Development Cost Levies Bulletin

Effective:
Vancouver (City-wide) DCL By-law, January 28, 2000
Area-Specific DCL By-law, January 27, 2007
Vancouver Utilities DCL By-law, September 30, 2018

Last amended September 30, 2021
Authority: Vancouver Charter, Section 523D

**UPDATES:**

**Annual Inflation Adjusted DCL Rates**
On June 23, 2021, City Council approved the annual inflationary adjustments to the City-wide and Area Specific DCL rates that came into effect on September 30, 2021. To view the approved rates for each of the DCL areas, refer to “Table 1: Current DCL Rates by Area” of this document.

**Removal of Utilities DCL waiver for secured market rental housing**
On November 26, 2019, City Council approved the removal of the Utilities DCL waiver for secured market rental housing effective September 30, 2020, and in-stream rate protection expired on September 29, 2021. All secured market rental housing projects are now subject to the Utilities DCL. Visit the Rental Incentive Programs Bulletin for more details.
Regulatory References

- Vancouver Development Cost Levy By-law
- Area Specific Development Cost Levy By-law
- Vancouver Utilities Development Cost By-law

Intent
The purpose of the Bulletin is to provide general info about Development Cost Levies (DCL), including information on DCL rates, payments, exemptions, and waivers.

Background and Context
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).

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 Appendix B for more information).

Since January 2020, the City collects a separate regional DCC on behalf of TransLink for the construction or expansion of regional transportation projects (see Appendix C for more information).

Areas
There are three types of DCL districts within the City, each with its own rates (see Appendix A for maps):

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.
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.
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.

If you are unsure in which DCL area your proposal is located, please contact a DCL Co-ordinator at DCLCoordinator@vancouver.ca.
Rates
The levy is based on the gross floor area of the development as indicated on a Development Permit (minus floor area exemptions applicable under the zoning and development by-law) and varies by use and by DCL area. The current rates are shown in Table 1 of the bulletin and maps of the DCL Districts is shown in Appendix A. For more information on how the levy is calculated and applied, refer to the City-wide DCL and City-wide Utilities DCL Background reports found on the city website. The levy will not be more than 10% of the value of the development as determined pursuant to the Building By-law.

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. See Figure 1 as an illustration of how in-stream rate protection is administered.

![Figure 1: In-stream Rate Protection](image-url)
### Table 1: Current DCL Rates by Area (effective Sept. 30, 2021)

<table>
<thead>
<tr>
<th>Area Description</th>
<th>Base(^1)</th>
<th>Layered(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City-wide DCL (A)</td>
<td>City-wide Utilities DCL (B)</td>
</tr>
<tr>
<td>Residential at or below 1.2 FSR and Laneway House</td>
<td>$45.54/m(^2) ($4.23/ft(^2))</td>
<td>$25.06/m(^2) ($2.33/ft(^2))</td>
</tr>
<tr>
<td>Medium Density Residential above 1.2 FSR to 1.5 FSR</td>
<td>$98.05/m(^2) ($9.11/ft(^2))</td>
<td>$54.47/m(^2) ($5.06/ft(^2))</td>
</tr>
<tr>
<td>Higher Density Residential above 1.5 FSR</td>
<td>$196.32/m(^2) ($18.24/ft(^2))</td>
<td>$109.05/m(^2) ($10.13/ft(^2))</td>
</tr>
<tr>
<td>Commercial and Most Other Uses(^3)</td>
<td>$165.70/m(^2) ($15.39/ft(^2))</td>
<td>$57.30/m(^2) ($5.32/ft(^2))</td>
</tr>
<tr>
<td>Industrial(^4)</td>
<td>$66.13/m(^2) ($6.14/ft(^2))</td>
<td>$22.99/m(^2) ($2.14/ft(^2))</td>
</tr>
<tr>
<td>Mixed Employment (Light Industrial)(^5)</td>
<td>$124.30/m(^2) ($11.55/ft(^2))</td>
<td>$43.03/m(^2) ($4.00/ft(^2))</td>
</tr>
<tr>
<td>Artist Studio (Class A&amp;B)</td>
<td>$10.00/BP</td>
<td>$10.00/BP</td>
</tr>
<tr>
<td>Childcare</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Centre/Neighbourhood House Library</td>
<td>$10.00/BP</td>
<td></td>
</tr>
<tr>
<td>Public Authority Use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Service Centre</td>
<td>$10.00/BP</td>
<td></td>
</tr>
<tr>
<td>Temporary Buildings</td>
<td>$10.00/BP</td>
<td></td>
</tr>
<tr>
<td>Community Energy Centre</td>
<td>$10.00/BP</td>
<td>$10.00/BP</td>
</tr>
<tr>
<td>Parking garage</td>
<td>$1.08/m(^2) ($0.10/ft(^2))</td>
<td>$1.08/m(^2) ($0.10/ft(^2))</td>
</tr>
<tr>
<td>School (K-12, Public)</td>
<td>$5.49/m(^2) ($0.51/ft(^2))</td>
<td>$5.49/m(^2) ($0.51/ft(^2))</td>
</tr>
<tr>
<td>Works Yard</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

For a map of the DCL Districts, please see Map 1 in Appendix A.

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\(^1\) In the Base DCL areas, the City-wide Utilities DCL applies in addition to the City-wide Vancouver DCL.
\(^2\) In the Layered DCL areas, DCLs apply in addition to the City-wide DCL and City-wide Utilities DCL.
\(^3\) All uses, except for those specified here, are subject to the Commercial DCL rate.
\(^4\) 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 By-laws for definitions.
\(^5\) 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-1C, I-3 and I-4 zoning districts. See DCL By-laws for definitions.
\(^6\) Refer to DCL By-law and Zoning & Development By-law for use definitions.
\(^7\) BP stands for Building Permit.
**Mixed-Use Projects**
Mixed-use projects come in many forms. DCLs are applied based on the DCL rate by category and the number of square metres approved by category. When a mixed-use project has a portion which is DCL exempt (e.g. social housing), then no DCL is applied to that exempt portion and the other portion is subject to DCLs based on approved floor area and rate category.

**Temporary Buildings / Tents**
A reduced DCL rate may be applicable to temporary buildings/tents. The Building By-law defines “temporary” as a period not exceeding twelve months. Typically, the temporary DCL rate does not apply to school portables or to temporary sales centres. The DCL rate is $10 per Building Permit authorizing a temporary building or buildings under each applicable DCL By-law. For example, for Temporary buildings in a layered DCL district, the total DCL would be $10 per Building Permit for the City-wide DCL, $10 per Building Permit for the Utilities DCL, and $10 per Building Permit for the Layered DCL ($30 per Building Permit total).

**Parking Garages**
DCLs are applied to parking garage floor area where they are included in total floor space (i.e. FSR) calculations. As such, for the purpose of administering the DCL By-law, parking garage floor area should be charged at the “parking garages” DCL rate, which currently has a DCL rate of $0.10/sq.ft. Please note this only applies in those circumstances where parking garage floor area is included in FSR calculations. Districts where parking garage floor area may be counted in FSR include: RS zones (including Laneway Housing), RT zones, some RM zones, and First Shaughnessy District. In other Districts, parking garage floor area is typically excluded from floor area (or FSR) but may be included in certain circumstances.

**Heritage Projects**
DCLs do not apply to any heritage projects consisting solely of retention and conservation of the existing floor area. However, new floor area that is being added to an existing heritage building/site is subject to DCLs. “Heritage Density” floor area that is purchased and transferred from a heritage site (donor site or Density Bank) to another eligible project site (receiver site) is not exempt from DCLs. Additional density achieved through purchasing Heritage Amenity Shares, as per Schedule G of the Zoning & Development By-law, is not exempt from DCLs.

**Change of Use**
A change of use does not trigger a DCL. However, if a Building Permit is required as part of the change of use, and the change of use is from a DCL exempt to a non-exempt category (e.g., church to residential), a DCL does apply.

DCLs apply to floor area previously exempt from being counted in the FSR calculation (i.e. parking or storage) that is changing to a use that now counts as floor area.
Payments

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.

Phased Projects and DCL Payments
A Building Permit for a project constructed through the Certified Professional Program may be processed through Staged Building Permits. Subsequently, individual Building Permits are issued as the construction of the building and/or phases of a project progress. DCLs are payable in full at issuance of the Stage 1 Building Permit (scope of work is usually limited to excavation and shoring). Alternatively, applicants may pay $100 and deliver a letter of credit securing the outstanding balance (with interest) prior to Building Permit issuance.

Project Cancellation and Refunds
The DCL will be refunded if the project is cancelled prior to any new construction being carried out on the project. The applicant should be advised to write to their Project Coordinator and ask for the Building Permit to be cancelled and for a refund of Building Permit fees. The District Building Inspector will be asked to confirm that no work has been carried out and the Building Permit will be cancelled. Once it is confirmed that no new work has taken place and the Building Permit is cancelled, applicants can submit a request to the DCL Coordinator (DCLCoordinator@vancouver.ca) for a refund of DCL fees.
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 but may exclude ancillary buildings on a church property (i.e. halls, residences);
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.

Waivers & Reductions
There are a number of uses that Council has elected to benefit from either DCL waivers or reduced DCLs.

Rental Housing
DCLs are waived across all DCL districts on construction of secured rental housing (subject to meeting the DCL By-law definition and requirements of “for-profit affordable rental housing”), except for the Utilities DCL. See the Rental Incentive Programs Bulletin for more information.

Other Uses
For other reduced DCL rates for specific uses included in Table 1 of the DCL rates, please consult the definitions of each use under the DCL By-laws or Zoning & Development By-law.

Relation to Other Development Contributions
As part of the capital planning process, staff review all funding sources available for capital projects. In some cases, capital projects eligible to be funded by DCLs are provided on-site as part of a rezoning (in-kind Community Amenity Contribution or CAC) or development application (in-kind density bonus). When this occurs, it should be on prior approval of City Council and cannot be in lieu of payment of DCLs.

DCLs are in addition to CACs or Density Bonus Zoning Contributions where applicable. For more information on CACs, please see the Community Amenity Contributions Policy for Rezonings. For more information on Density Bonus Zoning Contributions, please see the Density Bonus Zoning bulletin.
Appendix A - Maps

Map 1: DCL Districts

- Vancouver (City-Wide) DCL Boundary
- Utilities (City-Wide) DCL Boundary
- Layered DCLs*: A. False Creek Flats B. South East False Creek

* areas subject to Vancouver DCL Utilities DCL and applicable Area Specific DCL

Areas Excluded from Vancouver (City-Wide) and Utilities (City-Wide) DCL Areas

- ODP/CD-1s with Secured Public Benefits:
  1. False Creek North ODP
  2. Central Waterfront Port Lands

Note: boundaries of highlighted areas are approximate and shown for illustrative purposes only.
Map 2: Layered DCL District Maps

False Creek Flats

South East False Creek
Appendix B – 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>
<thead>
<tr>
<th>Rate Category</th>
<th>Vancouver Sewerage Area</th>
<th>Fraser Sewerage Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Dwelling Unit (per dwelling unit)*</td>
<td>$1,811</td>
<td>$5,428</td>
</tr>
<tr>
<td>Townhouse Dwelling Unit (per dwelling unit)</td>
<td>$1,618</td>
<td>$4,695</td>
</tr>
<tr>
<td>Apartment Dwelling Unit (per dwelling unit)</td>
<td>$1,072</td>
<td>$3,530</td>
</tr>
<tr>
<td>Non-residential use (per square foot)</td>
<td>$0.93</td>
<td>$2.67</td>
</tr>
</tbody>
</table>

* 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 protection for the GVS & DD DCC applies to applications submitted prior to the adoption of the new DCC rate, 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.
Appendix C – TransLink Development Cost Charge (DCC)

TransLink’s DCC is 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 collects the TransLink DCC prior to Building Permit issuance.

Table 3: TransLink Development Cost Charge

<table>
<thead>
<tr>
<th>Rate Category</th>
<th>January 15, 2019</th>
<th>Rates Effective January 15, 2020</th>
<th>January 1, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Dwelling</td>
<td>$0</td>
<td>$2,100</td>
<td>$2,975</td>
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<td>(per dwelling unit)</td>
<td></td>
<td></td>
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<tr>
<td>Duplex</td>
<td>$0</td>
<td>$1,900</td>
<td>$2,470</td>
</tr>
<tr>
<td>(per dwelling unit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhouse Dwelling</td>
<td>$0</td>
<td>$1,900</td>
<td>$2,470</td>
</tr>
<tr>
<td>(per dwelling unit)</td>
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<tr>
<td>Apartment</td>
<td>$0</td>
<td>$1,200</td>
<td>$1,545</td>
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<td>(per dwelling unit)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Retail/Service</td>
<td>$0</td>
<td>$1.25</td>
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<tr>
<td>(per square foot)</td>
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<tr>
<td>Office</td>
<td>$0</td>
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<tr>
<td>(per square foot)</td>
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<tr>
<td>Institutional</td>
<td>$0</td>
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<td>(per square foot)</td>
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</tr>
<tr>
<td>Industrial</td>
<td>$0</td>
<td>$0.30</td>
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<tr>
<td>(per square foot)</td>
<td></td>
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</tbody>
</table>

* Refer to section 2 of the TransLink DCC By-law for more information about the definitions for each rate category.

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.