

DEVELOPMENT COST LEVIES

UPDATES:

TransLink Development Cost Charge (DCC) rates payable starting January 15, 2020

TransLink introduced a new DCC whereby new rates are scheduled to take effect on January 15, 2020 (see page 11). The DCC will be collected by the City of Vancouver on behalf of TransLink and must be paid prior to Building Permit issuance. Visit the [TransLink website](#) for more details.

Annual DCL rate adjustment took effect September 30, 2019

On July 10, 2019, Council approved rate adjustments to the City-wide, Utilities, and Area-Specific DCL rates that took effect September 30, 2019. To view the rates for each of the DCL areas, refer to “Table 1: DCL Rates by Area” on page 4 of this document. In-stream rate protection will apply. In addition to this year’s rate adjustment, Table 1 includes the second phase-in of the [Utilities DCL](#) (approved by Council in July 2018).

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Introduction

Development Cost Levies (DCLs) collected from development help pay for facilities made necessary by growth. Facilities eligible for DCL funding include: parks, child care facilities, replacement housing (social/non-profit housing), and engineering infrastructure.

The DCL by-laws establish the boundaries, set the rates, and describe how to calculate and pay the levy. Levies collected within each DCL district must be spent within the area boundary (except replacement housing projects which can be located outside). This Bulletin provides general information about DCLs; for precise information, refer to the DCL by-laws:

- [Vancouver Development Cost Levy By-law](#)
- [Area Specific Development Cost Levy By-law](#)
- [Vancouver Utilities Development Cost By-law](#)

Since January 1997, the City also collects a separate regional Development Cost Charge (DCC) on behalf of the Greater Vancouver Sewerage and Drainage District for expansion of sewerage facilities required by regional growth (see page 10).

Starting in January 2020, the City will also collect a separate regional DCC on behalf of TransLink for the construction or expansion of regional transportation projects

Areas

There are three types of DCL districts within the City, each with its own rates:

1. ***The City-wide DCL District*** applies to most of the City and is levied for Affordable housing, Parks, Transportation and Childcare capital projects. Certain planning areas/zones are excluded from the Vancouver DCL District. See map on following pages.
2. ***The City-wide Utilities DCL District*** also applies to most of the City ***in addition*** to the City-wide DCL District and is levied for utilities capital projects. Certain planning areas/zones are excluded from this District. See map on following pages.
3. ***Layered DCL Districts***. Development in these districts is subject to the area-specific DCL, the City-wide DCL, ***and*** the City-wide Utilities DCL. See maps on following pages.

If you are unsure in which DCL area your proposal is located, please contact a DCL Co-ordinator at DCLCoordinator@vancouver.ca.

Table 1: Approved DCL Rates by Area (effective Sept. 30, 2019)

	RESIDENTIAL AT OR BELOW 1.2 FSR AND LANEWAY HOUSE	MEDIUM DENSITY RESIDENTIAL ABOVE 1.2 FSR TO 1.5 FSR	RESIDENTIAL IN DEVELOPMENT OVER 1.5 FSR	COMMERCIAL AND MOST OTHER USES ¹	INDUSTRIAL ²	MIXED EMPLOYMENT (LIGHT INDUSTRIAL) ³	SPECIFIC USES
Base⁴	City-wide DCL (A)	\$45.42/m ² (\$4.22/ft ²)	\$97.74/m ² (\$9.08/ft ²)	\$195.58/m ² (\$18.17/ft ²)	\$165.12/m ² (\$15.34/ft ²)	\$65.88/m ² (\$6.12/ft ²)	\$123.89/m ² (\$11.51/ft ²)
	City-wide Utilities DCL⁵ (B)	\$24.97/m ² (\$2.32/ft ²)	\$54.25/m ² (\$5.04/ft ²)	West Side: \$108.61/m ² (\$10.09/ft ²) East Side: \$81.48/m ² (\$7.57/ft ²)	\$57.05/m ² (\$5.30/ft ²)	\$22.93/m ² (\$2.13/ft ²)	\$42.84/m ² (\$3.98/ft ²)
	TOTAL City-wide DCLs⁹ (A+B)	\$70.39/m ² (\$6.54/ft ²)	\$151.99/m ² (\$14.12/ft ²)	West Side: \$304.19/m ² (\$28.26/ft ²) East Side: \$277.06/m ² (\$25.74/ft ²)	\$222.17/m ² (\$20.64/ft ²)	\$88.81/m ² (\$8.25/ft ²)	\$166.73/m ² (\$15.49/ft ²)
Layered⁶	False Creek Flats			\$69.86/m ² (\$6.49/ft ²)			<p><u>All DCL Districts:</u></p> <ul style="list-style-type: none"> Artist Studio (Class A&B): \$10.00/BP Community Ctr/Neigh. House: \$10.00/BP Library: \$10.00/BP Public Authority Use: \$10.00/BP Social Service Centre: \$10.00/BP Parking garage: \$1.08/m² (\$0.10/ft²) Temporary Buildings: \$10.00/BP <p><u>Select DCL Districts:</u></p> <ul style="list-style-type: none"> School: \$5.49/m² (\$0.51/ft²) – City-wide DCL, City-wide Utilities DCL, False Creek Flats Childcare: \$10.00/BP – City-wide DCL, City-wide Utilities DCL, False Creek Flats Community Energy Centre: \$10.00/BP – City-wide DCL, City-wide Utilities DCL, Southeast False Creek Works Yard: \$1.00/m² (\$0.09/ft²) – False Creek Flats
	South East False Creek	n/a	n/a	\$216.14/m ² (\$20.08/ft ²)	\$34.55/m ² (\$3.21/ft ²)		

¹ All uses, except for those specified here, are subject to the Commercial DCL rate

² Industrial in the City-wide Vancouver DCL and City-wide Utilities DCL apply to development in the I-2, M-1, M-1A, M-1B, M-2, MC-1, MC-2 zoning districts. See DCL bylaws for definitions.

³ Mixed Employment (Light Industrial) in the City-wide Vancouver DCL and City-wide Utilities DCL apply to IC-1, IC-2, IC-3, I-1, I-1A, I-1B, I-3 and I-4 zoning districts. See DCL bylaws for definitions

⁴ In the Base DCL areas, the City-wide Utilities DCL applies *in addition to* the City-wide Vancouver DCL.

⁵ In the City-wide Utilities DCL, rates will be phased in for the East Side each September 30 between 2018 and 2020. For the East Side, 50% of the full rate (i.e. West Side) will apply in 2018, increasing to 75% in 2019 and 100% in 2020. A map of East and West areas can be found in Figure 4.

⁶ In the Layered DCL areas, DCLs apply *in addition to* the City-wide DCL and City-wide Utilities DCL.

Timing of Payment

Payment of the levy is a condition of Building Permit issuance and the levy is calculated at the rate in effect on the date of issuance. If a DCL by-law rate amendment occurs after a building permit application is submitted and still in the approvals process, then a 12 month rate protection is applied from the date of by-law amendment. See the “In-Stream Building Permit Applications” section for details. DCLs have the following payment options:

- submit payment in full, or
- submit an initial payment of \$100 and an irrevocable letter of credit (with interest payable) which will be cashed at project completion.

Credit cards are not accepted for DCL payments.

Annual Inflation Adjustment of DCL Rates

All DCL By-law rates are adjusted annually for changes in property and construction inflation. The City uses public, third-party data to calculate the impact of annual inflation on the DCL rates. Rates are adjusted annually through a report to Council every July, with new rates effective on September 30th of every year. Visit vancouver.ca/financegrowth for more information.

In-Stream Rate Protection

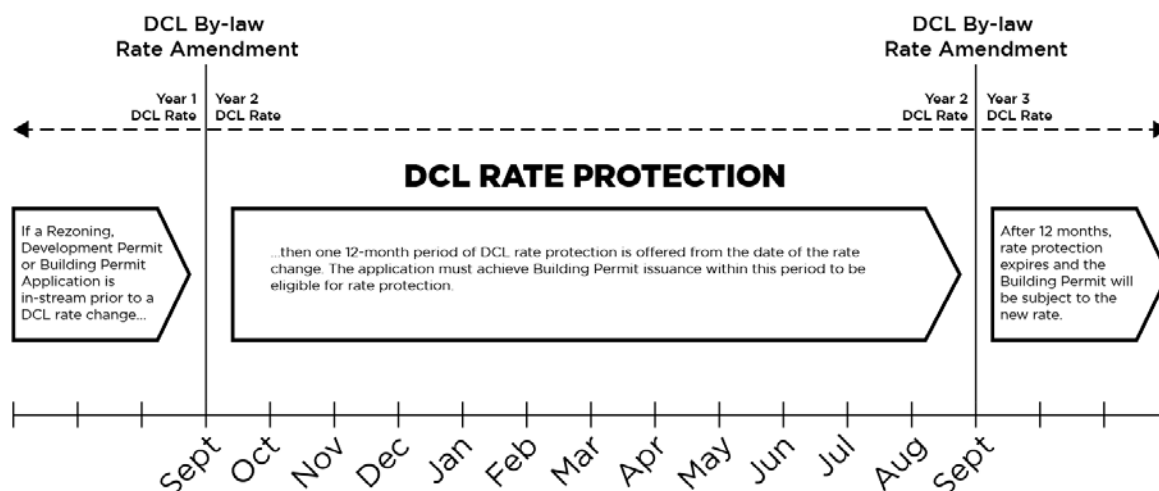
DCL payment is collected at Building Permit issuance and calculated at the rate in effect on the date of issuance. The City of Vancouver implements DCL by-law amendments on September 30th of each year. In order to ensure fairness to applications that have been submitted prior to the adoption of annual DCL By-law rate adjustments, in-stream rate protection is offered. Building permits issued within 12 months of a DCL By-law amendment are exempt from that DCL rate increase, provided there was a precursor application (rezoning, development permit or building permit application) that was in-stream on the date of that increase, and provided that:

- the applicant has submitted an application in a form satisfactory to the City; and
- the applicant has paid the applicable application fee to the City.

If a related building permit application is not issued within the 12-month period, the rate protection expires and new DCL rates take effect.

Section 523D (8.2 & 8.3) of the Vancouver Charter outlines the criteria that must be met in order for an application to qualify for in-stream protection.

Figure 1: In-stream Rate Protection



Waivers

DCLs can be waived or reduced across all DCL districts on construction of for-profit affordable rental housing (subject to meeting the DCL By-law definition and requirements of for-profit affordable rental housing). Visit vancouver.ca/RENTAL100 for more information.

Exemptions

DCLs do not apply to the following:

1. alterations to an existing building where the total floor area of the building is not increased;
2. social housing (subject to meeting DCL By-law definitions and receiving clearance from the Housing Centre);
3. churches exempt from taxation;
4. additions, which are smaller than 500 square feet, to existing buildings containing fewer than four residential units and no other use; and
5. small residential units of 29 square meters (312 square feet) or less.

Rates

The levy is based on the floor area of the development and the rates vary by use and by DCL area. The current rates are shown on page 4 of the bulletin. The levy will not be more than 10% of the value of the development as determined pursuant to the Building By-law.

Reconciling DCLs and Community Amenity Contributions (CACs)

In some cases capital projects, eligible to be funded by DCLs, are provided on-site as part of a rezoning Community Amenity Contribution (CAC) or development application. When this occurs, it should be on prior approval of City Council and cannot be in lieu of payment of DCLs.

Related Information – Community Amenity Contribution Policy for Rezoning

Please see Financing Growth policies on Community Amenity Contributions for details on the City-wide Community Amenity Contribution (CAC) Policy which applies to private rezoning applications.

Figure 2: DCL Districts

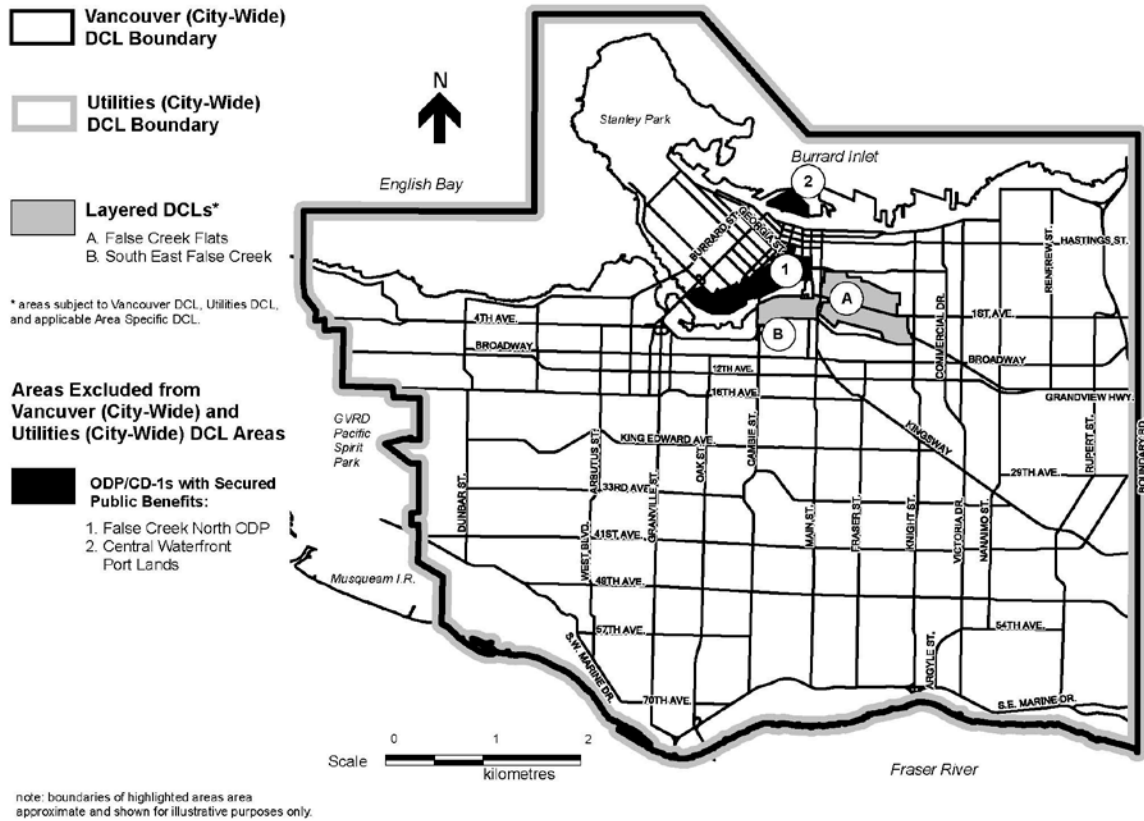
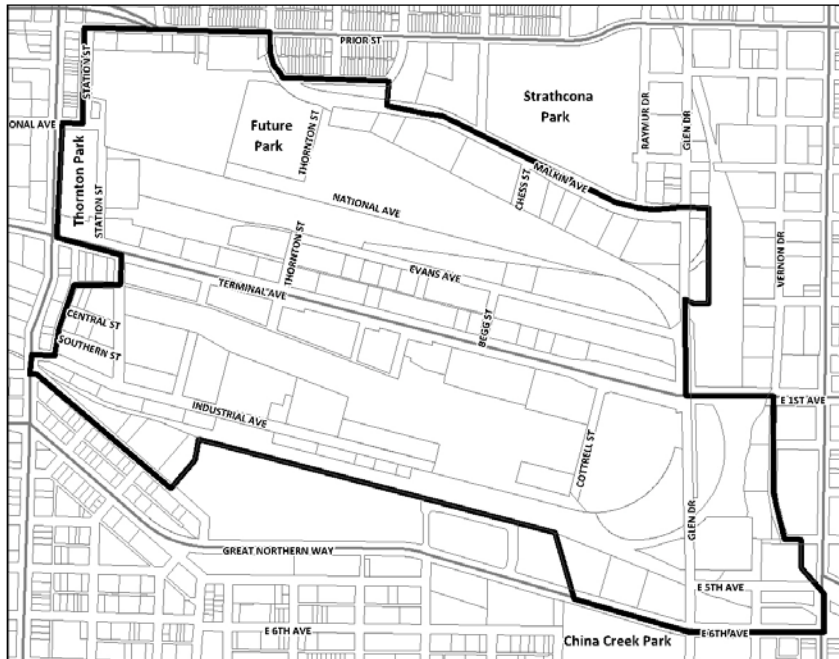


Figure 3: Layered DCL District Maps

False Creek Flats



South East False Creek

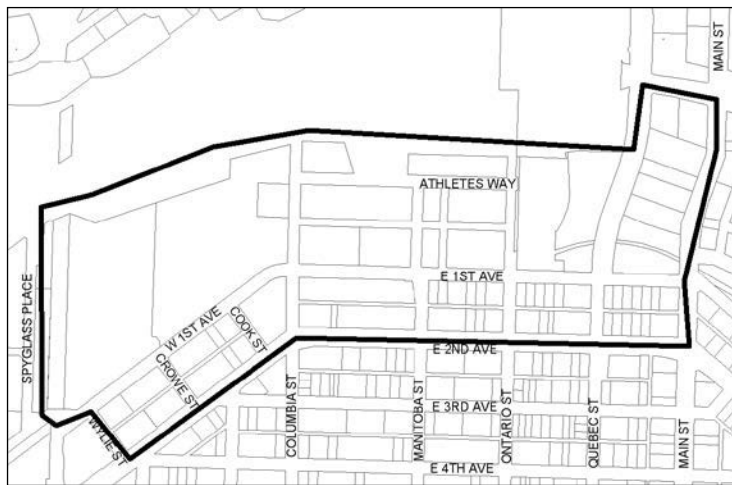
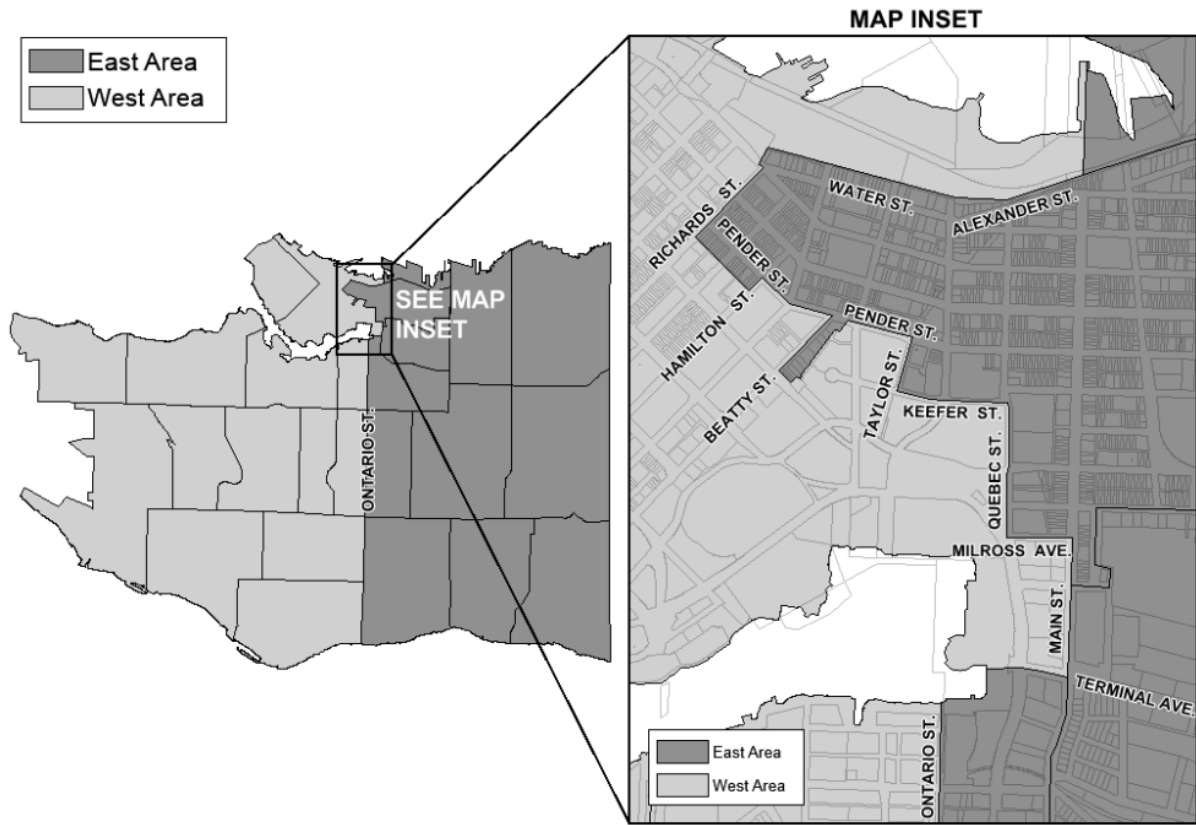


Figure 4: East and West Areas for the City-wide Utilities DCL



REGIONAL DEVELOPMENT COST CHARGES



Metro Vancouver Greater Vancouver Sewerage and Drainage District Development Cost Charge (GVS&DD DCC)

Metro Vancouver applies Development Cost Charges (DCC) to users that are part of emerging Lower Mainland developments to pay for new sanitary sewer works such as additional trunk lines, pumping stations, and wastewater treatment plant expansion. Local municipalities are responsible for collecting the DCC on behalf of Metro Vancouver. The City of Vancouver collects the DCC prior to Building Permit issuance.

The GVS & DD has two service areas in the City of Vancouver. There are different rates for each area and for different types of development:

Table 3: Greater Vancouver Sewerage and Drainage District Development Cost Charge

Rate Category	Vancouver Sewerage Area	Fraser Sewerage Area
Residential Dwelling Unit (per dwelling unit)*	\$1,811	\$5,428
Townhouse Dwelling Unit (per dwelling unit)	\$1,618	\$4,695
Apartment Dwelling Unit (per dwelling unit)	\$1,072	\$3,530
Non-residential use (per square foot)	\$0.93	\$2.67

* Under the GVS & DD DCC By-law, residential dwelling unit is defined as a dwelling unit in a building or structure that contains up to three dwelling units.

In-stream rate protections for the GVS & DD DCC apply to applications submitted prior to the adoption of the new DCC rate. Building permits issued within 12 months of May 1, 2018 are exempt from the DCC rate increase, provided there was a precursor application (rezoning, development permit or building permit application) that was in-stream on the date of that increase, and provided that:

- the applicant has submitted an application in a form satisfactory to the City; and
- the applicant has paid the applicable application fee to the City.

If a related building permit application is not issued within the 12-month period, the rate protection expires and new DCC rates take effect. Section 568 of the Local Government Act outlines the criteria that must be met in order for an application to qualify for in-stream protection.

For further information, visit the [Metro Vancouver website](#) or contact a DCL Co-ordinator at DCLCoordinator@vancouver.ca.

Waivers and Reductions for Metro Vancouver GVS&DD DCC

Metro Vancouver’s GVS&DD DCC includes waivers or reductions on developments that meet the definitions of “not-for-profit rental housing” or “not-for-profit” student housing.

Visit the [Metro Vancouver website](#) for more information.



TransLink Development Cost Charge (DCC)

TransLink introduced a DCC to be applied to new developments in Metro Vancouver to help fund the construction or expansion of regional transportation projects. Local municipalities are responsible for collecting the DCC on behalf of TransLink. The City of Vancouver will collect the TransLink DCC prior to Building Permit issuance.

Table 4: TransLink Development Cost Charge

Rate Category ^a	Rates Effective		
	January 15, 2019	January 15, 2020	January 15, 2021
Single Family Dwelling (per dwelling unit)	\$0	\$2,100	\$2,975
Duplex (per dwelling unit)	\$0	\$1,900	\$2,470
Townhouse Dwelling (per dwelling unit)	\$0	\$1,900	\$2,470
Apartment (per dwelling unit)	\$0	\$1,200	\$1,545
Retail/Service (per square foot)	\$0	\$1.25	\$1.25
Office (per square foot)	\$0	\$1.00	\$1.00
Institutional (per square foot)	\$0	\$0.50	\$0.50
Industrial (per square foot)	\$0	\$0.30	\$0.30

^a Refer to section 2 of the [TransLink DCC By-law](#) for more information about the definitions for each rate category.

In-stream rate protections for the TransLink DCC apply to applications submitted prior to the adoption of the new DCC rate. Building permits issued within 12 months of January 15, 2019 are exempt from the DCC, provided there was a precursor application (rezoning, development permit or building permit application) that was in-stream on the date of that increase, and provided that:

- the applicant has submitted an application in a form satisfactory to the City; and
- the applicant has paid the applicable application fee to the City.

If a related building permit application is not issued within the 12-month period, the rate protection expires and new DCC rates take effect.

Section 34.29 of the South Coast British Columbia Transportation Authority Act outlines the criteria that must be met in order for an application to qualify for in-stream protection.

For further information, visit the [TransLink website](#) or contact a DCL Co-ordinator at DCLCoordinator@vancouver.ca.

Waivers for TransLink DCC

The TransLink DCC includes waivers or reductions on developments that meet the definitions of “not-for-profit rental housing” or “not-for-profit” student housing.

Visit the [TransLink website](#) for more information.