

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"
"City Leadership Team - DL"

Date: 1/15/2019 4:37:09 PM

Subject: PDS - DCL Waiver - Secured Market Rental Housing - Council Memo - Jan 15....docx

Attachments: PDS - DCL Waiver - Secured Market Rental Housing - Council Memo - Jan 15..._.pdf

Greetings Mayor and Council-

Please find attached a memo from Gil Kelley to follow-up on Councillor Fry's question at Council earlier regarding the DCL waiver totals in 2017 and 2018.

Best

Sadhu

MEMORANDUM

January 15, 2019

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Communications Director
Katrina Leckovic, City Clerk
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Sandra Singh, General Manager, Arts Culture and Community Services
Dan Garrison, Assistant Director, Housing Policy and Regulation
Karen Hoese, Assistant Director, Rezoning Centre
Abi Bond, Managing Director, Homelessness Services & Affordable Housing Programs

FROM: Gil Kelley
General Manager, FAICP, Planning, Urban Design and Sustainability

SUBJECT: DCL Waivers for "For-Profit Affordable Rental Housing"

This memo responds to a question raised by Council on January 15, 2019 regarding the quantity and value of DCL waivers issued in 2017/2018 for For-Profit Affordable Rental Housing development.

DCL WAIVER BACKGROUND

The waiver of the Development Cost Levies (DCLs) is a key incentive offered through the Rental 100 policy. The Vancouver Charter authorizes the City to waive DCLs for eligible developments that meet the definition of "for-profit affordable rental housing." The defining criteria include maximum rental rates and unit sizes by unit type. The maximum rental rates are secured for the first tenants and controlled through the Residential Tenancy Act thereafter. The intent is to create rental housing that is modest, and not luxury rental units.

2017/2018 DCL WAIVERS FOR “FOR-PROFIT AFFORDABLE RENTAL HOUSING”

The waiver of DCLs for “for profit affordable rental housing” totaled \$4.1 million in 2017 and \$1.6 million in 2018, for a total of \$5.7 million over the two years. These waivers accounted for 3.0% of overall DCL revenue collected in those years. The waivers resulted in the approval of 555 secured rental units, with an average waiver of \$10,270 per unit.

YEAR	ADDRESS	HOUSING UNITS	DCL DISTRICT	DCL WAIVED	YEARLY TOTAL
2017	188 East 49th	75	City-wide	\$751,855	\$4,122,119
	706 East 57th	95	City-wide	\$958,260	
	2328 Galt	28	City-wide	\$351,051	
	388 Kaslo	94	City-wide	\$1,038,832	
	3595 Kingsway	104	City-wide	\$1,022,121	
2018	1771 East 18th	115	City-wide	\$1,022,566	\$1,578,903
	2551 Kingsway	12	City-wide	\$134,363	
	3068 Kingsway	32	City-wide	\$421,974	
Total		555		\$5,701,022	

REVIEW OF RENTAL 100 PROGRAM

A full review of the City’s rental incentive programs and the use of the DCL waiver for market rental housing projects is currently underway. The purpose of the review is to:

- Document results of the City’s rental policies - i.e. supply, take-up of incentives, affordability, and public feedback.
- Evaluate the success of the City’s rental policies in meeting Housing Vancouver objectives including housing matched to incomes.
- Evaluate the success of the City’s rental policies in meeting other City-wide objectives - e.g. Simplification of Regulations / Clarity, Greenest City and DCL impacts
- Identify policy improvements and test new ideas - including improve clarity and administration of DCL Bylaw.
- Explore ways to utilize the Province’s new Rental Zoning Provisions.

Staff is currently in the research and analysis phase, which includes public and stakeholder consultation. A report presenting to Council the results of the review is anticipated in late 2019.

Please do not hesitate to contact me further should you have any follow-up questions.

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