

Spring 2013

North Shore Report



Intelligent
Real Estate Solutions

District of North Vancouver updating its development cost charges program

The District of North Vancouver is updating its development cost charges (DCC) program in light of rising construction and land costs and projections of an additional 10,000 housing units being constructed in the district during the next 20 years. Council is expected to adopt the DCC bylaw amendment by the end of April 2013.

The proposed DCC rates are set to come into effect on November 1 and represent a fundamental restructuring of the program. Six land use categories are proposed (down from eight), three of which are residential classifications, and include single-family residential, townhouse residential and apartment residential classes. Commercial, industrial and institutional uses comprise the remaining categories.

With the exception of single-family residential DCCs (which will be determined on a per dwelling unit basis), all DCCs will be determined on a per-square-metre-of-gross-floor-area basis as of November 1. Previously, DCCs for four of five residential classes were determined on a per-unit and lot-area basis. Only residential multiple family DCCs are determined on a per-square-metre-of-gross-floor-area basis under the current regime.

DCCs are fees typically collected by the municipality on new developments to pay for the expansion and upgrading of transportation, waterworks, sanitary sewers, drainage and parks infrastructure. Uncertainty around DCCs and community amenity contributions (CACs) have frustrated developers throughout Metro Vancouver, particularly in the City of Vancouver.

DCCs are typically paid by those seeking subdivision approval to create single-family lots; or to develop multi-family residential, commercial, institutional or industrial sites where the value of the building permit exceeds \$50,000 or an amount defined by the DCC bylaw.

According to the District, the reasons for the DCC bylaw review and update were:

- construction and land costs have risen since the DCC bylaw was first introduced and the current charges do not allow for the increases in capital costs;
- in June 2011, council adopted a new Official Community Plan with the objective of adding 10,000 new housing units during the next 20 years;
- given a significant increase in anticipated capital expenditure programs for transportation, sanitary sewers, waterworks, drainage/flood protection and parks infrastructure upgrades, the charges need to be recalculated using the estimated future residential and non-residential growth projections;
- concurrently the 20-year financial plan is in the process of being amended to reflect the increase in future capital works expenditures;
- to simplify the administration process, the preference is to consolidate the collection of DCCs through a single District-wide bylaw with regular updates of projects and costs;
- to establish procedures for making minor amendments to the bylaw on either an annual or bi-annual basis, and for major amendments similar to this review and update, at least once every five years.

According to DNV's **Marcel Bernier**, in-stream, complete and valid subdivision and building permit applications, submitted prior to November 1 will be exempt from the new DCC rates for a period of one year from that date. Projects for which a building permit is issued on or after November 1 will be assessed DCCs in accordance with the new rate structure. Re-zoning and development permit application dates are of no consequence with respect to the payment of DCCs. Only subdivision and building permit application dates apply.

> DISTRICT OF NORTH VANCOUVER PROPOSED DCC RATE SUMMARY EFFECTIVE NOVEMBER 1, 2013

Land Use	Roads	Sanitary Sewers	Water	Drainage	Parks	Total	Unit
Single Family Residential	\$4,570.65	\$2,079.08	\$2,450.46	\$4,202.16	\$2,204.87	\$15,507.23	Per dwelling unit
Townhouse Residential	\$25.47	\$16.11	\$18.99	\$14.25	\$17.09	\$91.91	Per square metre of gross floor area
Apartment Residential	\$30.13	\$16.78	\$19.78	\$12.85	\$17.79	\$97.33	Per square metre of gross floor area
Commercial	\$35.85	\$6.24	\$7.35	\$7.64	\$0.99	\$58.07	Per square metre of gross floor area
Industrial	\$22.41	\$5.54	\$6.53	\$7.64	\$0.51	\$42.64	Per square metre of gross floor area
Institutional	\$17.92	\$4.16	\$4.90	\$8.73	\$0.55	\$36.27	Per square metre of gross floor area

> DISTRICT OF NORTH VANCOUVER CURRENT DCC RATE SUMMARY IN EFFECT TO OCTOBER 31, 2013

Land use	Roads	Sanitary Sewers	Water	Drainage	Parks	Total	Unit
Single-Family Residential (Type 1)	\$3,559	\$120	\$1,401	\$508	\$12,914	\$18,502	Per dwelling unit - lot area greater than or equal to 9,000 sf
Single-Family Residential (Type 2)	\$3,381	\$105	\$1,226	\$339	\$11,300	\$16,351	Per dwelling unit - lot area 7,000 to 9,000 sf
Single-Family Residential (Type 3)	\$3,292	\$96	\$1,121	\$305	\$10,331	\$15,145	Per dwelling unit - lot area 5,000 to 7,000 sf
Single-Family Residential (Type 4)	\$3,203	\$90	\$1,051	\$271	\$9,685	\$14,300	Per dwelling unit - lot area less than or equal to 5,000 sf
Residential Multiple Family	\$15.75	\$0.52	\$6.00	\$0.79	\$55.27	\$78.32	Per square metre of gross floor area
Commercial	\$15.32	\$0.94	\$10.93	\$2.37	\$8.08	\$37.64	Per square metre of gross floor area
Industrial	\$7.17	\$0.32	\$3.77	\$1.10	\$1.39	\$13.75	Per square metre of gross floor area
Institutional	\$15.32	\$0.49	\$5.65	\$1.46	\$4.18	\$27.10	Per square metre of gross floor area

Source: District of North Vancouver's Proposed Development Cost Charge Bylaw Review & Update and accompanying background report, March 2013