



## ADMINISTRATIVE REPORT

Report Date: June 29, 2018  
Contact: Chris Robertson  
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VanRIMS No.: 08-2000-20  
Meeting Date: July 25, 2018

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: 2018 Annual Inflationary Adjustments to Development Cost Levies (DCLs), and Community Amenity Contribution (CAC) Targets

### **RECOMMENDATIONS**

- A. THAT Council approve, in principle, the 2018 inflationary rate adjustments for the Vancouver (City-wide) Development Cost Levy (DCL) and Area Specific DCL By-law Districts, with new rates to be effective September 30, 2018, as shown in Appendix A;

FURTHER THAT Council maintain the existing Vancouver (City-wide) DCL By-law rates and Area Specific DCL By-law rates for artist studio, community centres/neighbourhood house, library, public authority use, social service centre, parking garage, temporary building, school, childcare, community energy centre, and works yard uses; and

FURTHER THAT the Director of Legal Services be instructed to bring forward for enactment amendments to the Vancouver DCL By-law No. 9755 and the Area Specific DCL By-law No. 9418 to implement the 2018 inflationary rate adjustment, as shown in Appendix B and Appendix C.

- B. THAT Council approve the 2018 inflationary rate adjustments for Community Amenity Contribution (CAC) targets, with new target rates to be effective September 30, 2018, as shown in Appendix D.

### **REPORT SUMMARY**

This report seeks Council approval to adopt the 2018 annual inflationary adjustments to the Vancouver (City-wide) and Area Specific Development Cost Levy (DCL) by-law rates and Community Amenity Contribution (CAC) Targets with new rates becoming effective September 30, 2018.

The annual inflationary adjustments to Density Bonus Contributions are the subject of a separate report as they require Zoning and Development By-law amendments.

The 2018 inflationary adjustments represent an increase of 4.8%, reflecting annual increases in assessed property values and non-residential construction costs. The inflationary adjustments to DCLs and CAC Targets allow the City to keep pace with annual changes in property values and construction costs and help ensure the continued delivery of necessary growth-related amenities and infrastructure.

Recommendations in this report have been shared with development industry stakeholders (Urban Development Institute, National Association of Industrial and Office Properties, Greater Vancouver Homebuilders Association) and at the time of finalizing this report, no comments or concerns have been received.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

In 1999, Council adopted the Community Amenity Contributions – Through Rezoning Policy.

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 amenities and infrastructure needed for growth: parks, housing, childcare, and various engineering infrastructure.

In 2007, Council approved its first CAC Target area in Southeast False Creek.

In July 2008, Council approved an adjustment to City-wide DCL rates to reflect construction cost and property inflation, with the new rates to be effective in January 2010.

In October 2009, Council adopted the annual inflationary DCL rate adjustment system for the City-wide DCL and Area Specific DCLs, with the new rates effective on September 30 of each year.

Since 2010, Council has approved annual inflationary rate adjustments to DCLs.

In February 2013, Council approved the replacement of the Oakridge-Langara DCL rates with City-Wide DCL rates effective March 12, 2014, reducing the number of DCL Districts from 11 to 10.

In 2013, Council approved CAC Targets in Cambie Corridor, Little Mountain Adjacent Area and Norquay Village.

In 2014, Council approved a CAC Target and Density Bonus Contributions in Marpole.

In July 2015, Council approved the replacement of five Area-Specific DCL rates with City-Wide DCL rates (Arbutus, Burrard Slopes, Cedar Cottage/Welwyn, Dundas/Wall and Triangle West), effective July 21, 2016, which reduced the number of DCL Districts from 10 to five.

In May 2016, Council adopted the DCL annual inflationary rate adjustments system for Density Bonus Contributions and CAC Targets and directed staff to report back on a one-time catch-up for past inflation and the proposed new annual inflationary rates.

In July 2016, Council approved CAC Targets in Grandview-Woodland.

In July 2017, Council approved the City-wide DCL update, which added new DCL rate categories and new reduced DCL rates; amended DCL revenue allocations for replacement housing, transportation, park, childcare and utilities; and replaced the Downtown South Area-Specific DCL with the City-wide DCL. The update also included a two-phase increase in DCL rates to be applied in 2017 and 2018.

In November 2017, Council approved commercial linkage targets for non-stratified commercial-only rezoning applications in the Downtown and Rest of Metro Core areas.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The General Manager of Planning, Urban Design and Sustainability recommends approval of the foregoing.

### ***REPORT***

#### ***Background/Context***

Annual inflationary adjustments to DCLs, Density Bonus Contributions and CAC Targets form an integral part of Vancouver's development contribution system. These adjustments help the City maintain its purchasing power from year-to-year so that it may deliver necessary growth-related amenities and infrastructure. This report outlines the 2018 inflationary adjustments to DCLs and CAC Targets. The annual inflationary adjustments to Density Bonus Contributions are the subject of a separate report.

The annual rate adjustment is initiated with reports to Council in either June or July proposing new DCL, Density Bonus Contribution, and CAC Target rates adjusted for inflation. If approved, these new rates come into effect annually on September 30th. The annual system draws from local and national best practices by using publicly accessible third party data and providing transparent and accessible calculations. It also considers changing market conditions through a review of local economic indicators so that rates do not get ahead of inflationary trends. The system uses an annual inflation index based on property value and construction cost inflation to establish the rate. Linking rates to an annual inflationary index results in rate increases when inflation is positive and rate decreases when inflation is negative. This system has provided more predictability to both the development industry and the City, and has been broadly supported by industry stakeholders.

Annual inflationary adjustments were initially adopted for DCLs in October 2009 and implemented in 2010 for all DCL districts in the city. Council has approved inflationary adjustments with average rate increases of approximately 5% between 2010 and 2017 (see Table 1).

Vancouver's development contribution system has expanded to include Density Bonus Contributions and CAC Targets as new area plans were approved by Council over the years. These approaches help simplify Vancouver's development contribution system by enhancing certainty and transparency. As a result, the number of projects with negotiated CACs is

declining and the number of projects utilizing Density Bonus Contributions and CAC Targets is increasing.

In May 2016, Council adopted the DCL inflationary rate adjustment system for Density Bonus Contributions and CAC Targets. As Density Bonus Contributions and CAC Targets had not been adjusted for inflation since they were established, Council also approved a one-time catch-up for past inflation as part of the new rate adjustments. In 2009, a similar one-time rate catch-up for DCLs was approved by Council when the inflationary adjustment system was first adopted.

Periodically, a recalibration of DCL, Density Bonus Contributions and CAC Targets will be required as public benefit strategies and Capital Plans are updated. This type of update includes a review of any potential impacts on development viability. In 2017, Council approved a comprehensive update to the Vancouver (City-wide) DCL, which rebalanced DCL revenue allocations, introduced new rate categories for medium density residential and mixed employment (light industrial), transferred the Downtown South Area-Specific DCL to the Vancouver (City-wide) DCL, and applied a two-year phased increase to residential rate categories. Included in this year's inflationary adjustment is the second and final phase-in of the City-wide DCL Update which was approved by Council in July 2017.

In July 2018, Council approved a City-wide Utilities DCL program to begin to address the growth pressures on the utility infrastructure in the city. The program will be updated annually to reflect development patterns and integrate new land use plans, as and when they are approved by Council.

For more information on the Council approved annual inflationary rate adjustment system, see <http://vancouver.ca/home-property-development/annual-inflation-index.aspx>.

Recommended inflationary adjustments are presented in Appendix A and D. Descriptions of DCLs and CACs are presented in Appendix E.

### ***Strategic Analysis***

The recommendations in this report will bring all DCL rates and CAC Targets in line with the most recent property and construction inflation. By ensuring that rates and revenues keep pace with annual changes to property and construction costs, purchasing power is maintained and the City retains its ability to provide necessary growth-related amenities and infrastructure.

DCLs were last adjusted under the annual inflationary rate adjustment system on September 30, 2016. DCLs were not adjusted for inflation in 2017 because of the comprehensive City-wide DCL update that was presented to Council and which brought all DCL-eligible project costs up to date.

CAC Targets were last adjusted under the annual inflationary rate adjustment system on September 30, 2017.

Vancouver's inflationary index blends third-party property inflation (BC Assessment property roll<sup>1</sup>) and construction cost inflation (Statistics Canada Non-Residential Building Construction Price Index for Vancouver<sup>2</sup>) based on City costs for acquiring land and constructing public

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<sup>1</sup> BC Assessment Property Roll for the City of Vancouver, 2018

<sup>2</sup> Statistics Canada Non-Residential Building Construction Price Index for Vancouver, 2018

amenities and infrastructure. The current inflationary index blend is weighted 75% towards construction and 25% towards property, reflecting spending priorities in the current Capital Plan. The 2018 index shows a 5.1% increase in local assessed property values and a 4.7% increase in local non-residential construction costs. The overall 4.8% inflationary rate adjustment is the result of this blended calculation.

Table 1 shows the annual inflationary adjustments from 2010 to 2018. Overall inflation was negative in 2010, reflecting the global and local economic slowdown during this period. In 2011 and 2012, inflation rebounded to reflect increased property values and construction costs. Inflation was more modest in 2013 and 2014, reflecting a slower but steady rate of economic growth. Local construction activity has been brisk since 2015, which resulted in higher property and construction cost increase.

**Table 1: Annual Inflationary Rate Adjustments**

Annual Rate Adjustment		Data used to calculate index (for information only)	
Year	Annual Inflationary Rate Adjustment	Local Property Value Inflation	Local Construction Cost Inflation
2010	-1.4%	1.5%	-6.8%
2011	8.8%	11.4%	3.9%
2012	10.3%	13.7%	4.2%
2013	1.4%	1.3%	1.3%
2014	1.6%	0.8%	3.0%
2015	3.4%	8.6%	1.7%
2016	4.6%	16.5%	0.6%
2017	11.9%	29.9%	6.1%
2018	4.8%	5.1%	4.7%

**Note:** Vancouver's DCL rates have used this index to adjust rates since 2010. Density Bonus Contributions and CAC Targets have been adjusted since 2016.

For more information on the annual inflation index: <http://vancouver.ca/home-property-development/annual-inflation-index.aspx>

### Proposed Inflationary Adjustment to DCLs (2018)

The City currently has four DCL Districts: a City-wide DCL District (which accounts for the majority of land area and development in the City) and three Layered DCL Districts. In July 2018, Council approved a City-wide Utilities DCL program to begin to address the growth pressures on the utility infrastructure in the city. The program will be updated annually to reflect development patterns and integrate new land use plans, as and when they are approved by Council. These rates are not included in the Table 2 below. Included in this year's inflationary adjustment is the second and final phase-in of the City-wide DCL Update which was approved by Council in July 2017.

**Table 2: Rate changes for the City-wide DCL**

Rate Category	Current Rate	Final phase-in of 2017 City-wide DCL Update	Inflationary Adjustment (2017-2018)	Total Rate Change	Recommended 2018 DCL Rate
<b>Residential in development over 1.5 FSR</b>	\$15.62/ft <sup>2</sup>	+\$1.72/ft <sup>2</sup>	+\$0.83/ft <sup>2</sup>	+\$2.55/ft <sup>2</sup>	<b>\$18.17/ft<sup>2</sup></b>
<b>Medium density residential above 1.2 FSR to 1.5 FSR</b>	\$8.66/ft <sup>2</sup>	N/A	+\$0.42/ft <sup>2</sup>	+\$0.42/ft <sup>2</sup>	<b>\$9.08/ft<sup>2</sup></b>
<b>Residential at or below 1.2 FSR and laneway house</b>	\$3.63/ft <sup>2</sup>	+\$0.40/ft <sup>2</sup>	+\$0.19/ft <sup>2</sup>	+\$0.59/ft <sup>2</sup>	<b>\$4.22/ft<sup>2</sup></b>
<b>Commercial and most other uses</b>	\$13.91/ft <sup>2</sup>	N/A	+\$0.67/ft <sup>2</sup>	+\$0.67/ft <sup>2</sup>	<b>\$14.58/ft<sup>2</sup></b>
<b>Industrial</b>	\$5.55/ft <sup>2</sup>	N/A	+\$0.27/ft <sup>2</sup>	+\$0.27/ft <sup>2</sup>	<b>\$5.82/ft<sup>2</sup></b>
<b>Mixed Employment (Light Industrial)</b>	\$10.44/ft <sup>2</sup>	N/A	+\$0.50/ft <sup>2</sup>	+\$0.50/ft <sup>2</sup>	<b>\$10.94/ft<sup>2</sup></b>

The City-wide and Area-Specific DCL By-laws charge nominal DCL rates for a number of uses including: artist studio; community centre/neighbourhood house; library; public authority use; social service centre; parking garage; temporary building; school; childcare; community energy centre; and, works yard. Consistent with Council practice, Recommendation A in this report proposes that the rates for these uses not be adjusted for inflation.

See Appendix A for a complete list of DCL rate adjustments by District.  
See Appendix E for a more detailed description of Vancouver's DCL system.

## Proposed Inflationary Adjustment to CAC Targets (2018)

The City currently has 10 fixed-rate CAC Targets covering specific areas in Southeast False Creek, Cambie Corridor, Little Mountain Adjacent, Norquay, Marpole, Grandview-Woodland, and the Downtown and Rest of Metro Core areas.

Below are the proposed inflation adjusted CAC Targets to take effect on September 30, 2018. Six of the CAC Targets are being recommended for inflation adjustment. No inflationary rate changes are proposed for the Downtown Commercial Linkage Target and the Rest of Metro Core Commercial Linkage Target as both were approved by Council after September 30, 2017.

In July 2018, Council approved new CAC Targets as part of the Cambie Corridor Plan and Public Benefit Strategy. Those new and amended areas, which include the Cambie Corridor and Marpole CAC Targets, were not included in Table 4 below.

**Table 4: Inflation Adjusted CAC Targets**  
(\$/ft<sup>2</sup> on net additional density)

CAC Target	Year Established	2017 Rate	Inflationary Adjustment (2017-2018)	Recommended 2018 CAC Target Rate
<b>Grandview-Woodland: Nanaimo St/E 12<sup>th</sup> Ave shopping nodes</b>	2016	\$67.13/ft <sup>2</sup>	+\$3.22/ft <sup>2</sup>	<b>\$70.35/ft<sup>2</sup></b>
<b>Grandview-Woodland: Mid-rise multi-family sub-areas</b>	2016	\$22.38/ft <sup>2</sup>	+\$1.07/ft <sup>2</sup>	<b>\$23.45/ft<sup>2</sup></b>
<b>Grandview-Woodland: Lower density townhouse/multi-family sub-areas</b>	2016	\$3.36/ft <sup>2</sup>	+\$0.16/ft <sup>2</sup>	<b>\$3.52/ft<sup>2</sup></b>
<b>Norquay (Kingsway C-2)</b>	2013	\$12.40/ft <sup>2</sup>	+\$0.59/ft <sup>2</sup>	<b>\$12.99/ft<sup>2</sup></b>
<b>Little Mountain Adjacent</b>	2013	\$28.51/ft <sup>2</sup>	+\$1.37/ft <sup>2</sup>	<b>\$29.88/ft<sup>2</sup></b>
<b>Southeast False Creek</b>	2007	\$16.02/ft <sup>2</sup>	+\$0.76/ft <sup>2</sup>	<b>\$16.78/ft<sup>2</sup></b>

## Economic Indicators & Development Viability

As part of the annual inflationary adjustment process, current economic indicators are reviewed to verify that the proposed rate adjustments are in line with current local market trends and forecasts. Current trends and forecasts indicate the following:

- The Conference Board of Canada is forecasting 2.9% growth in the Vancouver CMA Gross Domestic Product (GDP) for 2018<sup>3</sup> - the second highest amongst all major Canadian metropolitan areas

<sup>3</sup> Conference Board of Canada, Metropolitan Outlook 1 – Spring 2018

- Employment is forecast to grow 1.6% and unemployment rate is forecast to be 4.3 % in 2018<sup>3</sup>;
- According to City of Vancouver data, the value of year-to-date building permits issued (as of April 2018) is at a record high level and exceeds last year's value by 41.9%<sup>4</sup>;
- According to CMHC, year-to-date housing starts in the City (as of May 2018) have nearly doubled compared to 2017<sup>5</sup>; and
- The City has increased capacity for redevelopment through new community plans, new district schedules and rezonings.

These indicators suggest that the recommended inflationary adjustments for DCLs and CAC Targets for Vancouver are in-step with the overall direction of the economy and the real estate development industry in Vancouver.

### **In-Stream Rate Protection**

For DCLs, the Vancouver Charter provides 12 months of protection against DCL rate increases for building permits or other associated applications currently in progress. To ensure fairness to applications that have been submitted prior to the adoption of new DCL By-law rates, applications in progress are exempt from DCL rate increases for a period of 12 months provided that the application has been submitted in a form satisfactory to the City.

For CAC Target increases, the City provides in-stream rate protection for rezoning applications that have been submitted prior to a rate change, provided that a rezoning application has been submitted to the City and a rezoning application fee has been paid.

### ***Implications/Related Issues/Risk***

#### ***Financial***

Rate adjustments for DCLs and CAC Targets have financial implications for the City and the development industry.

#### **Financial Implications for the City**

Development contributions such as DCLs, CACs and Density Bonus Contributions are the primary funding source for public amenities and infrastructure necessary to support growth, thereby reducing the impact on property taxes and other City funding sources.

In July 2018, Council approved a City-wide Utilities DCL program to begin to address the growth pressures on the utility infrastructure in the city. The program will be updated annually to reflect development patterns and integrate new land use plans, as and when they are approved by Council. All DCLs are subject to in-stream rate protection and annual adjustments.

As per Council policy, the rates are adjusted annually to keep pace with local construction and property inflation, and to preserve the City's ability to deliver much needed public amenities and

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<sup>4</sup> City of Vancouver, Statement of Building Permits Issued, April 2018  
<https://vancouver.ca/files/cov/statement-of-building-permits-issued-april-2018.pdf>

<sup>5</sup> CMHC, Housing Information Portal, May 2018  
<https://www.cmhc-schl.gc.ca/hmiportal>

infrastructure. Should Council approve the proposed rate adjustments, and assuming development activity remains steady, an additional \$3.1 million in development contributions from DCLs and CAC Targets could be secured once the inflationary rate adjustment takes effect.

### **Financial Implications for Development**

The City's Financing Growth policies are based upon the principle that development contributions should not deter development or harm housing affordability. Independent review of the market impacts of development contributions found the primary impact of these in Vancouver is to put downward pressure on the value of land for redevelopment. Affordability should not be negatively affected as long as rates are set so they do not impede the steady supply of development sites. Given current and recent development activity, there is little evidence that this supply has been or will be affected by the proposed rates.

The proposed rate adjustments for DCLs and CAC Targets represent a 4.8% increase, which is in line with current economic conditions and account for a relatively small percentage of overall development costs today.

Based on a review of comparable regional municipalities, Vancouver's all-in City-wide DCL rates (including the new Utilities DCL) continue to be in-line with development cost charges in the Metro Vancouver region for residential development. Vancouver's non-residential City-wide DCL rates are at the higher end of regional rates.

### **Engagement and Communications Plan**

Every year, the following steps are taken to ensure broad notification of proposed inflationary rate adjustment prior to consideration by Council:

- Website posting of proposed rates on the [City's Financing Growth web page](#);
- Notice of proposed changes in the City's DCL, CAC and Density Bonus Information Bulletins (available online and at information kiosks in City Hall);
- Advertisements describing the proposed rate adjustments, together with details on how to provide feedback, are placed in the Vancouver Courier and Business in Vancouver newspapers;
- Staff notification to local industry groups (Urban Development Institute, National Association of Industrial and Office Properties, Greater Vancouver Homebuilders Association); and,
- City Clerks notification to a list of stakeholders who have expressed interest in Financing Growth matters informing them of this report and where they can review it online prior to the Council meeting.

At the time of finalizing this report, a written response from stakeholders had not been received.

## **CONCLUSION**

This report seeks Council approval for an annual inflationary adjustment to DCLs and CAC Targets with new rates to be effective September 30, 2018. This process, which has been ongoing since 2010, now synchronizes the inflationary rate adjustment of all development contributions and continues to align development contribution rates with local construction and property inflation. Annual rate adjustment maintains the purchasing power of growth-related development revenues so that civic facilities and infrastructure to serve new residents and workers can be provided.

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2018 Proposed Development Cost Levy (DCL) Rates  
Effective September 30, 2018

	DCL Area	Rates	Residential at or below 1.2 FSR and Laneway House	Medium density residential above 1.2 FSR to 1.5 FSR	Residential in development over 1.5 FSR	Commercial and most other uses	Industrial	Mixed Employment (Light industrial)
City-wide	City-wide Vancouver DCL <sup>a</sup>	Current Rate	\$39.07/m <sup>2</sup> (\$3.63/ft <sup>2</sup> )	\$93.22/m <sup>2</sup> (\$8.66/ft <sup>2</sup> )	\$168.13/m <sup>2</sup> (\$15.62/ft <sup>2</sup> )	\$149.73/m <sup>2</sup> (\$13.91/ft <sup>2</sup> )	\$59.74/m <sup>2</sup> (\$5.55/ft <sup>2</sup> )	\$112.38/m <sup>2</sup> (\$10.44/ft <sup>2</sup> )
		Proposed Rate Effective Sept. 30th	\$45.42/m <sup>2</sup> (\$4.22/ft <sup>2</sup> )	\$97.74/m <sup>2</sup> (\$9.08/ft <sup>2</sup> )	\$195.58/m <sup>2</sup> (\$18.17/ft <sup>2</sup> )	\$156.94/m <sup>2</sup> (\$14.58/ft <sup>2</sup> )	\$62.65/m <sup>2</sup> (\$5.82/ft <sup>2</sup> )	\$117.76/m <sup>2</sup> (\$10.94/ft <sup>2</sup> )
Layered	False Creek Flats	Current Rate	N/A		\$63.39/m <sup>2</sup> (\$5.89/ft <sup>2</sup> )			
		Proposed Rate Effective Sept. 30th	N/A		\$66.41/m <sup>2</sup> (\$6.17/ft <sup>2</sup> )			
	Grandview Boundary <sup>b</sup>	Current Rate	N/A		N/A	\$9.78/m <sup>2</sup> (\$0.91/ft <sup>2</sup> )	\$39.14/m <sup>2</sup> (\$3.64/ft <sup>2</sup> )	
		Proposed Rate Effective Sept. 30th	N/A					
	Southeast False Creek	Current Rate	N/A			\$206.21/m <sup>2</sup> (\$19.16/ft <sup>2</sup> )		\$31.29/m <sup>2</sup> (\$2.91/ft <sup>2</sup> )
		Proposed Rate Effective Sept. 30th	N/A			\$216.14/m <sup>2</sup> (\$20.08/ft <sup>2</sup> )		\$32.83/m <sup>2</sup> (\$3.05/ft <sup>2</sup> )

**Notes**

<sup>a</sup> Proposed rate for September 30, 2018 includes the second and final phase-in of the City-wide DCL Update approved by Council in July 2017 and this year's inflationary adjustments.

<sup>b</sup> The Grandview Boundary Area-Specific DCL is proposed to be folded into the City-wide Utilities DCL.



Schedule "C"

Category/Use	Total Development Cost Levy (Effective September 30, 2018)	Unit/ area cost
<b>RESIDENTIAL</b>		
Residential at or below 1.2 FSR and Laneway House	\$45.42	Per m <sup>2</sup>
Medium Density Residential Above 1.2 to 1.5 FSR	\$97.74	Per m <sup>2</sup>
Higher Density Residential Above 1.5 FSR	\$195.58	Per m <sup>2</sup>
<b>NON-RESIDENTIAL</b>		
Industrial (I-2, M-1, M-1A, M-1B, M-2, MC-1, MC-2 Zoning Districts)	\$62.65	Per m <sup>2</sup>
Mixed Employment (Light Industrial) (IC-1, IC-2, IC-3, I-1, I-3, I-4, I-1A, I-1B Zoning Districts)	\$117.76	Per m <sup>2</sup>
Commercial & Other	\$156.94	Per m <sup>2</sup>

Category/Use	Rate	Unit/ Area cost
<b>CULTURAL, INSTITUTIONAL, SOCIAL</b>		
School use	\$5.49	Per m <sup>2</sup>
Parking Garage	\$1.08	Per m <sup>2</sup>
Childcare Use	\$10.00	Per Building Permit
Temporary Building	\$10.00	
Community Energy Centre	\$10.00	
Artist Studio Class A & Class B	\$10.00	
Community Centre/ Neighbourhood House	\$10.00	
Library	\$10.00	
Public Authority Use	\$10.00	
Social Service Centre	\$10.00	



**2018 Proposed New Inflation Adjusted CAC Targets**  
Effective September 30, 2018

<b>CAC Target Area<sup>a</sup></b>	<b>Current CAC Targets</b> (\$/sf, applied on net additional density)	<b>Proposed CAC Targets – Effective Sept 30, 2018</b> (\$/sf, applied on net additional density)
<b>Southeast False Creek</b>	\$172.40/m <sup>2</sup> (\$16.02/sf)	\$180.66/m <sup>2</sup> (\$16.78/sf)
<b>Little Mountain Adjacent</b>	\$306.90/m <sup>2</sup> (\$28.51/sf)	\$321.61/m <sup>2</sup> (\$29.88/sf)
<b>Norquay (Kingsway C-2)</b>	\$133.44/m <sup>2</sup> (\$12.40/sf)	\$139.83/m <sup>2</sup> (\$12.99/sf)
<b>Grandview-Woodland:</b> Nanaimo St/East 12th Ave shopping nodes	\$722.57/m <sup>2</sup> (\$67.13/sf)	\$757.19/m <sup>2</sup> (\$70.35/sf)
<b>Grandview-Woodland:</b> Mid-rise Multi-family sub-areas	\$240.86/m <sup>2</sup> (\$22.38/sf)	\$252.40/m <sup>2</sup> (\$23.45/sf)
<b>Grandview-Woodland:</b> Lower Density Townhouse/Multi-family sub-areas	\$36.13/m <sup>2</sup> (\$3.36/sf)	\$37.86/m <sup>2</sup> (\$3.52/sf)

## **Background Information**

1. Development Cost Levies
2. Community Amenity Contributions

### **1. Development Cost Levies (DCLs)**

Development Cost Levies (DCLs) are a growth-related charge collected from most new development and a significant source of revenue for civic facilities and infrastructure needed to serve new residents and workers. DCLs help relieve what would otherwise fall onto property taxes and other City funding. Since the inception of DCLs in the City, over \$773 million in funds have been collected from DCLs to help pay for growth-related facilities (updated to June 2018). Approximately 72% of these funds have been generated from the City-wide DCL and the remaining 28% from Area Specific DCLs.

DCLs are applied on a per square foot basis and payment is due at Building Permit issuance. DCL revenues pay for specific growth-related capital projects (as permitted by the Vancouver Charter) and are allocated by Council as follows:

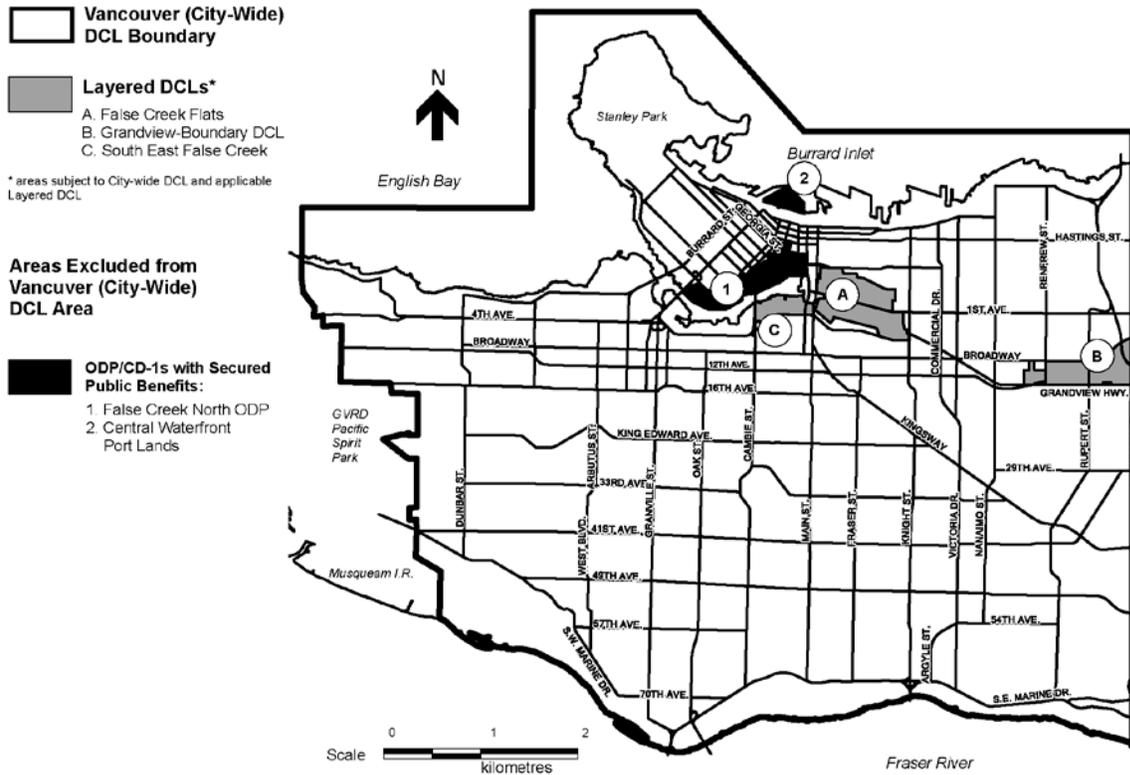
- park development and improvements (18%);
- replacement (affordable) housing (36%);
- childcare facilities (13%);
- transportation (25%); and
- utilities (8%).

The current DCL system consists of 4 DCL Districts (each with its own rates) and 2 additional planning areas excluded from DCLs. The City-wide DCL District applies to most of the city and the 3 Area Specific DCL Districts apply to smaller planning areas across Vancouver. A proposed new City-wide Utilities DCL is proposed to take effect on September 30, 2018.

DCL By-laws establish area boundaries of each DCL district. Levies collected within each district must be spent within the area boundary, except for DCLs collected for replacement housing which can be spent city-wide. DCL districts are divided into three general categories:

1. **Base DCL Districts:** At present, this only includes the Vancouver (City-wide) DCL District. The proposed City-wide Utilities DCL District is to be added as a base DCL district. These districts apply across the city and most developments are subject to both DCLs.
2. **Layered DCL Districts:** These are specific geographic areas in which the Area Specific DCL City-wide Vancouver DCL, and proposed City-wide Utilities DCL apply. There are three such areas shown on the map as A, B, and C (False Creek Flats, Grandview-Boundary, and Southeast False Creek). These are or were industrial areas where new plans identified potential for significant redevelopment and a higher need for facilities than could be covered by the City-wide Vancouver DCL alone (e.g., sewer and water).

Current DCL Districts (effective to September 29, 2018)



note: boundaries of highlighted areas are approximate and shown for illustrative purposes only.

## 2. Community Amenity Contributions (CACs)

CACs are voluntary in-kind or cash contributions provided by development when City Council grants additional development rights through rezonings. CACs can help address the increased demands that may be placed on City facilities as a result of a rezoning (from new residents and/or employees), as well as mitigate the impacts of a rezoning on the surrounding community.

In a rezoning, CACs can be part of a public benefits package offered by the developer. In-kind (or on-site) amenity contributions can include affordable and non-market housing, childcare facilities or park space. CAC payments in-lieu may be put toward these benefits as well, but also include libraries, community centres, cultural facilities and neighbourhood houses. CAC payments in-lieu are generally applied to off-site benefits in the surrounding community. CACs are in addition to DCLs.

As new area-specific plans are approved, these areas are excluded from the City-wide CAC policy. Many of these areas have a blend of negotiated CAC and CAC target contributions from rezonings, and they are based on local public benefit needs and development economics.

### Current CAC Policy Areas (effective to September 29, 2018)

