

File No.: 04-1000-20-2018-454

September 25, 2018

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of August 23, 2018 for:

**The City of Vancouver's Draft 2019-2022 Capital Plan anticipates \$1,440,000,000 in development contributions. It stated that the "funding strategy for the draft Capital plan is developed based on economic outlook", in part. Request is for "economic outlook" that suggests the amount expected is viable.**

**Date Range: January 1, 2017 to July 1, 2018.**

All responsive records are attached.

Under section 52 of the Act, and within 30 business days of receipt of this letter, you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your FOI request by writing to: Office of the Information & Privacy Commissioner, [info@oipbc.bc.ca](mailto:info@oipbc.bc.ca) or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number (#04-1000-20-2018-454); 2) a copy of this letter; 3) a copy of your original request; and 4) detailed reasons why you are seeking the review.

Yours truly,



**Barbara J. Van Fraassen, BA**  
**Director, Access to Information & Privacy**

[Barbara.vanfraassen@vancouver.ca](mailto:Barbara.vanfraassen@vancouver.ca)  
453 W. 12th Avenue Vancouver BC V5Y 1V4

\*If you have any questions, please email us at [foi@vancouver.ca](mailto:foi@vancouver.ca) and we will respond to you as soon as possible. Or you can call the FOI Case Manager at 604.871.6584.

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## MEMORANDUM

September 25, 2018

TO: Freedom of Information Office

CC: Patrice Impey, General Manager, Finance, Risk and Supply Chain Management  
Grace Cheng, Director, Long-term Financial Strategy & Planning

FROM: Rob Evans, Senior Manager Financial & Business Strategy

SUBJECT: Request for Records File No. 2018-454

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*“The City of Vancouver’s Draft 2019-2022 Capital Plan anticipates \$1,440,000,000 in development contributions. It stated that the “funding strategy for the draft Capital plan is developed based on economic outlook”, in part. Request is for “economic outlook” that suggests the amount expected is viable.”*

The funding strategy for the 2019-2022 Capital Plan<sup>1</sup> was developed based on historical experience, economic outlook, benchmark ratios with like organizations and rating agencies, and best practices in municipal debt management. The economic outlook used for the Capital Plan is the same economic context included in the 2019-2023 Budget Outlook<sup>2</sup> presented to Council on July 24, 2018.

The City’s final 2019-2022 Capital Plan<sup>1</sup> included \$1,615 million of planned investments funded by development contributions, including \$569 million of in-kind contributions from development and \$1,046 million funded by cash development contributions. The amount was updated from the \$1,440 million included in the draft 2019-2022 Capital Plan, primarily to include \$158 million of additional investments planned under the new Utilities DCL program adopted by Council in July 2018.

In-kind contributions, which were not included in previous capital plans, represent approximately 35% of development contributions included in the 2019-2022 Capital Plan. They reflect commitments already secured as conditions of previously approved rezonings that are expected to be advanced during the 2019-2022 plan. The amount includes:

- 1,200 to 1,600 units of affordable housing secured through voluntary in-kind community amenity contributions (CACs) and inclusionary zoning<sup>3</sup>
- ~250 childcare spaces, including anticipated projects at Little Mountain, Oakridge Centre, Dogwood-Pearson and Marine & Fraser Streets<sup>4</sup>

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<sup>1</sup> Final 2019-2022 Capital Plan (<https://council.vancouver.ca/20180725/documents/regurr1.pdf>)

<sup>2</sup> 2019-2023 Budget Outlook (<https://council.vancouver.ca/20180724/documents/a11.pdf>)

<sup>3</sup> Final 2019-2022 Capital Plan, Appendix A, page 27

<sup>4</sup> Final 2019-2022 Capital Plan, Appendix A, page 31

- New community centre, performance space and renewed & expanded library at Oakridge Centre<sup>5</sup>
- New cultural hub at Pacific & Howe and new production space at Main & 2<sup>nd</sup><sup>6</sup>
- Little Mountain neighbourhood house and Arbutus Village neighbourhood house & adult day centre

Cash development contributions include funding from existing development funded reserves and forecast contributions expected to be collected and invested in growth related infrastructure and amenities over the course of the 2019-2022 Capital Plan. As at June 30<sup>th</sup> 2018, this City had over \$400 million of development contribution reserves available for investment representing approximately 40% of the \$1,046 million in cash development contributions included in the 2019-2022 Capital Plan. In addition to existing reserves the City has over \$400 million of pending cash CACs from approved rezonings awaiting enactment and enacted rezonings with phased CAC payment schedules.

The forecast cash development contributions included the 2019-2022 Capital Plan includes \$110 million of forecast utility connection fees<sup>7</sup> primarily for water and sewer connection associated with projected development activities. The funding forecast is based on the projected level of connection activity expected to advance over the course of the plan.

The primary sources of forecast cash development contributions are projected contributions from the City's Development Cost Levy (DCL) programs. The City-wide DCL program, updated in 2017<sup>8</sup>, was projected to generate approximately \$1 billion of funding over the 10 year program<sup>9</sup> for growth related investments or approximately \$100 million per year. The new Utilities DCL program approved in July 2018<sup>10</sup> is projected to generate \$534 million over the 8 year program<sup>11</sup> for growth related infrastructure investment or approximately \$67 million per year. Both the City-wide DCL update and the new Utilities DCL both included rate phase-in provisions and rate protections mechanisms which are expected to slightly reduce the projected funding available in the first years of the plan.

The 2017 City-wide DCL update and the 2018 Utilities DCL were developed based on growth forecasts established using a city-wide development capacity model that reflected all approved land use plans as of June 1<sup>st</sup> of 2017 and 2018 respectively. Please refer to the respective reports and studies developed with the assistance Hemson Consulting (2017 City-wide DCL Update) and Urban Systems (2018 Utilities DCL) for further details. The reports also include the results of economic testing from Coriolis Consulting which assessed of the potential impact of DCL rates on the amount, rate and location of development in the City.

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<sup>5</sup> Final 2019-2022 Capital Plan, Appendix A, page 45 & 46

<sup>6</sup> Final 2019-2022 Capital Plan, Appendix A, page 46

<sup>7</sup> Final 2019-2022 Capital Plan, page 2 & page 18

<sup>8</sup> 2017 City-wide DCL update (<https://council.vancouver.ca/20170726/documents/pspc4.pdf>)

<sup>9</sup> 2017 City-wide DCL update, Appendix B, page 29 "Table 4 - Calculation of base DCL rate"

<sup>10</sup> 2018 Utilities DCL (<https://council.vancouver.ca/20180711/documents/cfsc1.pdf>)

<sup>11</sup> 2018 Utilities DCL, page 79 "Proposed Utilities DCL (Water, Sewers and Drainage) Calculation"