By-law because Council has previously determined that development anticipated in those areas will contribute to the need to provide capital projects, and has previously provided for them by way of official development plans, comprehensive district rezoning, alternate funding arrangements, or other appropriate measures.

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

**SECTION 1
INTERPRETATION**

Name of By-law

1.1 The name of this By-law, for citation, is the "Vancouver Development Cost Levy By-law".

Definitions

1.2 In this By-law:

"building permit" means a building permit issued under the Building By-law;

"day care" means the use of premises operated as a community care facility by one or more persons licensed under the Community Care and Assisted Living Act of British Columbia, as amended or replaced from time to time, on a not for profit basis, for "group day care", "preschool", "special needs day care", "emergency care", "child

“minding”, or “out of school care”, in accordance with Child Care Licensing Regulation B.C. Reg. No. 319/89, as amended or replaced from time to time, and may include the use of flexible space operated for child services as determined by the Director of Social Planning for the city but excludes premises operated for “family child care”;

“development” means any construction, alteration, or extension of all or part of a building or structure that requires issuance of a building permit, and includes a surface parking lot but excludes repair or renovation work, being repair or renovation of a building or structure that does not increase the floor area of that building or structure;

“floor area” means the floor area of a development set out in the development permit that applies at the time of entitlement to delivery of the building permit authorizing the development;

“general area” means all land within the boundaries of the city except for those areas of land described in Parts 1, 2, and 3 of Schedule A;

“industrial zone” means:

- (a) any zoning district designated as “Industrial” by section 9.1 of the Zoning and Development By-law, and
- (b) the land zoned by CD-1 By-law No. 6654 with respect only to those uses that the by-law permitted on the date of its enactment;

“levy” means development cost levy;

“parking garage” means all or a portion of a building or structure the principal or intended principal use of which is the parking or storage of motor vehicles but excludes all or a portion of a building or structure that provides no more than four motor vehicle parking or storage spaces accessory to a residential use;

“prime rate” means the floating annual percentage rate of interest established from time to time by the Bank of Montreal, 595 Burrard Street, Vancouver, British Columbia as the base rate that the Bank uses to determine rates of interest charged by it for Canadian dollar loans to customers in Canada and designated by the Bank of Montreal as the prime rate;

“project” means any capital project described in section 2.2;

“replacement housing” has the meaning given to it in section 523D(2.2) of the Vancouver Charter;

“school” means an institution of learning regularly giving instruction to children that is either:

- (a) under the jurisdiction of The Board of School Trustees of School District No. 39 (Vancouver) constituted under the *School Act*, or

- (b) accepted by the Ministry of Education of the Province of British Columbia, or its successor in function, as providing instruction equivalent to that furnished in the schools referred to in subparagraph (a) above;

“social housing”, for the purpose of section 523D(10)(d) of the Vancouver Charter, means:

- (a) housing in which households with incomes below core-need income thresholds occupy at least 30% of the dwelling units,
- (b) rental housing owned by or on behalf of the city, Province of British Columbia, or Canada,
- (c) rental housing owned by a non-profit corporation, or
- (d) housing owned by a non-profit co-operative association,

and where, in respect of subsections (b), (c), and (d), the registered owner or ground lessee of the freehold or leasehold title to the land upon which the housing is situate has granted to the city a section 219 covenant, housing agreement, or other security securing the housing commitments required by the city, on terms and conditions satisfactory to the city, and registered against the freehold or leasehold title with such priority of registration over other liens, charges, and encumbrances as the city may require;

“surface parking lot” means a parking lot established on the surface of land that has no portion of a building or structure above or below it; and

“temporary building” means a temporary building, structure, or shelter for which a building permit is necessary under the Building By-law.

Table of contents

1.3 The table of contents for this By-law is for convenient reference only, and is not for assistance in interpreting or enforcing this By-law.

Schedules

1.4 The schedules attached to this By-law form part of this By-law.

Severability

1.5 A decision by a court that any part of this By-law is illegal, void, or unenforceable severs that part from this By-law and is not to affect the balance of this By-law.

**SECTION 2
LEVY AREA AND PROJECTS**

Levy area

2.1 Council designates that the general area is subject to imposition of a levy under this By-law.

Projects

2.2 Council has determined that:

- (a) in the case of capital projects other than replacement housing, development anticipated to take place in the general area will contribute to the need to provide one or more of the types of projects set out in the first column of section 2.3, in all or part of the general area, and having the estimated cost set out in the second column opposite it; and
- (b) in the case of replacement housing, development anticipated to take place in the general area will contribute to the need to provide replacement housing set out in the first column of section 2.3, inside or outside the general area, and having the estimated cost set out in the second column opposite it.

Types of projects

2.3 Projects and estimated costs in the general area are:

| <u>Types of Projects</u> | <u>Estimated Cost</u> |
|---|-----------------------|
| Constructing, altering, expanding, or replacing sewage, water, drainage, and highway facilities | \$115,000,000 |
| Providing and improving park land | \$556,500,000 |
| Establishing day care facilities, and acquiring property for such facilities | \$94,000,000 |
| Providing or assisting in providing replacement housing | \$494,170,000 |

**SECTION 3
DEVELOPMENT COST LEVIES**

Imposition of levies

3.1 Subject to this By-law, Council imposes, on every person entitled to delivery of a building permit authorizing development in the general area, the levies set out in section 3.2.

General area levy

3.2 The levy for the general area is \$64.59 for each square metre of floor area in the development authorized for construction under the building permit, except that for:

- (a) a development that includes a residential use and consists of a floor space ratio of 1.2 or less, the levy is \$18.84 for each square metre of residential floor area;
- (b) a development in an industrial zone, the levy is \$25.83 for each square metre of such floor area except floor area used for a dwelling use, housekeeping unit or sleeping unit, as defined under the Zoning and Development By-law;
- (c) a school use, the levy is \$5.49 for each square metre of such floor area;
- (d) a parking garage, the levy is \$1.08 for each square metre of such floor area;
- (e) a day care use, the levy is \$10.00 in respect of each building permit;
- (f) a temporary building, the levy is \$10.00 in respect of each building permit; and
- (g) a community energy centre, being an energy supply facility that provides heat energy in the form of hot water to buildings through a thermal distribution network that links the community energy centre with an energy transfer station in each building, and that includes separate loops for the supply and return of heat energy in the form of hot water, the levy is to be \$10.00 in respect of each building permit.

Application of levy to less than four dwelling units

3.3 A levy is payable where a building permit authorizes the construction, alteration, or extension of a building that, after the construction, alteration, or extension, will:

- (a) contain less than four self-contained dwelling units;
- (b) be put to no other use other than residential use in those dwelling units; and
- (c) in the case of an alteration or extension include an addition of 46.5 m² or more of floor area.

Alteration or extension of existing building or structure

3.4 If a development consists only of the alteration or extension of an existing building or structure to increase its floor area, the levy applies only to the additional floor area.

Staged development

3.5 If a development takes place in stages authorized by separate building permits, a levy is payable, under section 3.2 with respect to each such building permit.

Aggregate levy

3.6 If a development includes uses, or buildings or structures, to which different levies apply, the levy for the development is to be the aggregate of them.

Payment of levy by installments

3.7 Rather than paying a levy upon issuance of a building permit, the person responsible for payment of the levy, at the time and as a condition of issuance of the building permit, may:

- (a) pay \$100.00 to the city; and
- (b) post with the city an irrevocable and unconditional letter of credit for the balance of the amount of the levy, together with an amount equal to one year's interest thereon at a rate that is two percent above the prime rate on the day of application for the building permit, for a term of not less than 12 months.

Realization on security

3.8 The city may realize on the letter of credit referred to in section 3.7, or on any renewal of it:

- (a) within 30 days before the date of its expiry unless, before the date 11 months following the date of its issuance, the person who posted the letter of credit or its renewal posts with the city a renewal or further renewal of the letter of credit on the same terms and conditions as the original letter of credit except that fixing of the prime rate is to occur on the day of renewal or further renewal of the letter of credit; or
- (b) if the levy that it secures remains unpaid on the date of issuance of the occupancy permit permitting occupancy of the development in respect of which the levy is payable.

Default in payment of levy installments

3.9 If a levy payable by installments under section 3.7 of this By-law or any portion of it remains unpaid after its due date, Council authorizes the Collector of Taxes to insert the amount of the levy, or unpaid portion, in the real property tax roll as a charge imposed with respect to the parcel or parcels in relation to which the city issued the building permit.

Change in use of excluded floor area

3.10 If the conversion of space that is not floor area to a use that makes it floor area occurs Council deems such space to be floor area as at the date of issuance of the building permit authorizing its development.

Change in use of excluded land or development

3.11 If the development or change of use of land or a building or structure, that is exempt from a levy, makes it subject to a levy, such levy is due and payable at the time of such development, alteration, or change of use.

**SECTION 4
REPEAL AND ENACTMENT**

Repeal

4.1 Council repeals By-law No. 8149.

Force and effect

4.2 This By-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this _____ day of _____, 2008

Mayor

City Clerk

SCHEDULE A - PART 1

Those areas of land listed in Column 1, and designated or described,
as at January 28, 2000, in the repealed by-laws listed in Column 2

| Column 1 | Column 2 |
|---|----------------|
| Downtown South Development Cost Levy Area | By-law No.6924 |
| Burrard Slopes Development Cost Levy Area | By-law No.7342 |
| Arbutus Neighbourhood Development Cost Levy Area | By-law No.7500 |
| Dundas-Wall Street Neighbourhood Development Cost Levy Area | By-law No.7608 |
| Oakridge/Langara Neighbourhood Development Cost Levy Area | By-law No.7630 |
| Triangle West Neighbourhood Development Cost Levy Area | By-law No.7847 |
| Cedar Cottage MC-1/Welwyn Street Development Cost Levy Area | By-law No.7862 |

SCHEDULE A - PART 2

Those areas of land listed in Column 1, and designated or described,
as at January 28, 2000, in the by-laws listed in Column 2

| Column 1 | Column 2 |
|--|-----------------|
| Lands zoned CD (Comprehensive Development District) and subject to the False Creek North Official Development Plan | By-law No. 6650 |
| Lands zoned CD (Comprehensive Development District) and subject to the Coal Harbour Official Development Plan | By-law No. 6754 |
| Lands zoned CD-1 #139 (Champlain Heights South) | By-law No. 5381 |
| Lands zoned CD-1 #237 (Blocks 68 and 69) | By-law No. 6475 |
| Lands zoned CD-1 #247 (Riverside East) | By-law No. 6533 |
| Lands zoned CD-1 #264 (Station LaFarge) | By-law No. 6744 |
| Lands zoned CD-1 #314 (Collingwood Village) | By-law No. 7203 |
| Lands zoned CD-1 #321 (Bayshore) | By-law No.7232 |
| Lands zoned CD-1 #326 (Arbutus Neighbourhood) | By-law No.7317 |
| Lands zoned CD-1 #341 (Arbutus Neighbourhood) | By-law No.7461 |
| Lands zoned CD-1 #347 (Arbutus Neighbourhood) | By-law No.7654 |
| Lands zoned CD-1 #380 (Arbutus Neighbourhood) | By-law No.7879 |

SCHEDULE A - PART 3

PID 024-041-238
Lot B

PID 024-041-246
Lot C

PID 024-041-254
Lot D

Public Harbour of Burrard Inlet
New Westminster District
Plan LMP36518