

Supports Item No. 5
CS&B Committee Agenda
June 30, 2011



ADMINISTRATIVE REPORT

Report Date: June 21, 2011
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Meeting Date: June 30, 2011

TO: Standing Committee on City Services and Budgets

FROM: Director of Finance & General Manager of Community Services

SUBJECT: Annual Report on Development Cost Levies - Collection, Allocation, and Remaining Balance

RECOMMENDATION

THAT Council receive this report for information.

COUNCIL POLICY

In 2008, the Province enacted Bill 27 - *Local Government "Green Communities" Statute Amendment Act* - which amended Section 523D of the *Vancouver Charter* as follows:

(18.1) In each year,

- (a) the Director of Finance must prepare and submit to the Council a report for the previous year that includes the following, reported for each purpose under this section for which the Council imposes the development cost levy in the applicable year:
 - (i) the amount of development cost levies received;
 - (ii) the expenditures from the development cost levy reserve funds;
 - (iii) the balance in the development cost levy reserve funds at the start and at the end of the applicable year;
 - (iv) any waivers and reductions under subsection (10.4), and
- (b) as soon as practicable after receiving the report, the Council must consider the report and make it available to the public.

In 1990, the Province amended the *Vancouver Charter* to authorize Council to use Development Cost Levies (DCLs) to help fund capital expenditures arising from growth and development in the City.

From 1993 to 2001, Council approved seven geographically specific public benefit areas in the City - *Area-specific DCL Districts* - and applied varying DCL rates to offset the anticipated growth related costs.

In 2001, Council approved an interim City-wide DCL to apply across the City - *City-wide DCL District* - with the exception of those seven Area-specific DCL Districts, and instructed staff to prepare a policy to guide the application and use of the new City-wide DCL.

Since 2001, Council has further approved three geographically specific areas in which the public benefit needs arising from anticipated growth are beyond the City-wide expectations, requiring an overlay DCL to be applied - *Layered DCL Districts*. The overlay DCL is an additional charge on top of the City-wide DCL.

In June 2003, Council adopted the Financing Growth Policy that sets the framework for the collection and allocation of DCLs to help pay for eligible capital facilities needed for growth: parks, housing, childcare, and engineering infrastructure.

Council approved adjustments to City-wide DCL rates in July 2008 and Area-specific and Layered DCL rates in June 2010 to account for property and construction inflation experienced since inception of these DCL districts (or from the date that they were last updated). Council further directed staff to adjust these rates annually for inflation through a report to Council in July, with new rates effective on September 30th of each year.

PURPOSE

This report is submitted for Council's information in accordance with Section 523D(18.1) of the *Vancouver Charter* which requires the Director of Finance to report annually on the collection, allocation, waiver, and reduction of DCLs; and the unallocated balance at the start and the end of that year. To synchronize with the capital budget and status reporting timeline, the last report covered 18 months of DCL activities from January 2009 to June 2010 and was presented to Council in February 2011. This report is a 6-month update and covers DCL activities from January to December 2010. Going forward, this report will be presented on an annual basis together with the Annual Report on Public Benefits through Additional Density.

BACKGROUND

As Vancouver continues to grow, the demand on City amenities also increases. To balance community liveability and affordability, new development is required to contribute a share of its growth costs and impacts in the form of DCLs. DCLs are a significant revenue source for city amenities, and relieve what would otherwise fall entirely onto property taxes.

Pursuant to the *Vancouver Charter* and applicable DCL By-laws, DCLs may be applied towards growth-related capital projects in the following spending categories:

- *Park* - acquiring and developing new park land, as well as upgrading and improving existing parks
- *Housing* - replacing all types of housing that Council determines to be necessary to house persons displaced as a result of new development and unable to afford comparable accommodation, as well as acquiring sites for affordable housing to meet city needs
- *Childcare* - delivering facilities in premises leased or owned, including land acquisition and construction
- *Engineering infrastructure* - constructing, altering, expanding or replacing sewer, water, drainage and transportation facilities such as new sidewalks, curb ramps, greenways, cycling improvements, arterial transit and safety improvements

There are three types of DCL districts within the City, each with its own public benefit strategy and DCL rates:

- *City-wide DCL District* - applies to most of the City. Certain Area-specific DCL districts and planning areas/zones are excluded (see below).
- *Area-specific DCL Districts* - developments in these districts are subject to Area-specific DCL and exempt from City-wide DCL. There are seven such districts in the City: Downtown South, Burrard Slopes, Arbutus Neighborhood, Dundas/Wall Street, Oakridge/Langara, Triangle West, and Cedar Cottage/Welwyn Area.
- *Layered DCL Districts* - developments in these districts are subject to both Area-specific DCL and City-wide DCL. There are three such districts in the City: False Creek Flats, Grandview-Boundary, and South East False Creek (SEFC).

Eight areas are exempt from City-wide DCL because the City previously secured public benefits as part of the Comprehensive Development District (CD-1)/Official Development Plan (ODP) and/or made alternative funding arrangements for public benefits. These areas pre-date the establishment of the City-wide DCL district: False Creek North ODP, Station/LaFarge CD-1 (Citygate), Coal Harbor ODP, Bayshore CD-1, Arbutus Neighborhood CD-1s, Collingwood Village CD-1, Fraser Lands CD-1s, and Central Waterfront Port Lands.

The map in Appendix A outlines the boundaries for the Citywide, Area-specific, and Layered DCL districts, as well as areas that are exempt from DCLs.

DCL Collection - The DCL By-laws establish the boundaries, set the rates, and describe how to calculate and pay the levy. DCL rates are determined based on a number of factors including development forecasts, zoned capacity, growth-related amenity requirements and cost estimates for each DCL district. Generally, DCLs are not expected to cover all of the costs and the capital budget is expected to provide a “municipal assist” portion to make up the difference. This portion could be funded from traditional capital funding sources or from contributions from senior governments or other funding partners. In the current Capital Plan (2009-2011), \$72.1 million of DCLs were allocated to fund eligible capital projects, which is equivalent to 14% of total capital program expenditures in the three-year plan.

DCLs are assessed based on the floor area of the development and rates vary by type of development - single or multi-family residential, commercial, and industrial - and by DCL district. The levy will not be more than 10% of the value of the development as determined pursuant to the Building By-law. Payment is due at Building Permit issuance and the levy is calculated at the rate in effect on the date of issuance.

Building Permit applications submitted after January 1, 2011 are now provided with in-stream DCL rate protection. When a DCL by-law with higher rates is introduced, Building Permit applications that have been submitted prior to the adoption of the higher DCL rates are exempt from DCL rate increases for a period of 12 months from the date of the DCL rate amendment, provided that:

- the applicant has submitted a Building Permit application in a form satisfactory to the City; and
- the applicant has paid the applicable Building Permit fee to the City.

The *Vancouver Charter* also provides for a number of DCL exemptions and waivers including:

- alterations to an existing building where total floor area is not increased
- social housing, subject to meeting applicable by-law definitions and requirements
- churches exempt from taxation
- additions (< 500 sq ft) to existing buildings with fewer than four residential units
- small residential units of 312 sq ft or less

Appendix B contains the current DCL rates for each DCL district effective September 2010.

DCL Allocation - Section 523D(16) of the *Vancouver Charter* requires that separate DCL reserve accounts be established for each DCL By-law. Allocation of DCLs to eligible capital projects requires Council approval either as part of the annual capital budget or separately. Council concurred with the recommendations of the Financing Growth Policy that allocations not exceed the amount of funding available on hand and that, without restricting the ability to achieve needed amenities in a timely fashion, funding be allocated based on the long-term distribution percentages to the spending categories as set out in the applicable DCL by-laws. This approach ensures that the needed amenities are provided over the public benefit period (typically 20 years) but that, except in unusual circumstances, the provision of amenities matches the flow of DCL revenue. For capital planning purposes, the contemplated DCL allocation for the next three-year plan should not exceed 100% of the DCLs available at the beginning of the plan and 50% of the anticipated DCL receipts during the first two years of the plan. This ensures that DCL allocations do not exceed what may reasonably be expected to collect and leaves a balance of uncommitted DCLs for emerging priorities that may arise or to resolve short-term over-commitment within the DCL spending categories.

City-wide DCLs can be applied towards growth-related capital projects that are part of city-wide amenity system used by residents across the city. The long-term distribution of DCLs among the four spending categories - park, housing, childcare, engineering infrastructure - is determined by Council policy when a DCL district is established (or updated). For the City-wide DCL district, the distribution percentages are established in the Financing Growth Policy (2003). For the Area-specific and Layered DCL districts, the distribution percentages are established in the public benefit strategy developed for each area. Council can alter these long-term distribution percentages at any time. Levies collected within each DCL district

must be spent within the area boundary, except housing projects which can be located city-wide.

As evident in the data presented in the following sections, the amount of DCLs collected and allocated peaked in 2007, reflecting the level of development activity and size of projects at the time before the global recession hit in 2008/09. The market started to stabilize in 2010. The amount of DCL waived was also at historical level in 2007 as the development of various social housing projects took place in the SEFC area.

Appendix C contains the current DCL distribution percentage among the four spending categories - park, housing, childcare, and engineering infrastructure - for each DCL district.

DISCUSSION

DCL Collection (including interest) & Allocation

From the inception of DCLs in 1993 to 2010, \$268.5 million was collected from all DCL districts while \$219.6 million was allocated to fund eligible capital projects, leaving an unallocated balance of \$48.9 million. In 2010, \$31.1 million was collected and \$28.9 million was allocated. For the purpose of this report, "DCL allocation" means commitment of DCLs to fund specific capital projects by Council. Table 1 below shows the annual DCL collection and allocation from all DCL districts.

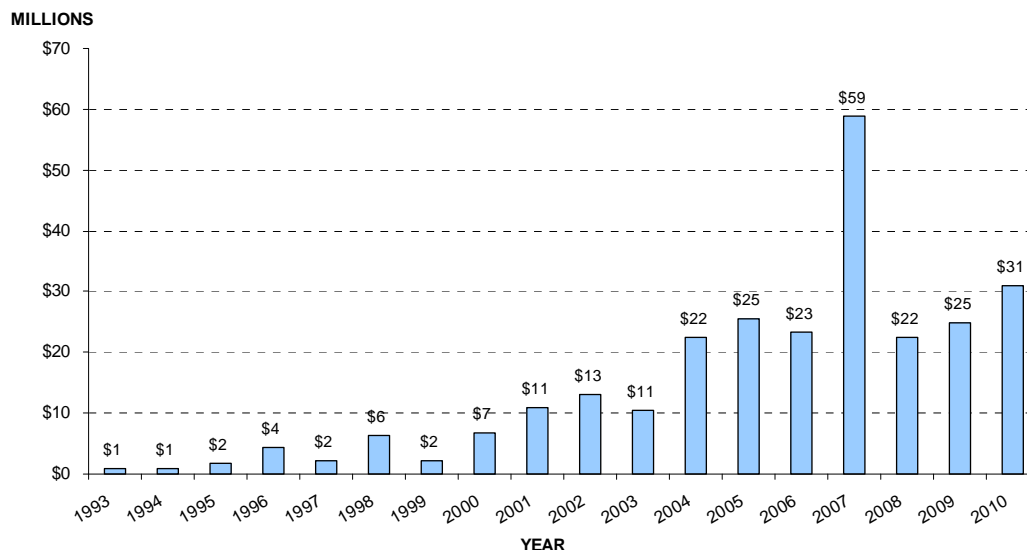
**TABLE 1:
ANNUAL DCL COLLECTION (INCL. INTEREST) & ALLOCATION, & UNALLOCATED BALANCE
- ALL DCL DISTRICTS (1993 TO 2010)**

	TOTAL COLLECTION (INCL. INTEREST)	TOTAL ALLOCATION	UNALLOCATED BALANCE
1993	\$850,096		
1994	\$834,251		
1995	\$1,670,257		
1996	\$4,419,007		
1997	\$2,088,446	\$3,191,845	
1998	\$6,362,329	\$999,377	
1999	\$2,126,997	\$9,161,370	
2000	\$6,797,309	\$5,130,500	
2001	\$10,833,940	\$8,128,074	
2002	\$13,169,187	\$3,734,231	
2003	\$10,545,054	\$10,652,010	
2004	\$22,487,856	\$12,737,337	
2005	\$25,478,033	\$24,563,898	
2006	\$23,421,857	\$11,571,250	
2007	\$58,922,583	\$48,939,267	
2008	\$22,452,212	\$31,492,608	
2009	\$24,958,907	\$20,418,100	
Balance as of December 31, 2009	\$237,418,320	\$190,719,866	\$46,698,454
2010	\$31,080,204	\$28,927,703	
Balance as of December 31, 2010	\$268,498,524	\$219,647,569	\$48,850,955

As shown in Table 1 above and Figure 1 below, DCLs collected from all DCL districts have been increasing since the inception of the program as a result of broader application of the levy over the years and, more recently, increases in rates approved by Council to reflect land and construction inflation. In recent years, average annual collection has been within the \$22

million to \$25 million range. The amount peaked in 2007 reflecting the level of development activity and size of projects at the time, retreated during the recession in 2008/09, and recovered substantially in 2010.

FIGURE 1: ANNUAL DCL COLLECTION (INCL. INTEREST) - ALL DCL DISTRICTS (1993 TO 2010)



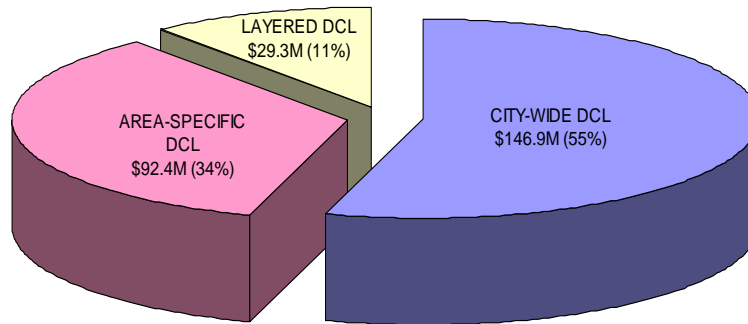
Of the \$268.5 million collected since 1993, \$146.9 million (55%) was from the City-wide DCL district, \$92.4 million (34%) from the Area-specific DCL districts, and \$29.3 million (11%) from the Layered DCL districts. The \$31.1 million collected in 2010 was comprised of \$21.5 million (69%) City-wide DCL, \$5.3 million (17%) Area-specific DCL, and \$4.3 million (14%) Layered DCL. Table 2 and Figure 2 show DCLs collected by DCL district.

TABLE 2: CUMMULATIVE DCL COLLECTION (INCL. INTEREST) - BY DCL DISTRICT (1993 TO 2010)

	PRIOR TO 2010	2010	TOTAL	% OF TOTAL
CITY-WIDE DCL TOTAL	125,392,731	21,485,059	\$146,877,790	55%
AREA-SPECIFIC DCL				
Downtown South	\$57,925,082	\$4,244,956	\$62,170,038	
Burrard Slopes	\$7,960,771	\$191,902	\$8,152,673	
Arbutus Neighborhood	\$2,175,912	\$193,267	\$2,369,179	
Oakridge/Langara	\$4,309,158	\$451,725	\$4,760,883	
Triangle West	\$13,783,592	\$201,437	\$13,985,029	
Cedar Cottage/Welwyn Street	\$854,941	\$60,315	\$915,256	
AREA-SPECIFIC DCL TOTAL	\$87,009,457	\$5,343,601	\$92,353,058	34%
LAYERED DCL				
False Creek Flats	\$1,976,627	\$305,995	\$2,282,622	
Grandview-Boundary	\$1,130,655	\$42,644	\$1,173,299	
South East False Creek	\$21,908,850	\$3,902,905	\$25,811,755	
LAYERED DCL TOTAL	\$25,016,132	\$4,251,544	\$29,267,676	11%
ALL DCL AREA - TOTAL	\$237,418,320	\$31,080,204	\$268,498,524	100%

Note: There has been no DCL collected to-date from the Dundas/Wall Street district.

FIGURE 2: DCL COLLECTION (INCL. INTEREST) - BY DCL DISTRICT (1993 TO 2010)



Each DCL district has long-term distribution percentages for the four spending categories as determined by Council policy. In totality, the overall distribution for Park is 45% (\$121.5 million), Housing is 31% (\$82.4 million), Childcare is 9% (\$24 million), and Engineering Infrastructure is 15% (\$40.7 million).

Of the \$268.5 million collected from 1993 to 2010, \$219.6 million has been allocated to fund eligible projects in the four spending categories: Park - \$86.7 million, Housing - \$68.7 million, Childcare - \$15.7 million, and Engineering Infrastructure - \$48.6 million.

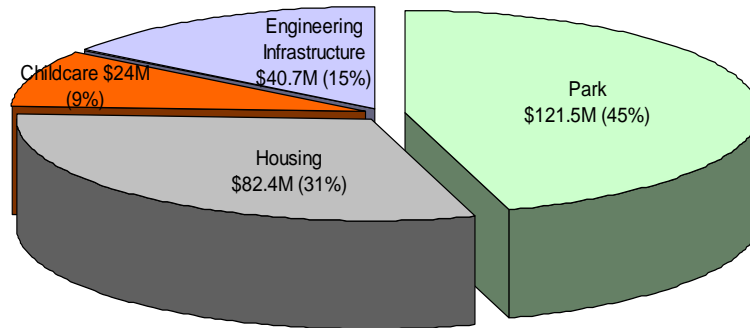
Table 3 below shows the collection and allocation of DCLs by spending category and Figure 4 shows the distribution of DCLs collected.

TABLE 3: DCL COLLECTION (INCL. INTEREST) & ALLOCATION BY SPENDING CATEGORY - ALL DCL DISTRICTS (1993 TO 2010)

SPENDING CATEGORY	COLLECTION UP TO 2010	DISTRIBUTION %	TOTAL DCL ALLOCATION UP TO 2010			
			PRIOR TO 2010	2010	TOTAL	ALLOCATED
Park	\$121,489,790	45%	\$73,040,949	\$13,675,000	\$86,715,949	71%
Housing	\$82,380,150	31%	\$54,184,750	\$14,500,000	\$68,684,750	83%
Childcare	\$23,960,386	9%	\$15,657,870	\$22,000	\$15,679,870	65%
Engineering Infrastructure	\$40,668,198	15%	\$47,836,297	\$730,703	\$48,567,000	124% ¹
TOTAL	\$268,498,524	100%	\$190,719,866	\$28,927,703	\$219,647,569	82%

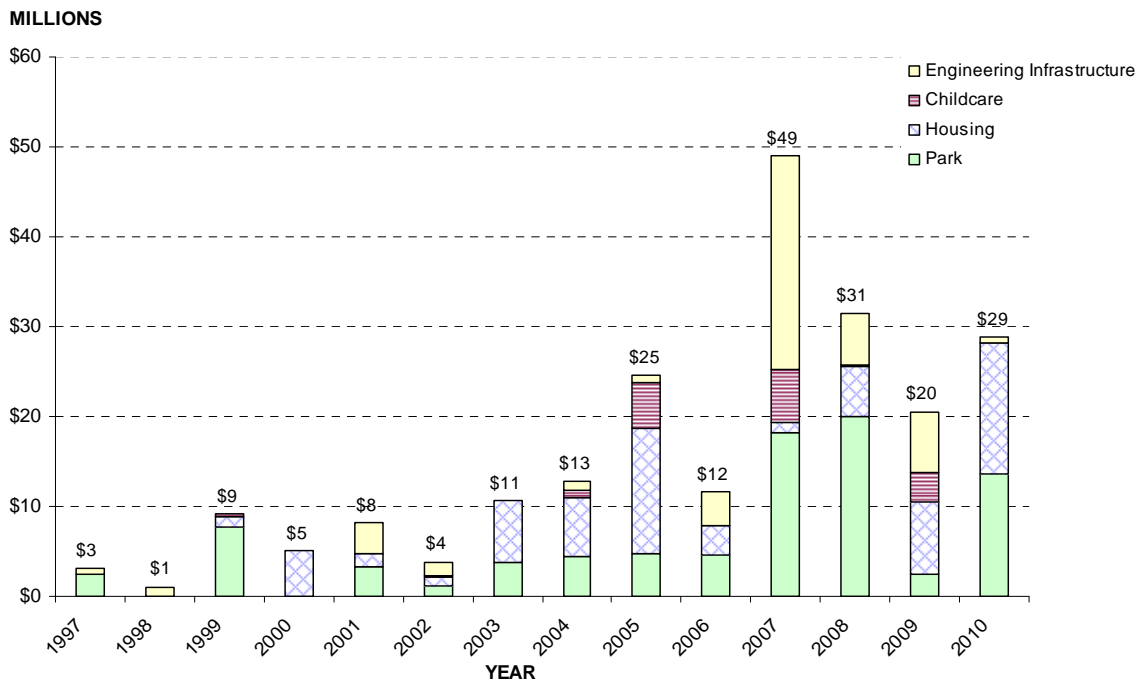
¹ In July 2007, Council approved \$23 million for the 1st Avenue reconstruction project, of which \$20.7 million was to be funded from future DCL receipts from the SEFC ODP area as part of the SEFC Financial Plan. This results in an over-committed balance in the engineering infrastructure category. (<http://vancouver.ca/ctyclerk/cclerk/20070724/documents/a29.pdf>)

FIGURE 4: CUMMULATIVE DCL COLLECTION (INCL. INTEREST) - BY SPENDING CATEGORY (1993 TO 2010)



As show in Figure 5 below, annual DCL allocation follows the same general pattern as DCL revenue which has been increasing gradually. In recent years, annual allocation has been within the \$20 million to \$30 million range, or 9% to 13% of the annual capital budget, and varies year over year depending on the level of development activities in specific neighborhoods as well as allocations in accordance with the public benefit strategies. DCL has become a significant funding source for the City’s capital program.

FIGURE 5: ANNUAL DCL ALLOCATION BY SPENDING CATEGORY - AII DCL DISTRICTS (UP TO 2010)



Appendix D contains details on the DCLs collected and allocated for each DCL district and by spending category for the current reporting period.

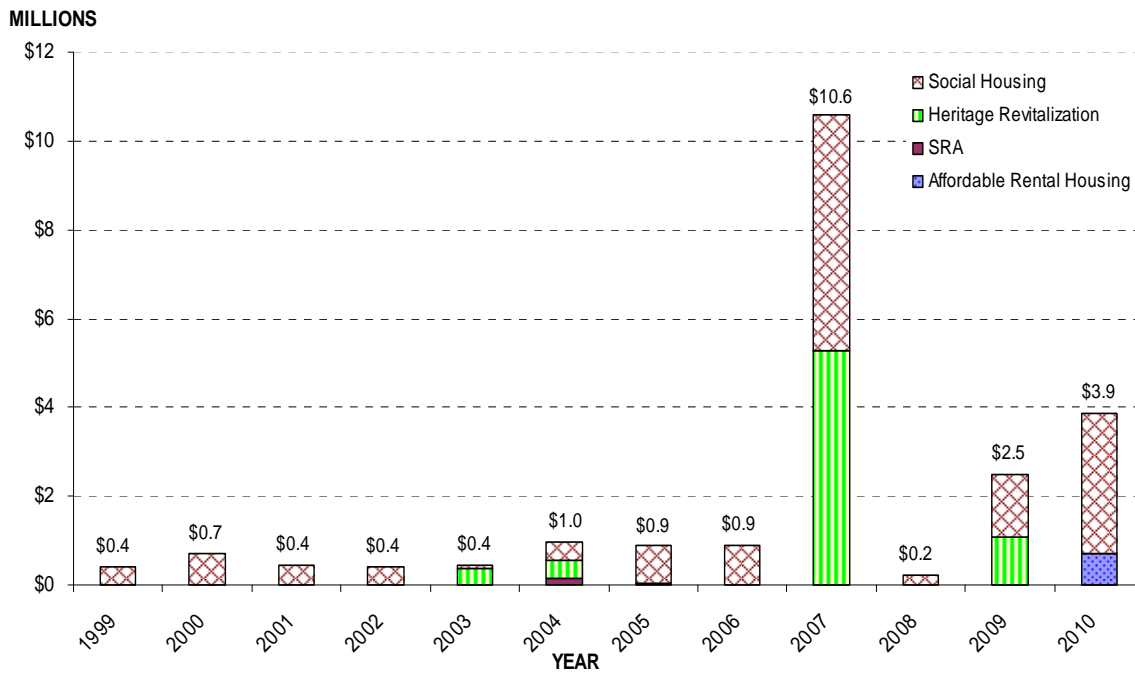
DCL Exemption, Waiver & Reduction

The *Vancouver Charter* allows waiver or reduction of DCLs on certain types of development as long as they meet the applicable by-law definitions and requirements. These include social housing, affordable rental housing under the Short Term Incentives for Rental Housing Program, and heritage revitalization.

From 1993 to 2010, \$22.3 million of DCLs were waived or reduced of which \$14.3 million was for social housing, \$0.7 million for affordable rental housing, \$0.2 million for Single Room Accommodation (SRA) conversion or demolition, and \$7.1 million for heritage revitalization. In 2010, \$3.9 million was waived or reduced of which \$3.1 million was for social housing and \$0.7 million for affordable rental housing.

Figure 6 below shows the annual DCL waiver and reduction by category.

FIGURE 6: ANNUAL DCL WAIVER & REDUCTION BY CATEGORY - ALL DCL DISTRICTS (UP TO 2010)



Appendix E contains details on the DCLs waived or reduced relating to social housing, affordable rental housing, SRA, and heritage revitalization.

FINANCIAL IMPLICATIONS

DCLs are a significant revenue source for the City’s amenities and capital priorities. In the current 2009-2011 Capital Plan, \$73.6 million has been allocated, which is equivalent to 14% of total capital program expenditures (City funding portion, excluding senior government and other external funding).

Cumulative - Since the inception of DCLs in 1993, \$268.5 million (including interest) was collected and \$219.6 million has been allocated to fund eligible capital projects, leaving an unallocated balance of \$48.9 million as of December 2010.

Current reporting period - In 2010, \$31.1 million (including interest) was collected and \$28.9 million was allocated to fund eligible capital projects.

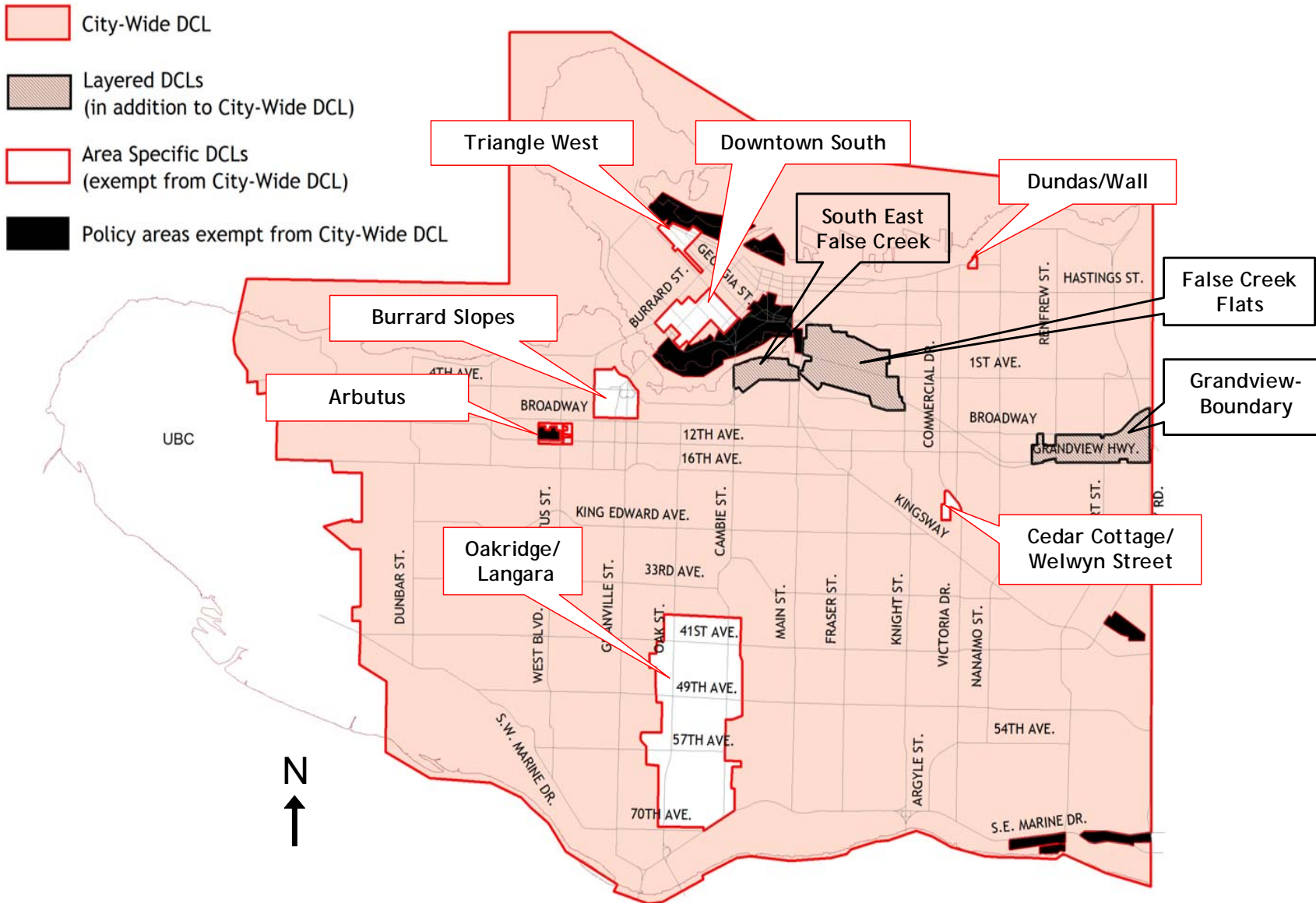
The over-commitment of DCLs presented in Appendix D represents timing mismatch between DCL receipts and eligible capital expenditures. Generally, DCL allocations should not exceed the amount of funding available on hand. However, certain DCL districts may require upfront infrastructure upgrades to facilitate redevelopment which result in temporary over-commitment of DCLs.

For capital planning purposes, existing policy requires that DCL allocation not exceed 100% of the DCLs available at the beginning of the plan and 50% of the anticipated DCL receipts during the first two years of the plan. This approach allows a balance of uncommitted DCLs for emerging priorities or to resolve short-term over-commitment within the DCL spending categories. For SEFC, the amenities are financed by the Capital Financing Fund and will be repaid from future DCL receipts from the SEFC ODP area as part of the SEFC Financial Plan.

CONCLUSION

This report summarizes the collection, allocation, waiver and reduction of DCLs in 2010; and the unallocated balance at the start and the end of that period.

* * * * *



**CURRENT DCL RATES
(JUNE 2011)**

	CURRENT RATE PER SQUARE FOOT		
	RESIDENTIAL =<1.2 FSR	RESIDENTIAL >1.2 FSR & COMMERCIAL	INDUSTRIAL
CITY-WIDE DCL	\$2.43	\$10.42	\$4.17
AREA-SPECIFIC DCL			
Downtown South	N/A	\$14.48	N/A
Burrard Slopes	N/A	\$9.45	\$3.78
Arbutus Neighborhood	N/A	\$7.06	\$2.82
Dundas/Wall Street	N/A	\$2.95	N/A
Oakridge/Langara	\$2.44	\$6.01	N/A
Triangle West	N/A	\$10.42	N/A
Cedar Cottage/Welwyn Area	\$2.27	\$5.49	\$3.38
LAYERED DCL			
False Creek Flats	N/A	\$4.62	\$4.62
Grandview - Boundary	N/A	\$0.72	\$2.89
South East False Creek	N/A	\$15.68	\$2.38

Inflationary rate adjustments for all DCL Districts are proposed to come into effect on September 30, 2011.

**CURRENT DCL DISTRIBUTION PERCENTAGE
BY SPENDING CATEGORY**

	PARK	HOUSING	CHILDCARE	ENGINEERING INFRASTRUCTURE
CITY-WIDE DCL	41.0%	32.0%	5.0%	22.0%
AREA-SPECIFIC DCL				
Downtown South	38.0%	42.0%	13.0%	7.0%
Burrard Slopes	71.7%	3.7%	16.1%	8.5%
Arbutus Neighborhood	-	-	90.3%	9.7%
Dundas/Wall Street	46.9%	-	-	53.1%
Oakridge/Langara	63.2%	30.3%	-	6.5%
Triangle West	53.0%	33.0%	14.0%	-
Cedar Cottage/Welwyn Area	-	48.0%	43.0%	9.0%
LAYERED DCL				
False Creek Flats	26.7%	-	10.0%	63.3%
Grandview - Boundary	10.0%	-	-	90.0%
South East False Creek	61.5%	-	16.9%	21.6%

The long-term distribution of DCLs among the four spending categories - park, housing, childcare, engineering infrastructure - is determined by Council policy when a DCL district is established (or updated). For the City-wide DCL district, the distribution percentages are established in the Financing Growth Policy (2004). For the Area-specific and Layered DCL districts, the distribution percentages are established in the public benefits strategies developed for each area. Council can alter these long-term distribution percentages at any time.

DCL COLLECTION & ALLOCATION, AND UNALLOCATED BALANCES **APPENDIX D**
BY DCL DISTRICT & SPENDING CATEGORY **PAGE 1 OF 2**

	COLLECTION (INCL. INTEREST)			ALLOCATION			UNALLOCATED BALANCE
	PRIOR TO 2010	2010	TOTAL	PRIOR TO 2010	2010	TOTAL	
CITY-WIDE DCL							
Park	53,831,839	8,808,874	62,640,713	36,428,362	6,675,000	43,103,362	\$19,537,351
Housing	40,311,891	6,875,219	47,187,110	30,880,106	14,500,000	45,380,106	\$1,807,004
Childcare	7,386,941	1,074,253	8,461,194	6,955,024	22,000	6,977,024	\$1,484,170
Engineering Infrastructure	23,862,060	4,726,713	28,588,773	20,508,676	2,752,500	23,261,176	\$5,327,597
CITY-WIDE DCL TOTAL	\$125,392,731	\$21,485,059	\$146,877,790	\$94,772,167	\$23,949,500	\$118,721,667	\$28,156,123
AREA-SPECIFIC DCL							
Downtown South							
Park	25,283,251	1,613,083	26,896,334	25,698,369		25,698,369	\$1,197,965
Housing	26,610,627	1,782,881	28,393,509	18,971,644		18,971,644	\$9,421,865
Childcare	4,827,266	551,844	5,379,110	2,082,500		2,082,500	\$3,296,610
Engineering Infrastructure	1,203,938	297,147	1,501,085				\$1,501,085
<i>Sub-total</i>	\$57,925,082	\$4,244,956	\$62,170,038	\$46,752,514		\$46,752,514	\$15,417,524
Burrard Slopes							
Park	5,788,058	137,594	5,925,652	\$3,602,579		\$3,602,579	\$2,323,072
Housing	294,548	7,100	301,649				\$301,649
Childcare	1,281,684	30,896	1,312,580				\$1,312,580
Engineering Infrastructure	596,481	16,312	612,792	\$999,377		\$999,377	(\$386,584)
<i>Sub-total</i>	\$7,960,771	\$191,902	\$8,152,673	\$4,601,956		\$4,601,956	\$3,550,717
Arbutus Neighborhood							
Childcare	1,964,849	174,520	2,139,369				\$2,139,369
Engineering Infrastructure	211,063	18,747	229,810	\$124,366		\$124,366	\$105,445
<i>Sub-total</i>	\$2,175,912	\$193,267	\$2,369,179	\$124,366		\$124,366	\$2,244,813
Oakridge/Langara							
Park	2,724,681	285,626	3,010,306	\$335,000		\$335,000	\$2,675,306
Housing	1,306,537	136,963	1,443,500				\$1,443,500
Engineering Infrastructure	277,941	29,136	307,077	\$655,900		\$655,900	(\$348,823)
<i>Sub-total</i>	\$4,309,158	\$451,725	\$4,760,883	\$990,900		\$990,900	\$3,769,983
Triangle West							
Park	7,305,304	106,761	7,412,065				\$7,412,065
Housing	4,548,585	66,474	4,615,060	\$4,333,000		\$4,333,000	\$282,060
Childcare	1,929,703	28,201	1,957,904				\$1,957,904
<i>Sub-total</i>	\$13,783,592	\$201,437	\$13,985,029	\$4,333,000		\$4,333,000	\$9,652,029
Cedar Cottage/Welwyn Street							
Housing	410,372	28,951	439,323				\$439,323
Childcare	367,625	25,935	393,560				\$393,560
Engineering Infrastructure	76,945	5,428	82,373				\$82,373
<i>Sub-total</i>	\$854,941	\$60,315	\$915,256				\$915,256
AREA-SPECIFIC DCL TOTAL	\$87,009,457	\$5,343,601	\$92,353,058	\$56,802,735		\$56,802,735	\$35,550,323

In certain DCL districts, given the pace of development and the scope of eligible projects, it may take longer to collect sufficient DCLs before any allocation is made to fund the projects.

DCL COLLECTION & ALLOCATION, AND UNALLOCATED BALANCES APPENDIX D
BY DCL DISTRICT & SPENDING CATEGORY PAGE 2 OF 2

	COLLECTION (INCL. INTEREST)			ALLOCATION			UNALLOCATED BALANCE
	PRIOR TO 2010	2010	TOTAL	PRIOR TO 2010	2010	TOTAL	
LAYERED DCL							
False Creek Flats							
Park	527,759	81,701	609,460				\$609,460
Childcare	197,663	30,600	228,262				\$228,262
Engineering Infrastructure	1,251,205	193,695	1,444,900	\$4,723,915	(\$2,021,798)	\$2,702,117	(\$1,257,217)
<i>Sub-total</i>	<i>\$1,976,627</i>	<i>\$305,995</i>	<i>\$2,282,622</i>	<i>\$4,723,915</i>	<i>(\$2,021,798)</i>	<i>\$2,702,117</i>	<i>(\$419,495)</i>
Grandview-Boundary Industrial							
Park	113,066	4,264	117,330				\$117,330
Engineering Infrastructure	1,017,590	38,379	1,055,969				\$1,055,969
<i>Sub-total</i>	<i>\$1,130,655</i>	<i>\$42,644</i>	<i>\$1,173,299</i>				<i>\$1,173,299</i>
South East False Creek							
Park	12,477,643	2,400,287	14,877,929	6,976,638	7,000,000	13,976,638	\$901,291
Childcare	3,428,816	659,591	4,088,407	6,620,346		6,620,346	(\$2,531,940)
Engineering Infrastructure	6,002,392	843,027	6,845,419	20,824,064		20,824,064	(\$13,978,645)
<i>Sub-total</i>	<i>\$21,908,850</i>	<i>\$3,902,905</i>	<i>\$25,811,755</i>	<i>\$34,421,049</i>	<i>\$7,000,000</i>	<i>\$41,421,049</i>	<i>(\$15,609,294)</i>
LAYERED DCL TOTAL	\$25,016,132	\$4,251,544	\$29,267,676	\$39,144,964	\$4,978,202	\$44,123,166	(\$14,855,490)
SUMMARY - ALL DCL AREAS							
Park	\$108,051,600	\$13,438,190	\$121,489,790	\$73,040,949	\$13,675,000	\$86,715,949	\$34,773,841
Housing	\$73,482,561	\$8,897,589	\$82,380,150	\$54,184,750	\$14,500,000	\$68,684,750	\$13,695,400
Childcare	\$21,384,545	\$2,575,840	\$23,960,386	\$15,657,870	\$22,000	\$15,679,870	\$8,280,516
Engineering Infrastructure	\$34,499,613	\$6,168,585	\$40,668,198	\$47,836,297	\$730,702	\$48,566,999	(\$7,898,801)
ALL DCL AREAS - TOTAL	\$237,418,320	\$31,080,204	\$268,498,524	\$190,719,866	\$28,927,702	\$219,647,568	\$48,850,956

In certain DCL districts, given the pace of development and the scope of eligible projects, it may take longer to collect sufficient DCLs before any allocation is made to fund the projects.

Pursuant to section 523D(10)(d) of the *Vancouver Charter*, DCLs were waived on the following non-profit social housing.

YEAR	ADDRESS	DCL AREA	DCL WAIVED	DATE
1999	1221 Seymour	Downtown South	\$408,347	30 Aug 1999
2000	227 East Georgia	City-wide	\$228,742	26 May 2000
	2320 Franklin	City-wide	\$87,351	15 Aug 2000
	668 Powell	City-wide	\$72,729	18 Sep 2000
	520 West 7th	City-wide	\$63,691	22 Sep 2000
	65 West Cordova	City-wide	\$213,733	22 Aug 2000
	2626 Watson	City-wide	\$47,405	05 Dec 2000
			\$713,650	
2001	377 Powell	City-wide	\$38,075	17 Jan 2001
	2111 Triumph	City-wide	\$20,148	23 Mar 2001
	2088 Yukon	City-wide	\$82,261	27 Apr 2001
	533 East Hastings	City-wide	\$22,753	30 Apr 2001
	1267 Granville	Downtown South	\$174,665	23 May 2001
	361 Heatley	City-wide	\$89,839	07 Sep 2001
			\$427,740	
2002	1110 Comox	City-wide	\$29,730	07 Mar 2002
	333 East 16th	City-wide	\$43,153	11 Jul 2002
	596 East Hastings	City-wide	\$98,271	18 Sep 2002
	555 Homer	City-wide	\$225,000	16 Dec 2002
			\$396,154	
2003	1254 East 8th	City-wide	\$61,615	14 Jul 2003
2004	475 East Hastings	City-wide	\$90,473	21 Jan 2004
	2075 Cassiar	City-wide	\$342,239	16 Sep 2004
			\$432,712	
2005	1968 East 19th	City-wide	\$254,850	10 Aug 2005
	788 Richards	City-wide	\$146,580	07 Sep 2005
	2020 Harrison Drive	City-wide	\$433,397	26 Oct 2005
			\$834,827	
2006	5616 Fraser	City-wide	\$146,086	19 Jan 2006
	3355 East 5th	City-wide	\$435,953	22 Mar 2006
	1110 Comox	City-wide	\$710	26 Apr 2006
	65 East Hastings	City-wide	\$307,620	20 Nov 2006
			\$890,369	
2007	1321 Richards	Downtown South	\$407,275	26 Apr 2007
	199 West 1st	South East False Creek	\$1,263,008	26 Apr 2007
	199 West 1st	City-wide	\$522,624	15 May 2007
	1699 Ontario	City-wide	\$316,692	18 Oct 2007
	1699 Ontario	South East False Creek	\$765,339	23 Oct 2007
	122 Walter Hardwick	South East False Creek	\$1,437,907	29 Oct 2007
	122 Walter Hardwick	City-wide	\$594,996	13 Nov 2007
			\$5,307,841	
2008	1005 Station	City-wide	\$220,948	22 Oct 2008
2009	601 East Hastings	City-wide	\$402,909	04 Jun 2009
	1338 Seymour	Downtown South	\$750,337	24 Jul 2009
	337 West Pender	City-wide	\$274,579	22 Oct 2009
			\$1,427,824	
2010	1249 Howe	Downtown South	\$788,853	01 Feb 2010
	188 East 1st	South East False Creek	\$912,457	09 Feb 2010
	188 East 1st	City-wide	\$484,546	09 Feb 2010
	3595 West 17th	City-wide	\$200,554	19 Mar 2010
	2980 Nanaimo	City-wide	\$230,923	24 Aug 2010
	1601 West 7th	Burrard Slopes	\$314,823	04 Oct 2010
	508 Taylor	City-wide	\$1,969	25 Nov 2010
	31 West Pender	City-wide	\$212,102	23 Dec 2010
			\$3,146,229	
TOTAL DCL WAIVED			\$14,268,257	

Pursuant to section 523D(10.3)(a)(i) of the *Vancouver Charter*, DCLs were waived on the following affordable rental properties under the Short Term Incentives for Rental Housing Program.

ADDRESS	DCL AREA	DCL			DATE PAID
		FULL	REDUCTION	ACTUAL	
1142 Granville	Downtown South	\$706,291	\$706,291	\$0	30-Sep-10

Pursuant to section 523D(11.1) of the *Vancouver Charter*, the following properties received reductions in DCLs for payments made for the conversion or demolition of Single Room Accommodation.

ADDRESS	DCL AREA	DCL			DATE PAID
		FULL	REDUCTION	ACTUAL	
480 Robson	Downtown South	\$461,802	\$165,000	\$296,802	7-Jan-04
		\$64,819	\$0	\$64,819	15-Apr-04
909 Richards	Downtown South	\$305,756	\$40,000	\$265,756	25-Aug-05
210 Carrall	City-wide	\$6,813	\$2,180	\$4,633	4-Apr-07
		\$839,189	\$207,180	\$632,009	

Pursuant to section 592(2)(b)(ii) of the *Vancouver Charter*, DCLs were reduced on the following properties as part of the Heritage Revitalization Agreement.

BY-LAW	ADDRESS	DCL AREA	DCL			DATE PAID
			FULL	REDUCTION	ACTUAL	
8250	654 East Georgia	City-wide	\$7,131	\$7,102	\$29	21-Sep-00
7721	7400 Oak	Oakridge/Langara			\$85,149	14-Mar-03
			\$572,917	\$247,000	\$240,768	16-Jun-03
8523	610 Granville	City-wide	\$1,014,033	\$95,713	\$918,320	23-Jun-03
8688	1411 W 11th	City-wide	\$28,002	\$27,888	\$114	19-Aug-03
8771	1477 W 15th	City-wide	\$192,542	\$192,050	\$492	27-Feb-04
8577	500 Granville	City-wide	\$51,043	\$50,913	\$130	28-Apr-04
8787	977 W 8th	City-wide	\$61,467	\$35,854	\$25,613	15-Sep-04
8829	55 East Cordova	City-wide	\$103,541	\$103,365	\$176	1-Oct-04
9269	100 West Cordova	City-wide	\$5,274,613	\$5,273,797	\$817	5-Jul-07
9781	1098 Richards	Downtown South	\$2,122,445	\$1,071,018	\$1,051,427	21-Aug-09
			\$9,427,735	\$7,104,699	\$2,323,035	

523D. (1) For the purpose of this section,

"capital project" means

- (a) constructing, altering, expanding or replacing sewage, water, drainage and highway facilities,
- (b) providing and improving park land, and
- (c) establishing day care facilities in premises leased or owned, and acquiring property for such facilities.

(2) Where, in approving a subdivision, the city requires that the mains of the systems referred to in section 292 (1) (e) be of a diameter in excess of that required to service the subdivision, the cost of providing such excess capacity shall be deemed to be a capital project in respect of which a development cost levy may be imposed subject to the provisions of this section.

(2.1) In addition to the capital projects referred to in subsections (1) and (2), Council may impose a development cost levy for the purpose of assisting in providing Replacement Housing in such a manner as it deems appropriate and assisting in providing such housing shall be deemed to be a capital project.

(2.2) For the purposes of this section, "**Replacement Housing**" means housing which Council reasonably anticipates will, as a result of development in the area in which a development cost levy is imposed, be necessary to house persons displaced and unable to afford comparable accommodation in that area and, in anticipating the housing required, Council may look to development anticipated during a 20 year period commencing on the date the by-law imposing the development cost levy is imposed.

(3) The Council may, by by-law, impose a development cost levy in accordance with this section,

- (a) in the case of capital projects other than Replacement Housing, where the Council determines that development anticipated to take place in an area designated by it will contribute to the need to provide one or more capital projects in all or part of the area, and
- (b) in the case of Replacement Housing, where the Council determines that development anticipated to take place in an area

designated by it will contribute to the need to provide Replacement Housing inside or outside the area.

(4) Subject to subsections (10) and (11), the development cost levy shall be imposed on every person entitled to the delivery of a building permit authorizing the construction, alteration or extension of a building or structure or part thereof situate within the area designated by Council.

(5) The cost of a capital project may include

(a) all planning, architectural, engineering and legal costs related to the project, and

(b) the principal and interest on debt incurred to finance the capital project.

(6) The Council may undertake any of the capital projects referred to in subsections (1), (2) and (2.1).

(7) Subject to subsection (8.2), the Council may, from time to time, by by-law, amend the amount of a development cost levy to reflect the changed costs of a proposed capital project or to provide for the effects of inflation.

(8) Subject to subsections (8.2) and (9), a development cost levy imposed by this section shall be a condition of the issuance of a building permit and shall be paid at the time or times a building permit or permits are issued for the development or redevelopment of property in an area to which a by-law applies.

(8.1) For the purposes of subsection (8), the Council may define what constitutes development or redevelopment of property, and may provide that, where a development takes place in stages, each stage shall be deemed to be part of the development.

(8.2) If after

(a) an application for the issuance of a building permit authorizing the construction, alteration or extension of a building has been submitted to the designated official of the city in a form satisfactory to that designated official of the city, and

(b) the applicable fee has been paid

the Council adopts a by-law that imposes a development cost levy that would otherwise be applicable to that construction, alteration or extension of a building, the by-law has no effect with respect to that construction, alteration or extension of a building for a period of 12 months after the bylaw was adopted unless the applicant agrees in writing that the bylaw should have effect.

(9) The Council may, in respect of all or different classes of developments, authorize the payment of development cost levies in installments, prescribe conditions under which the installments may be paid and provide that, where not paid, the installment shall be inserted in the real property tax roll as a charge imposed with respect to the parcel or parcels in relation to which the building permit was issued.

(10) No levy is payable under a by-law made under this section

(a) where a parcel of land is, or will be after construction, alteration or extension, exempt from taxation under section 396

(c) (iv),

(b) subject to subsection (10.1), where a building permit authorizes the construction, alteration or extension of a building that will, after the construction, alteration or extension,

(i) contain less than 4 self-contained dwelling units, and

(ii) be put to no other use other than the residential use in those dwelling units,

(b.1) in relation to the construction, alteration or extension of self-contained dwelling units authorized under a building permit if

(i) subject to a by-law under subsection (10.2), each unit is no larger in area than 29 square metres, and

(ii) each unit is to be put to no other use other than the residential use in those dwelling units,

(c) where a by-law imposing a development cost levy on the cost of development exempts repair or renovation work as defined, to such repair or renovation work, or

(d) where a parcel of land, owned by the Federal or Provincial government, the City of Vancouver or a non-profit organization, is

or will be, after construction, alteration or extension, used for social housing and, for the purposes of this paragraph, Council may define what constitutes social housing.

(10.1) A by-law made under this section may provide that a levy is payable under the by-law in relation to a building permit referred to in subsection (10) (b).

(10.2) A by-law made under this section may establish an area for the purposes of subsection (10) (b.1) (i) that is greater than the area otherwise applicable.

(10.3) In subsections (10.4) and (10.5), "eligible development" means development that is eligible in accordance with an applicable by-law under this section as being for one or more of the following categories:

- (a) for-profit affordable rental housing;
- (b) a subdivision of small lots that is designed to result in low greenhouse gas emissions;
- (c) a development that is designed to result in a low environmental impact.

(10.4) Subject to a by-law under subsection (10.5), the Council may waive or reduce a levy under this section for an eligible development.

(10.5) For the purposes of subsection (10.4), the Council, by by-law

- (a) shall establish what constitutes an eligible development or a class of eligible development for the purposes of one or more categories of eligible development described in subsection (10.3),
- (b) shall establish the amount or rates of reduction for an eligible development, which may be different for different categories of eligible development described in subsection (10.3) or different classes of eligible development established in the by-law, and
- (c) may establish the terms and conditions that must be met in order to obtain a waiver or reduction under subsection (10.4).

(11) No development cost levy shall be imposed to pay for any capital project, or portion thereof, provided to the city pursuant to a by-law passed pursuant to section 292 or in respect of which an assessment has been imposed pursuant to Part XXIV.

(11.1) If an amount has been paid under section 193D (5) (d) in relation to development of a property, that amount must be deducted from the development cost levy in relation to the development of the property otherwise payable under this section for Replacement Housing.

(12) The by-law that imposes the development cost levy shall set out the basis of the levy and the levy may vary with respect to

- (a) different zones or different defined or specified areas, and
- (b) different uses or occupancies and, for the purpose of this subsection, Council may define what constitutes a use, occupancy or unit on such basis as it determines to be appropriate.

(13) The development cost levy may be based on a rate per foot on the length of the longest boundary of the parcel with respect to which the levy is imposed, the number of units, or the number of square feet permitted by the building permit in the development with respect to which the levy is imposed, or on such other basis as Council deems appropriate having regard to anticipated development rights and their contribution to the need for capital projects. The basis of development cost levies may vary for different capital projects. A development cost levy under this Part shall not be based on a percentage of the cost of a development. A development cost levy for any development as shown on an application for a development permit shall not exceed 10% of the value of the development as determined pursuant to the building by-law from time to time in force.

(14) The development cost levy shall be calculated with reference to the information contained on the application for a development permit or to records contained in the Land Title Office. Where development takes place in stages, the total development cost levy shall be apportioned and paid as each building permit is issued. Subject to the limitation contained in subsection (13), the portion of the levy to be paid on the issuance of each building permit shall, until the total levy is paid, be 10% of the value of the work authorized by the permit as determined pursuant to the building by-law.

(15) The Council shall, on written request, make available to any person subject to the levy the considerations, information and calculations used to determine the basis of a development cost levy, but any information respecting the contemplated acquisition costs of specific properties need not be provided.

(16) A development cost levy shall be deposited in a separate development cost levy reserve fund established for the purposes for which it was levied.

(17) Money in development cost levy reserve funds, together with interest, shall be used only

(a) except for money raised for the purposes set forth in subsection (2.1), to pay the costs of capital projects that relate directly or indirectly to the development or parcel in respect of which the levy was collected, or

(b) to pay a person subject to a development cost levy for some or all of the capital costs the person incurred in completing a capital project, other than Replacement Housing, if

(i) the capital project was completed under an agreement between the person and the Council, and

(ii) the capital project is included in the calculations used to determine the amount of that development cost levy.

(17.01) Payments out of a development costs levy reserve fund shall be authorized by a resolution of Council, and one resolution may authorize a series of payments in respect of any capital project.

(17.1) In relation to a capital project of providing and improving park land, money in a development cost levy reserve fund shall only be used for

(a) acquiring park land or reclaiming land as park land,

(b) providing fencing, landscaping, drainage and irrigation, trails, restrooms, changing rooms and playground and playing field equipment on park land, or

(c) to pay a person subject to a development cost levy for some or all of the capital costs the person incurred in completing a capital project described in paragraph (a) or (b) if

(i) the capital project was completed under an agreement between the person and the Council, and

(ii) the capital project is included in the calculations used to determine the amount of that development cost levy.

(18) Notwithstanding subsection (17), if money raised pursuant to a development cost levy exceeds what is necessary to provide the capital projects for which it was raised, the excess shall be set aside and spent on projects to benefit, directly or indirectly, the areas or zones in which the properties with respect to which the levy is imposed are located.

(18.1) In each year,

(a) the Director of Finance must prepare and submit to the Council a report for the previous year that includes the following, reported for each purpose under this section for which the Council imposes the development cost levy in the applicable year:

- (i) the amount of development cost levies received;
- (ii) the expenditures from the development cost levy reserve funds;
- (iii) the balance in the development cost levy reserve funds at the start and at the end of the applicable year;
- (iv) any waivers and reductions under subsection (10.4),
and

(b) as soon as practicable after receiving the report, the Council must consider the report and make it available to the public.

(19) Nothing in this section restricts or affects any other power contained in this Act, provided however that the cost of any capital project shall be recovered only once.

(20) [Repealed 1997-25-206.]

1990-76-9; 1990-77-1; 1995-53-43; 1997-25-206;
1997-44-2; 2004-34-21; 2008-23-35; 2008-23-36;
2010-6-135; 2010-6-134.