

## COUNCIL MEMBERS' MOTION

*For consideration at the Standing Committee meeting of City Council on March 12, 2025*

### **1. Deferring the Collection of Development Cost Levies (DCLs) and Related Development Charges to Support New Housing and Job Supply**

Submitted by: Councillor Bligh

#### WHEREAS

1. Uncertain real estate market conditions, highlighted by softening demand along with rising costs (i.e. building material prices, skilled labour shortages, high interest rates, adjustments to local and regional (Metro and TransLink) Development Cost Levies/Charges (DCLs/DCCs), are all factoring into a challenging environment to deliver new housing, particularly rental;
2. Council has recognized the challenging market conditions in both 2023 and 2024 by deferring the City's annual inflationary DCL rate adjustments, balancing the need to support new housing along with the need to deliver key infrastructure to support new development;
3. The City collects DCLs as well as regional DCCs on behalf of Metro Vancouver and TransLink from new development at the time of building permit issuance;
4. Altering the time of DCL/DCC collection could reduce upfront costs for new development, helping to unlock more housing starts and housing supply that are urgently needed to address the housing crisis;
5. Section 523D(8) of the *Vancouver Charter* generally requires that DCLs be collected when building permits are issued, but section 523D(9) also allows the City to authorize DCL payments in installments;
6. The City of Delta and Metro Vancouver are currently examining deferrals of DCCs to help unlock new housing construction, recognizing that legislation already allows for DCC deferrals based on installments extending out 2 years after building permit issuance; and
7. In addition to DCL deferral, the City can consider other initiatives related to development contributions and form of development changes that can help support development viability.

THEREFORE BE IT RESOLVED THAT Council direct staff to undertake a development viability review, taking into consideration:

- i) current real estate market conditions;
- ii) cumulative impact of local and regional development charges and timing of payment on housing delivery; and

- iii) impact of a development charge deferral program on the City's ability to deliver infrastructure and amenities to support new housing and jobs;

and report back to Council in Q2 2025 with:

- i) development charge deferral recommendations and risk mitigations;
- ii) potential legislative changes to support an optimal deferral program structure; and
- iii) other appropriate measures to help improve development viability;

FURTHER THAT Council direct staff to seek to engage Metro Vancouver, TransLink and the Province to coordinate and align efforts to enhance development viability that is streamlined and straightforward to administer and that ensures regional consistency for new development.

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