



City of Vancouver *Planning - By-law Administration Bulletins*

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DEVELOPMENT COST LEVIES (DCLs)

Authority - Vancouver Charter, Section 523D

Effective - Vancouver (city-wide) DCL By-law, January 28, 2000

Area-Specific DCL By-law, January 27, 2007

Amended December 1, 2008

1 General Information

1.1 What is a DCL and why do we have them?

DCLs are a charge on new development, payable at Building Permit issuance. DCLs are collected by the City to help pay for specific capital projects made necessary by new development within an area.

1.2 What are DCL capital projects?

The Vancouver Charter specifies which capital projects DCLs can fund. They are:

- replacement housing (social/non-profit housing);
- park land and improvements;
- childcare facilities; and
- sewerage, water, drainage and highway facilities.

See the Development Cost Levy Information Bulletin for more general information on DCLs:
vancouver.ca/commsvcs/planning/infobull1.htm

2 Administering and Interpreting DCL By-laws

2.1 Land Use and Floor Area

Where can you find assistance when questions arise as to whether DCLs apply, or how DCLs apply?

When questions arise where staff need assistance to determine land use designations and/or floor area calculations in relation to DCLs, staff should refer to:

- Manager, Processing Centre, Development, 604-871-6194; or
- Manager, Enquiry Centre, 604-873-7553

2.2 Calculation

How are DCLs calculated?

The DCL by-laws currently charge on the basis of allowable floor area indicated on the Building Permit. This floor area (and use) is generally derived from the approved Development Permit, which conforms to the applicable District Schedule of the Zoning and Development (Z&D) By-law.

2.3 Exemptions

What developments are exempt from paying DCLs? (see items 2.4 to 2.6 for further exemption details)

The Vancouver Charter provides that the following developments are DCL exempt:

- social housing (where at least 30% of units are to be occupied by persons on government income assistance, where a covenant restricts the use to such housing, and where the owner, if a non-profit organization, is eligible for a government shelter subsidy);
- rental housing (where the owner is a non-profit organization and has entered into a housing agreement with the City);
- co-op housing (where the owner is a co-operative association and has entered into a housing agreement with the City for affordable or special needs housing);
- churches exempt from City real property taxation.

The DCL by-laws provide exemptions for:

- alterations to an existing building to the extent the total floor area of the building is not increased.
- Additions of less than 500 square feet to existing buildings with less than four residential units and no other use.

2.4 Social Housing Exemption

Who determines whether a project qualifies for a social housing exemption?

The Social Development Department determines whether the project is a bona fide social housing project:

- Jill Davidson, Housing Policy, 604-873-7670.

2.5 Church Exemption

Who determines whether a project qualifies as a church, especially in mixed-use projects?

Responsibility for interpreting land use and determining floor area lies with staff within the Enquiry Centre, and/or the Processing Centre - Development. Using the Z&D By-law and Guidelines, the principal and typical ancillary uses are determined. DCLs are applied to any floor area not specifically exempted or excluded. The DCL Coordinator will consult with the Property Tax Department to determine if the property has a tax exemption because of being a church. Note that a church residence is not exempt.

2.6 Alteration Exemption

When there is an alteration which involves an addition and a demolition of a portion of the existing building, is the charge based on the new area only or is the floor area for the demolished portion deducted?

Where there is an addition, together with partial demolition, the DCL should be charged on the net floor area added as a result of the alteration. This means the floor area demolished should be deducted from the total approved floor area to calculate the net floor area added.

2.7 Rates

The DCL rates applicable in each DCL area are described in the DCL Bulletin. As of July 20, 2006, a low density DCL rate applies to residential projects (including residential floor area in a mixed use project) which are built at or below 1.2 floor space ratio.

2.8 Mixed-use Projects

How are DCLs applied to mixed-use projects?

Mixed-use projects come in many forms. DCLs should be applied based on the DCL rate for each use and the number of square metres approved for each use. When a mixed-use project has a portion which is DCL exempt (e.g. social housing), then no DCL is applied to that portion. The other portion is subject to DCLs based on approved floor area for the use(s). If a mixed use project is built at or below 1.2 FSR and contains residential floor area, the low density DCL rate applies to the residential area but not the non-residential area. The low density rate does not apply to residential floor area in any mixed-use project which is built above 1.2 FSR.

2.9 Project Cancellation and Refunds

If the DCL is paid and the project is cancelled, will there be a refund?

Yes, the DCL will be refunded if the project is cancelled prior to any work being carried out on the project. The applicant should be advised to write to the DCL Coordinator, By-law Administration Branch, asking for a refund of Building Permit fees and DCLs paid. The District Building Inspector will be asked to confirm that no work has been carried out and the Building Permit will be cancelled.

2.10 Balcony Enclosures

Are balcony enclosures charged a DCL?

Yes, some balcony enclosures will be subject to DCLs. This is because DCLs are based on approved floor area, pursuant to the Z&D By-law. As regulations vary between District Schedules, some balcony enclosures may be included in floor area calculations and will be charged DCLs while others are not.

2.11 Temporary Buildings / Tents

Do DCLs apply to temporary buildings/structures? (e.g., seasonal plant-selling structures in parking lots, Bard on the Beach, Children's Festival, Molson Indy, Folk Festival, Symphony of Fire? etc.)

Yes, DCLs apply to temporary buildings/tents. The Building By-law defines "temporary" as a period not exceeding twelve months. The Vancouver city-wide DCL rate is \$10 per Building Permit authorizing a temporary building or buildings. Temporary buildings in the layered DCL Districts are subject to the City-Wide DCL rate in addition to the layered DCL rate (also \$10 per Building Permit).

The temporary DCL rate does not apply to school portables.

2.12 Surface Parking Lots

Do DCLs apply to surface parking lots?

If a Building Permit (BP) for a structure (e.g., kiosk) on a surface parking lot is issued, it should be charged a DCL based on the floor area approved, at the DCL rate for "all other uses".

2.13 Institutional Uses

Do DCLs apply to “institutional” uses as defined in the Z&D By-law?

Yes, DCLs apply to most “institutional” uses, with the exception of churches which are tax exempt. Some “institutional” uses have lower rates, in some DCL areas. Child day care facilities have a flat rate of \$10.00 per Building Permit. K-12 schools (providing curriculum approved by Ministry of Education) have lower rates in the Oakridge/Langara, Vancouver (city-wide), Grandview Boundary and False Creek Flats DCL areas. All other “institutional” uses are charged DCLs at the “all other uses” rate.

2.14 Heritage Projects

Do DCLs apply to projects that preserve buildings listed on the Vancouver Heritage Register?

DCLs do not apply to any projects consisting solely of alterations to existing floor area. However, new floor area that is being added to an existing heritage building/site is subject to DCLs. As an incentive to conserving a Heritage Register building, an owner may request to enter into a Heritage Revitalization Agreement to vary the DCL rate for new floor area. Heritage related questions should be referred to:

- Heritage Planning Analyst 604-873-7056.

“Heritage Density” floor area that is purchased and transferred from a heritage site to another project site is not exempt from DCLs.

2.15 Marinas

Do DCLs apply to marinas?

Yes, in principle, DCLs apply to marinas. However, a DCL is only payable on the floor area approved and shown on the BP. This is somewhat similar to surface parking lots (see above).

2.16 Change of Use

Do DCLs apply to change of use?

No, a change of use does not trigger a DCL. However, if a Building Permit is required as part of the change of use, and the change of use is from a DCL exempt to a non-exempt category (e.g., church to residential), a DCL does apply.

DCLs apply to floor area previously exempt from being counted (i.e. parking or storage) that is changing to a use that now counts as floor area.

2.17 Phased Projects and DCL Payments

How are DCLs to be paid in phased projects?

A Building Permit (BP) for a multi-building project, which may be phased over time, is processed by issuing a “site permit”. Subsequently, individual BPs are issued for the individual buildings or phases. Typically, DCLs are payable in full at issuance of the site permit, or by paying \$100 and delivering a letter of credit securing the outstanding balance (with interest) at BP issuance.

If phases of the project will not proceed until a future date, the applicant can request, in writing, to the Chief Building Official (CBO) that the DCLs be paid on the individual BPs rather than on the “site permit”. This request must be reviewed and approved by the CBO. Consultation with Legal Services may be required.

2.18 Area-specific DCL By-laws

This bulletin focuses mostly on the Citywide and layered DCLs; while many aspects of the Area Specific DCLs are similar, they contain unique differences. As a result, one should consult the Area Specific DCL By-law regarding developments located in these areas.

Area Specific Development Cost Levy By-law
vancouver.ca/bylaws/9418c.PDF