Greater Vancouver Sewerage and Drainage District
Waiver or Reduction of Development Cost Charges for Not-for-Profit Rental Housing – Frequently Asked Questions

The Greater Vancouver Sewerage and Drainage Act, S.B.C. 1956, c. 59 permits the waiver of Development Cost Charges (DCCs) for not-for-profit rental housing. Under this authority, the Greater Vancouver Sewerage and Drainage District (GVS&DD) has adopted the Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 314, 2018 (the “Bylaw”). Below are some highlights to help explain the Bylaw. Please refer to the complete Bylaw or the Implementation Guideline for more details.

1. Where did this policy direction originate?

In May 2008, the Province adopted Bill 27 - The Local Government (Green Communities) Statutes Amendment Act. This legislation was enabling in nature and made provisions for local and regional governments to waive DCCs for affordable rental housing as well as other green communities and sustainability initiatives. The legislation was designed to allow each municipality or regional district to determine what constitutes an ‘eligible development’, the waiver amount that can be granted, and the conditions under which a waiver can be given. Metro Vancouver has had a DCC waiver for affordable housing as part of the Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010 since 2010. As part of the DCC bylaw review, it was determined that the waiver language should be removed from the Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010 and be replaced by a separate bylaw to improve its uptake and encourage affordable housing. Following consideration of the options, the GVS&DD Board directed staff to prepare a new bylaw to waive regional DCCs for Not-for-Profit Rental Housing, including transitional and supportive housing.

2. How does this align with Metro Vancouver policies and priorities?

A diverse and affordable housing stock is essential to support the region’s growing population, a vibrant and prosperous economy and the ongoing development of a complete, resilient and transit-oriented network of centres across the region. Metro Vancouver 2040: Shaping our Future (Metro 2040), the regional growth strategy, and the Regional Affordable Housing Strategy (RAHS) both have goals and strategies regarding regional housing. These plans are one reflection of Metro Vancouver’s ongoing commitment to support affordable rental housing in the region.

3. What are the conditions to waive or reduce regional Development Cost Charges?

As described in the Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 314, 2018, regional DCCs will be waived, in accordance with a prescribed formula of eligibility, in respect of Dwelling Units within Not-for-Profit Rental Housing that is:
• Owned, leased or otherwise held by a Not-for-Profit Society, BC Housing, CMHC, a Non-Profit Municipal Housing Corporation, or a Registered Charity at the time of any application for, or issuance of, a waiver of Development Cost Charges;
• Operated as rental housing for people who meet Eligibility Criteria;
• Governed by the terms of an agreement and/or covenant with the Province of British Columbia, BC Housing, CMHC or a municipality regarding the operation of the housing and stipulating how the Dwelling Units will be managed and occupied; and
• Proposed project rents are geared toward households who meet or fall below the applicable Housing Income Limits (HILs).

A 50% reduction of regional DCCs will be applied to eligible Not-for-Profit Student Housing development that is:

• Owned and operated by a Post-Secondary Institution at the time of any application for, or issuance of, a reduction of Development Cost Charges;
• Purpose built to provide rental housing for students attending that institution;
• Operated on a cost recovery basis; and
• Governed by the terms of a covenant with the GVS&DD confirming the use of the Development is restricted for a period of 60 years to the purpose of providing rental housing for students attending that institution, that the housing will be operated by the Post-Secondary Institution or its designated agent, and will operated on a cost recovery basis.

*See the Bylaw for definition of the terms capitalized above.

4. Does the waiver or reduction apply to all units within a Not-for-Profit Rental Housing development?

The Bylaw establishes a threshold to determine whether the waiver of GVS&DD DCCs will be applicable only to certain eligible Dwelling Units within a Not-for-Profit Rental Housing development or to all of the Dwelling Units within a Not-for-Profit Rental Housing Development.

In order to meet the threshold for a waiver applicable to all Dwelling Units within a Not-for-Profit Rental Housing development, at least thirty percent of the Dwelling Units are to be occupied by households with incomes at or below housing income limits for the corresponding size of housing unit, as set out in the current “Housing Income Limits” (HILs) table published by BC Housing. Where a Not-for-Profit Rental Housing development does not meet this threshold (fewer than thirty percent of total Dwelling Units will be occupied by households at or below HILs), only those Dwelling Units within the development that are to be occupied by households with incomes at or below HILs will be eligible to receive the waiver. Housing Income Limits and corresponding affordable rents will be updated annually.
Table A – 2018 Housing Income Limits (HILs) and Affordable Monthly Rents for the Metro Vancouver Region (per Suite Type)\(^1\)

<table>
<thead>
<tr>
<th>Suite Type</th>
<th>HILs</th>
<th>Affordable Monthly Rent(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td>$41,500</td>
<td>$1,038</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>$48,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$58,000</td>
<td>$1,450</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$68,000</td>
<td>$1,700</td>
</tr>
<tr>
<td>4+ Bedroom</td>
<td>$83,500</td>
<td>$2,088</td>
</tr>
</tbody>
</table>

Source: BC Housing

5. What is the amount that will be waived or reduced?

Table B shows the current regional DCC rates as set out in the Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010 for Apartment Dwelling Units, Residential Dwelling Units, and Townhouse Dwelling Units (as defined in the Bylaw). New GVS&DD DCC rates came into effect on May 1, 2018 in each of the Sewage Areas.

Table B - Applicable Regional Development Cost Charges (per Dwelling Unit)

<table>
<thead>
<tr>
<th>Sewage Area</th>
<th>Residential Dwelling Unit</th>
<th>Townhouse Dwelling Unit</th>
<th>Apartment Dwelling Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>$1,811</td>
<td>$1,618</td>
<td>$1,072</td>
</tr>
<tr>
<td>Lulu Island</td>
<td>$2,214</td>
<td>$1,915</td>
<td>$1,388</td>
</tr>
<tr>
<td>North Shore</td>
<td>$2,300</td>
<td>$2,076</td>
<td>$1,416</td>
</tr>
<tr>
<td>Fraser</td>
<td>$5,428</td>
<td>$4,695</td>
<td>$3,530</td>
</tr>
</tbody>
</table>

Source: Metro Vancouver, Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010.

6. How will the policy be implemented?

This initiative was adopted to complement and support member jurisdictions in their efforts to secure affordable housing in their communities. As set out in the previous sections, the waiver is available to eligible Not-for-Profit Rental Housing development, and the reduction is available to eligible Not-for-Profit Student Housing development.

There are two pathways through which to submit an application for the waiver or reduction of regional Development Cost Charges:

---

\(^1\) Housing Income Limits represent the annual income required to pay the average market rent for an appropriately sized unit in the private market. Average rents are derived from CMHC’s annual Rental Market Survey, done in the fall and released in the spring. The size of unit required by a household is governed by federal/provincial occupancy standards.

\(^2\) A commonly accepted guideline for housing affordability is a cost that does not exceed 30 percent of a household’s before-tax income. Monthly rents which reflect 30 percent of the corresponding Housing Income Limit for each suite type is provided in Table A as an illustrative example of a maximum ‘affordable monthly rent’. 

1. **Direct pathway:** The developer of the Not-for-Profit Rental Housing or Not-for-Profit Student Housing makes an application directly to the GVS&DD. A municipal staff liaison from the member jurisdiction is notified of GVS&DD’s response as provided to the developer.

2. **Partnership pathway:** The developer of the Not-for-Profit Rental Housing or Not-for-Profit Student Housing makes an application to the GVS&DD, in partnership with a key contact from the member municipality. The application includes a letter from a municipal staff liaison, recommending the development’s eligibility for the GVS&DD DCC waiver. A municipal liaison from the member jurisdiction is notified of GVS&DD’s response as provided to the developer.

Member jurisdictions may elect to implement the Partnership Pathway in their municipalities as a method to streamline applications alongside the regular DCC/DCL process.

The GVS&DD will determine if the eligibility considerations as set out in the Bylaw have been met. Not-for-Profit Rental Housing developments must also meet tenant eligibility criteria to determine whether the waiver will apply to individual Dwelling Units or the whole development. The online application form will collect the information that will be considered when deciding to grant a regional DCC waiver, and provides a checklist of supporting documents that should accompany an application.

Typically, regional DCCs are collected at the time that the building permit is issued. If a development or units within a Not-for-Profit Rental Housing or Not-for-Profit Student Housing development meet the conditions set out in the Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 314, 2018, at the building permit stage, the member jurisdiction can recommend that the regional DCCs be waived or reduced by the GVS&DD at that time.

If the conditions as set out in the in the Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver for Affordable Housing Bylaw No. 314, 2018, are not met at the building permit stage, the regional DCCs must be collected and remitted in the usual manner.

While it is up to the GVS&DD to determine if the conditions have been met, it is expected that the member jurisdiction may review the application to ensure that the necessary documentation is in place and that the appropriate steps have been completed. For applications made under the Partnership Pathway, municipal staff should provide a written recommendation to GVS&DD in support of the developer’s application. Please refer to the Implementation Guideline for a step-by-step guide to completing the application.

### 7. How will the waiver or reduction of regional Development Cost Charges be reported, monitored, and audited?

The GVS&DD will receive statements from each member jurisdiction, in respect of each Sewerage Area within that jurisdiction, for every 12-month period comprising January 1 to December 31. These statements will outline (1) the registered owner or lessee, and (2) the number and type of use of all Dwelling Units where building permits were required and where regional DCCs were waived under this Bylaw.
GVS&DD will in turn report the number and cost of regional DCC waivers granted under this Bylaw to its Board of Directors on an annual basis and upon request of the Board.

The Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010 further requires that member municipalities retain records to support the above noted statements for a period of four years. In addition, the GVS&DD may, at any time and with reasonable notice to the member municipality, inspect any and all records relating to the statements required by the GVS&DD with regards to the calculation, collection, and remittance by the member municipality of Development Cost Charges levied under the GVS&DD DCC Bylaw.

8. **I started my development application process before the new Development Cost Charge (DCC) rates were approved. Am I subject to the new DCC rates?**

New development cost charge bylaws are subject to “in-stream” provisions as determined by Section 568 of the Local Government Act.

If you had a “precursor application” (as defined in the Act) “in-stream” on May 1, 2018, being the date of adoption of the new DCC bylaw and a building permit in relation to that application’s construction, alteration or extension of a building is approved before April 30, 2019, you will not be subject to the new DCC rates and will be charged the previous DCC Rates.

Similarly, if under the old DCC bylaw your precursor application would qualify for a waiver or refund of DCCs, and the building permit in relation to that application is approved before April 30, 2019, then any waiver provisions available under the old DCC bylaw would apply to that building permit issuance.

9. **Who to contact for more answers?**

Questions about the Waiver or Reduction of Development Cost Charges or the Regional Affordable Housing Strategy:

Jessica Hayes, Housing Planner, Regional Planning  
Tel: 604-436-6848  
Email: Jessica.Hayes@metrovancouver.org

Questions about the collection of GVS&DD Development Cost Charges:  
Scott Forsyth, Division Manager, Budgets, Business Support & Analysis  
Tel: 604-436-6839  
Email: Scott.Forsyth@metrovancouver.org

Updated December 7, 2018