

From: "Mochrie, Paul" <Paul.Mochrie@vancouver.ca>

To: "Direct to Mayor and Council - DL" <CCDTMACDL@vancouver.ca>

Date: 6/19/2017 4:24:03 PM

Subject: Memo on RTS 12055: Vancouver City-wide Development Cost Levy (DCL) Bylaw Update – Preliminary DCL Rates

Attachments: DCL - City-wide DCL Update - Memo to Mayor and Council - June 19 2017 (3).pdf

Dear Mayor and Council,

Please see the attached Memo from Randy Pecarski on the Vancouver City-wide Development Cost Levy (DCL) Bylaw Update – Preliminary DCL Rates. A short summary of the memo is as follows:

- Update to DCL Memo sent June 12, 2017
- This memo includes preliminary DCL Rates and Allocations
- Park Board requested their staff present DCL information at tonight's public meeting

Should you have any questions, please contact Chris Robertson, Acting Assistant Director, City-Wide and Regional Planning, at 604-873-7684 / chris.robertson@vancouver.ca

Thank you,
Paul

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VanRIMS No.: 01-9000-20

MEMORANDUM

June 19, 2017

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Wendy Au, Assistant City Manager
Janice MacKenzie, City Clerk
Lynda Graves, Manager, Administration Services, City Manager's Office
Rena Kendall-Craden, Director, Communications
Kevin Quinlan, Chief of Staff, Mayor's Office
Katie Robb, Director, Communications, Mayor's Office
Naveen Girn, Director, Community Relations, Mayor's Office
Patrice Impey, General Manager, Finance, Risk & Supply Chain
Gil Kelley, General Manager of Planning, Urban Design and Sustainability
Chris Robertson, Acting Assistant Director, City-Wide & Regional Planning
Grace Cheng, Director, Long-term Financial Strategy & Planning
Chris Clibbon, Planner, City-Wide & Regional Planning

FROM: Randy Pecarski, Deputy Director of PDS

SUBJECT: RTS 12055: Vancouver City-wide Development Cost Levy (DCL) Bylaw Update - Preliminary DCL Rates

Mayor and Council,

On June 12th, 2017 staff transmitted to Council a memo on the City-wide Development Cost Levy (DCL) Bylaw Update including the preliminary DCL rates developed as part of the review. Key elements of this review included:

- Growth projections - focus on 10-year growth
- Updated capital planning and financial framework, including 4-year reviews of DCL costs/rates/allocations in-tandem with the Capital Plan
- Comprehensive update of growth related costs for DCL-eligible projects (replacement housing, daycare, parks and transportation)

- Addition of water, sewer, drainage (not previously included) as a DCL category
- Economic testing of preliminary rates to assess potential impact on new development
- Strategic prioritization of capital projects and allocation of DCLs to project categories.

The City-wide DCL Bylaw Update is scheduled to come before Council on July 26, 2017. On June 13, staff presented the preliminary rates and the proposed allocations for the DCL eligible categories to the Park Board at a special DCL Update briefing.

The preliminary rates (previously transmitted to Council) and the preliminary allocations presented to the Park Board on June 13 are provided in the following tables:

Preliminary City-wide DCL Rates			
Development Type	Current DCL Rate Charge/sq.ft.	Preliminary DCL Rates Charge/sq.ft.	Difference in Charge
Low Density Residential At or Below 1.2 FSR & Laneway Houses	\$3.23	\$4.02	\$0.79
Medium Density Between 1.2 FSR and 1.5 FSR (new category)	\$13.91	\$8.69	(\$5.22)
Higher Density Residential Above 1.5 FSR	\$13.91	\$17.34	\$3.43
Industrial*	\$5.55	\$6.92	\$1.37
Mixed Employment (Light Industrial)** (new category)	\$5.55	\$13.01	\$7.46
Commercial and Other	\$13.91	\$17.34	\$3.43
Notes: <ul style="list-style-type: none"> • *Industrial applies to I-2, M-1, M-1A, M-1B, M-2, MC-1, MC-2 zoning districts • **Mixed Employment (Light Industrial) applies to IC-1, IC-2, IC-3, I-1, I-3, I-1A, I-1B and I-4 zoning districts • DCLs are levied on a per sq.ft. of gross floor area • Temporary Buildings & Specific Uses: No rate changes for temporary buildings and specific uses including childcare, school, community energy centre, and parking garage. 			

Recommended DCL Allocation (Interim)			
Interim pending completion of the 10 year Capital Outlook and the 2019-2022 Capital Plan update (2018)			
DCL Category	2017 Allocation	2003 Allocation	Percent Change
Replacement Housing	36%	32%	+4%
Transportation	25%	22%	+3%
Parks	18%	41%	-23%
Childcare	13%	5%	+8%
Utilities (new category)	8% (new)	Not included	+8% (new)

1. Three key elements underlie the rationale for the new allocations: Overall readjustment needed to include 'utilities' which have been added because utility fees and rezoning conditions are not providing the funding, or the fair distribution, of costs associated with underground infrastructure
2. Specific adjustment of the Park allocation to account for the existing DCL balance in the 'park acquisition and development' of \$114 M in unspent funds
3. City priorities to address affordable housing and the chronic under-funding of childcare

Moving forward, the DCL rates and allocations will be closely tied to the four year capital planning program. The Recommended DCL Allocations proposed are interim pending the completion of the 10 Year Capital Outlook and the next 4 year Capital Plan to be brought forward to Council in 2018 for 2019-2022 and further understanding of funding from senior levels of government and other funding partners.

Following the staff briefing with the Park Board, the Board requested their staff to present this information to them at tonight's public meeting (7 pm) as follows:

Staff Reports

2. City-wide DCL Review - Park Board Implications - Report Reference (*for information*)

Technical work and consultation with the development industry is ongoing. Staff will be presenting the DCL Update to Council on July 26th. The full report and recommendations will be publically available a week in advance, on July 19th. In the meantime, if you have any questions, please contact Chris Robertson, Acting Assistant Director, City-Wide & Regional Planning, at 604-873-7684 or chris.robertson@vancouver.ca.

Regards,



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RP/cc