

**METRO VANCOUVER REGIONAL DISTRICT
WATER COMMITTEE**

MEETING

Wednesday, January 15, 2025

1:00 pm

28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia

Webstream available at <https://www.metrovancover.org>

A G E N D A

A. ADOPTION OF THE AGENDA

1. January 15, 2025 Meeting Agenda

That the Water Committee adopt the agenda for its meeting scheduled for January 15, 2025 as circulated.

B. ADOPTION OF THE MINUTES

1. November 6, 2024 Meeting Minutes

That the Water Committee adopt the minutes of its meeting held November 6, 2024 as circulated.

pg. 4

C. DELEGATIONS

D. INVITED PRESENTATIONS

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. 2025 Water Committee Meeting Schedule and Work Plan

pg. 8

Executive Summary

The Terms of Reference for the Water Committee sets out the committee responsibilities for guidance and oversight to staff on policies, bylaws, plans, programs, budgets and issues related to drinking water management and the implementation of the annual work plan. Work plan priorities for 2025 include updating the *Drinking Water Management Plan*, implementation of high priority capital projects, monitoring and reporting on drinking water quality, conservation initiatives, and environmental performance, as well as ensuring the effective and efficient supply of high quality drinking water to the member jurisdictions. These

priorities are consistent with the approved 2025 Budget. Pursuant to the Terms of Reference, the meeting schedule proposes ten meetings.

Recommendation

That the Water Committee:

- a) receive for information the Water Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated December 23, 2024, titled “2025 Water Committee Meeting Schedule and Work Plan”; and
- b) endorse the 2025 Work Plan, as presented in the report dated December 23, 2024, titled “2025 Water Committee Meeting Schedule and Work Plan”.

2. 2025 Water Committee Orientation

pg. 14

Recommendation

That the Water Committee receive for information the report dated December 23, 2024, titled “Water Committee Orientation”.

3. Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units

pg. 29

Executive Summary

In October 2023, the MVRD Board directed staff to review the Metro Vancouver DCC Waiver Framework with the aim of continuing to support affordable rental housing. Metro Vancouver currently waives regional development cost charges (DCCs) for not-for-profit rental housing for liquid waste and water infrastructure, but does not waive DCCs if the not-for-profit housing units are delivered by a private entity. Inclusionary housing refers to regulations or policies that seek to have developers provide a set amount of below market housing within market-rate residential developments. The current waiver is projected to support between 1,950 and 2,500 affordable units annually over the next 10 years with an annual impact on DCC revenues to Metro Vancouver of between \$38 million and \$49 million.

This report presents the opportunity to expand the DCC Waiver Framework to: include waiving DCCs for inclusionary units, revise definitions to better align with provincial and federal funding programs, and reduce administrative complexity. The impact of expanding the program on DCC revenues is estimated to be \$5.4 million to \$7.0 million per year over the existing DCC waiver.

Any proposed changes to the DCC Framework go through the Finance Committee to the MVRD/GVWD/GVS&DD Boards for consideration. However, as the Liquid Waste, Water, Regional Parks and Regional Planning committees either have a DCC bylaw or interest in incentivizing housing, staff are bringing the proposed changes to these four committees for information and an opportunity to provide feedback. Any feedback received will be provided to the Finance committee at the February 2025 Finance Committee meeting along with alternatives.

Recommendation

That the Water Committee receive for information the report dated December 20, 2024, titled “Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units”.

4. Manager’s Report

pg. 44

Recommendation

That the Water Committee receive for information the report dated January 7, 2025, titled “Manager’s Report”.

F. INFORMATION ITEMS

G. OTHER BUSINESS

H. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

That the Water Committee close its meeting scheduled for January 15, 2025 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (m) a matter that, under another enactment, is such that the public may be excluded from the meeting.

I. ADJOURNMENT

That the Water Committee adjourn its meeting of January 15, 2025.

Membership:

West, Brad (C) – Port Coquitlam
Sager, Mark (VC) – West Vancouver
Albrecht, Paul – Langley City
Bell, Don – North Vancouver City

Cassidy, Laura – scəwáθən məsteyəxʷ
(Tsawwassen First Nation)
Guichon, Alicia – Delta
Hodge, Craig – Coquitlam
Keithley, Joe – Burnaby

Little, Mike – North Vancouver District
MacDonald, Nicole – Pitt Meadows
Meiszner, Peter – Vancouver
Rindt, Rob – Langley Township
Stutt, Rob – Surrey

**METRO VANCOUVER REGIONAL DISTRICT
WATER COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Water Committee held at 1:03 pm on Wednesday, November 6, 2024 in the 28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Director Malcolm Brodie, Richmond*

Director Paul Albrecht, Langley City*

Councillor Don Bell, North Vancouver City*

Director Laura Cassidy, scəwáθən məsteyəx^w (Tsawwassen First Nation)* (arrived at 1:05pm)

Director Craig Hodge, Coquitlam*

Councillor Joe Keithley, Burnaby*

Mayor Mike Little, North Vancouver District

Director Nicole MacDonald, Pitt Meadows*

Director Rob Stutt, Surrey*

Councillor Misty vanPopta, Langley Township* (arrived at 1.13 pm)

Director Lenny Zhou, Vancouver*

*denotes electronic meeting participation as authorized by the *Procedure Bylaw*

MEMBERS ABSENT:

Vice Chair, Director Mark Sager, West Vancouver

Councillor Alicia Guichon, Delta

STAFF PRESENT:

Marilyn Towill, General Manager, Water Services

Jacque Killawee, Deputy Corporate Officer

Jennifer Crosby, Director – Project Management Office, Project Delivery Department

Murray Gant, Director, Major Projects, Project Delivery

A. ADOPTION OF THE AGENDA

1. November 6, 2024 Meeting Agenda

It was MOVED and SECONDED

That the Water Committee adopt the agenda for its meeting scheduled for November 6, 2024 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. October 2, 2024 Meeting Minutes

It was MOVED and SECONDED

That the Water Committee adopt the minutes of its meeting held October 2, 2024 as circulated.

CARRIED

1:05pm Chief Cassidy arrived at the meeting.

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. Summer 2024 Water Supply Performance

Report dated October 18, 2024 from Vanessa Anthony, Director, Planning Policy and Analysis, Water Services, and Daniel Roberge, Deputy General Manager, Operations, Water Services, providing the Water Committee with an overview of water use and water supply system performance during the 2024 high-demand season.

It was MOVED and SECONDED

That the Water Committee receive for information the report dated October 18, 2024, titled "Summer 2024 Water Supply Performance".

CARRIED

2. 2024 Water Conservation Communications and Public Outreach Results

Report dated October 18, 2024, from Shellee Ritzman, Division Manager, Corporate Communications, External Relations, and Dana Carlson, Project Coordinator, Corporate Communications, External Relations, providing the Water Committee with an update on regional communications to support the 2024 watering restrictions, the water conservation campaign, the Water Wagon Program, and the promotion to celebrate the 100th Anniversary of the Greater Vancouver Water District.

1:13pm Councillor vanPopta arrived at the meeting.

It was MOVED and SECONDED

That the Water Committee receive for information the report dated October 18, 2024, titled “2024 Water Conservation Communications and Public Outreach Results”.

CARRIED

- 3. Update on the Development of a Construction Impact Mitigation Framework**
Report dated October 18, 2024, from Jennifer Crosby, Director – Project Management Office, Project Delivery, updating the GVWD/GVS&DD Boards on the development of a Construction Impact Mitigation Framework that seeks to improve how member jurisdictions and Metro Vancouver staff coordinate and liaise on regional infrastructure projects.

Jennifer Crosby provided members with a presentation titled “MV Utility Capital Projects – Construction Impact Mitigation Framework” that walked the committee through the collaborative development of the Construction Impact Mitigation Framework and the plan to implement in early 2025.

It was MOVED and SECONDED

That the GVWD/GVS&DD Board receive for information the report dated October 18, 2024, titled “Update on the Development of a Construction Impact Mitigation Framework”.

CARRIED

- 4. Water Supply Tunnel Projects Updates**
Report dated October 18, 2024, from Murray Gant, Director, Major Projects, Project Delivery, providing an update on the status and progress of six water supply tunnel projects.

Murray Gant provided members with a presentation titled “Water Supply Tunnels Projects Update”.

It was MOVED and SECONDED

That the Water Committee receive for information the report dated October 28, 2024, titled “Water Supply Tunnel Projects Updates”.

- 5. Manager’s Report**
Report dated October 18, 2024, from Marilyn Towill, General Manager, Water Services, updating the committee on the Water Committee’s Annual Work Plan and informing the committee of the redevelopment of the Capilano River Hatchery by the Department of Fisheries and Oceans.

Marilyn Towill noted that there is increased interest and support for water metering across the region and advised that the committee will receive a report on water metering in 2025.

It was MOVED and SECONDED

That the Water Committee receive for information the report dated October 30, 2024, titled "Manager's Report".

CARRIED

F. INFORMATION ITEMS

1. **Semi-Annual report on GVS&DD (Sewerage) and GVWD (Water) Development Cost Charges**
2. **Jericho Reservoir Phase 2 – Dissolution of Water Supply Agreements**

It was MOVED and SECONDED

That the Water Committee receive for information the following reports:
"Semi-Annual report on GVS&DD (Sewerage) and GVWD (Water) Development Cost Charges" dated October 17, 2024 and
"Jericho Reservoir Phase 2 – Dissolution of Water Supply Agreements" dated October 17, 2024

CARRIED

G. OTHER BUSINESS

No items presented.

H. RESOLUTION TO CLOSE MEETING

No items presented.

I. ADJOURNMENT

It was MOVED and SECONDED

That the Water Committee adjourn its meeting of November 6, 2024.

CARRIED

(Time: 1:36 pm)

Nikki Tilley,
Supervisor, Legislative Services

Brad West,
Chair

71858234

To: Water Committee

From: Marilyn Towill, General Manager, Water Services

Date: December 23, 2024 Meeting Date: January 15, 2025

Subject: **2025 Water Committee Meeting Schedule and Work Plan**

RECOMMENDATION

That the Water Committee:

- a) receive for information the Water Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated December 23, 2024, titled “2025 Water Committee Meeting Schedule and Work Plan”; and
 - b) endorse the 2025 Work Plan, as presented in the report dated December 23, 2024, titled “2025 Water Committee Meeting Schedule and Work Plan”.
-

EXECUTIVE SUMMARY

The Terms of Reference for the Water Committee sets out the committee responsibilities for guidance and oversight to staff on policies, bylaws, plans, programs, budgets and issues related to drinking water management and the implementation of the annual work plan. Work plan priorities for 2025 include updating the *Drinking Water Management Plan*, implementation of high priority capital projects, monitoring and reporting on drinking water quality, conservation initiatives, and environmental performance, as well as ensuring the effective and efficient supply of high quality drinking water to the member jurisdictions. These priorities are consistent with the approved 2025 Budget. Pursuant to the Terms of Reference, the meeting schedule proposes ten meetings.

PURPOSE

To provide the Water Committee with the 2025 Work Plan, Terms of Reference, and the Annual Meeting Schedule.

BACKGROUND

Annually, following the Board Inaugural meeting in November, the Board Chair establishes the committee structure and the terms of reference for each committee for the new year. To support the Committee in its work, this report brings forward the committee’s Work Plan and the Schedule of Meetings for 2025.

2025 WORK PLAN

The Annual Work Plans for the drinking water function are based on the 2025 Budget approved by the GVWD Board on November 1, 2024, which include a list of key actions that were used to develop the Water Committee’s Work Plan presented in this report (Attachment 1).

The Work Plan presented in this report is consistent with the Water Committee’s Terms of Reference (Attachment 2) and with the Board Strategic Plan and is being brought forward for the Committee’s information, review and endorsement.

Key actions in the 2025 Work Plan for the Committee are described below and listed according to the Committee responsibilities in its Terms of Reference.

- Reviewing and endorsing the annual budget and five-year financial plan for the Water function
- Overseeing and monitoring implementation and updates of strategic utility plans including the *Drinking Water Management Plan*
- Overseeing implementation of GVWD capital programs, including award of major contracts for engineering services, materials supply, and construction
- Reviewing and receiving the annual Quality Control report for the GVWD and the annual watershed fisheries updates
- Overseeing implementation of the drinking water conservation program and responding to seasonal drought from climate change
- Monitoring water supply forecasts, drinking water consumption trends, and annual system performance
- Working with strategic municipal partners on their Community Wildfire Protection plans
- Reviewing impacts of climate change

The committee will be updated on the status of the actions and projects in this Work Plan on a monthly basis per the Committee's schedule.

2025 COMMITTEE MEETING SCHEDULE

The *Procedure Bylaw* requires the Corporate Officer to provide the Committee with an Annual Meeting Schedule for the upcoming year, including the date, time, and place of the meetings (Attachment 3).

Meeting Place

Committee meetings will be held at Metro Vancouver Committee Room, 28th Floor, 4515 Central Blvd, Burnaby, BC, at 1:00 pm, unless otherwise specified on the Metro Vancouver public notice board, the Metro Vancouver website, and the respective agenda.

ALTERNATIVES

1. That the Water Committee:
 - a) receive for information the Water Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated December 23, 2025 titled "2025 Water Committee Meeting Schedule and Work Plan"; and
 - b) endorse the 2025 Work Plan, as presented in the report dated December 23, 2025, titled "2025 Water Committee Meeting Schedule and Work Plan".
2. That the Water Committee:
 - a) receive for information the Water Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated December 23, 2025, titled "2025 Water Committee Meeting Schedule and Work Plan"; and

- b) endorse the 2025 Work Plan, as presented in the report dated December 23, 2025, titled “2025 Water Committee Meeting Schedule and Work Plan”, incorporating the requested changes from the Water Committee.

FINANCIAL IMPLICATIONS

The priorities in the 2025 Work Plan of the Water Committee are consistent with the 2025 Budget approved by the GVWD Board on November 1, 2024, and with key actions included in the Annual Work Plans.

Committee meeting expenses and remuneration associated with meeting attendance have been allocated in the annual budget.

CONCLUSION

The Work Plan presented in this report identifies the priorities for the Water Committee in 2025 and is consistent with its Terms of Reference and the 2025 Budget approved by the GVWD Board. To assist the Committee, the 2025 Annual Meeting Schedule has been established to guide the Committee’s success in completing the business of the Work Plan. Staff recommends that Alternative 1 be approved.

ATTACHMENTS

- 1. Water Committee 2025 Work Plan.
- 2. Water Committee Terms of Reference.
- 3. Water Committee 2025 Annual Meeting Schedule.

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Water Committee 2025 Work Plan

Report Date: December 23, 2024

Priorities

1st Quarter	Status
Advancing Water Metering in the Region	Pending
Water Supply Area Fisheries Initiatives Annual Update	Pending
Contract Approvals as per the <i>Procurement and Asset Disposal Authority Policy</i>	Pending
Transaction Approvals as per the <i>Real Estate Authority Policy</i>	Pending
Water Policies (as applicable)	Pending
2nd Quarter	
2024 Year End Financial Performance Results Review	Pending
Coquitlam Water Main Project Update	Pending
GVWD 2024 Dam Safety Program Annual Update	Pending
GVWD 2024 Water Supply System Annual Update	Pending
GVWD 2024 Water Quality Annual Report	Pending
Implications of Increased Population on Water Utility Planning	Pending
Water Supply Update for Summer 2025	Pending
Wildfire Preparedness Update	Pending
Contract Approvals as per the <i>Procurement and Asset Disposal Authority Policy</i>	Pending
Transaction Approvals as per the <i>Real Estate Authority Policy</i>	Pending
Water Policies (as applicable)	Pending
3rd Quarter	
Drinking Water Customer Service Guide	Pending
GVWD Electrical Energy Use, Generation, and Management	Pending
Health Canada PFAS Guidelines	Pending
Palisade Lake: Outlet Works Rehabilitation	Pending
Water Supply Tunnels Projects Update	Pending
Contract Approvals as per the <i>Procurement and Asset Disposal Authority Policy</i>	Pending
Transaction Approvals as per the <i>Real Estate Authority Policy</i>	Pending
Water Policies (as applicable)	Pending
4th Quarter	
Coquitlam Lake Water Supply Project Update	Pending
Drinking Water Management Plan Update	Pending
GVWD Annual Budget and 5-Year Financial Plan	Pending
Water Communications and Public Outreach Results	Pending
Water Supply Performance for Summer 2025	Pending
Water Use by Sector Report	Pending
Contract Approvals as per the <i>Procurement and Asset Disposal Authority Policy</i>	Pending
Transaction Approvals as per the <i>Real Estate Authority Policy</i>	Pending
Water Policies (as applicable)	Pending

Water Committee

Terms of Reference

The Water Committee is the standing committee of the Metro Vancouver Board that provides advice and recommendations on policies, bylaws, plans, programs, budgets and issues related to water management under the GVWD service.

Committee Responsibilities

Within the scope of the *Board Strategic Plan*, *Drinking Water Management Plan*, *Drinking Water Conservation Plan*, and *Metro Vancouver Financial Plan*, the Committee provides guidance and oversight to staff on the implementation of the annual work plan and business plans for the service. Specific Committee responsibilities include:

- Reviewing and endorsing the annual budget and five-year financial plan for the Water function;
- Overseeing and monitoring implementation of strategic utility plans including the *Drinking Water Management Plan*;
- Overseeing implementation of GVWD capital programs, including award of major contracts for engineering services, materials supply, and construction;
- Providing governance and oversight over key major projects within the context of the approved budgets and financial plans;
- Reviewing and receiving the annual Quality Control report for the GVWD;
- Overseeing implementation of the water conservation program and tap water campaign; and
- Monitoring water supply forecasts, water consumption trends, and annual system performance.

Committee Membership and Meetings

The Chair, Vice Chair and members are appointed annually by the Chair of the Metro Vancouver Board. The Committee meets monthly, except for August and December, and holds special meetings as required. Members of the Committee must be members of the GVWD. A quorum of 50% plus one of the Committee membership is required to conduct committee business.

Committee Management

The Committee Chair, or in the absence of the Chair, the Vice Chair, is the chief spokesperson on matters of public interest within the Committee's purview. For high profile issues the role of spokesperson should rest with the Board Chair or Vice Chair. On technical matters or in cases where an initiative is still at the staff proposal level, the Commissioner or designate is the appropriate chief spokesperson. Where necessary and practical, the Board Chair, the Committee Chair and the Commissioner will confer to determine the most appropriate representative to speak.

The Chief Administrative Officer assigns a Committee Manager for the Committee. The Committee Manager is responsible for coordinating agendas and be the principal point of contact for Committee members.

Water Committee 2025 Annual Meeting Schedule

- **Wednesday, January 15, 2025 at 1:00 pm**
- **Wednesday, February 12, 2025 at 1:00 pm**
- **Wednesday, March 12, 2025 at 1:00 pm**
- **Wednesday, April 16, 2025 at 1:00 pm**
- **Wednesday, May 14, 2025 at 1:00 pm**
- **Wednesday, June 11, 2025 at 1:00 pm**
- **Wednesday, July 9, 2025 at 1:00 pm**
- **Wednesday, September 17, 2025 at 1:00 pm**
- **Wednesday, October 15, 2025 at 1:00 pm**
- **Wednesday, November 12, 2025 at 1:00 pm**

** Committee Meetings are subject to change.*

To: Water Committee

From: Marilyn Towill, General Manager, Water Services

Date: December 23, 2024

Meeting Date: January 15, 2025

Subject: **Water Committee Orientation**

RECOMMENDATION

That the Water Committee receive for information the report dated December 23, 2024, titled "Water Committee Orientation".

PURPOSE

The purpose of this report is to provide the Water Committee with information on how Water Services operates and continues to deliver high quality drinking water.

ATTACHMENT

1. Presentation re: Water Committee Orientation.



Seymour Capilano Filtration Plant

Metro Vancouver Water Services

2025 WATER COMMITTEE ORIENTATION

Marilyn Towill

General Manager, Water Services

Water Committee Meeting, January 15, 2025
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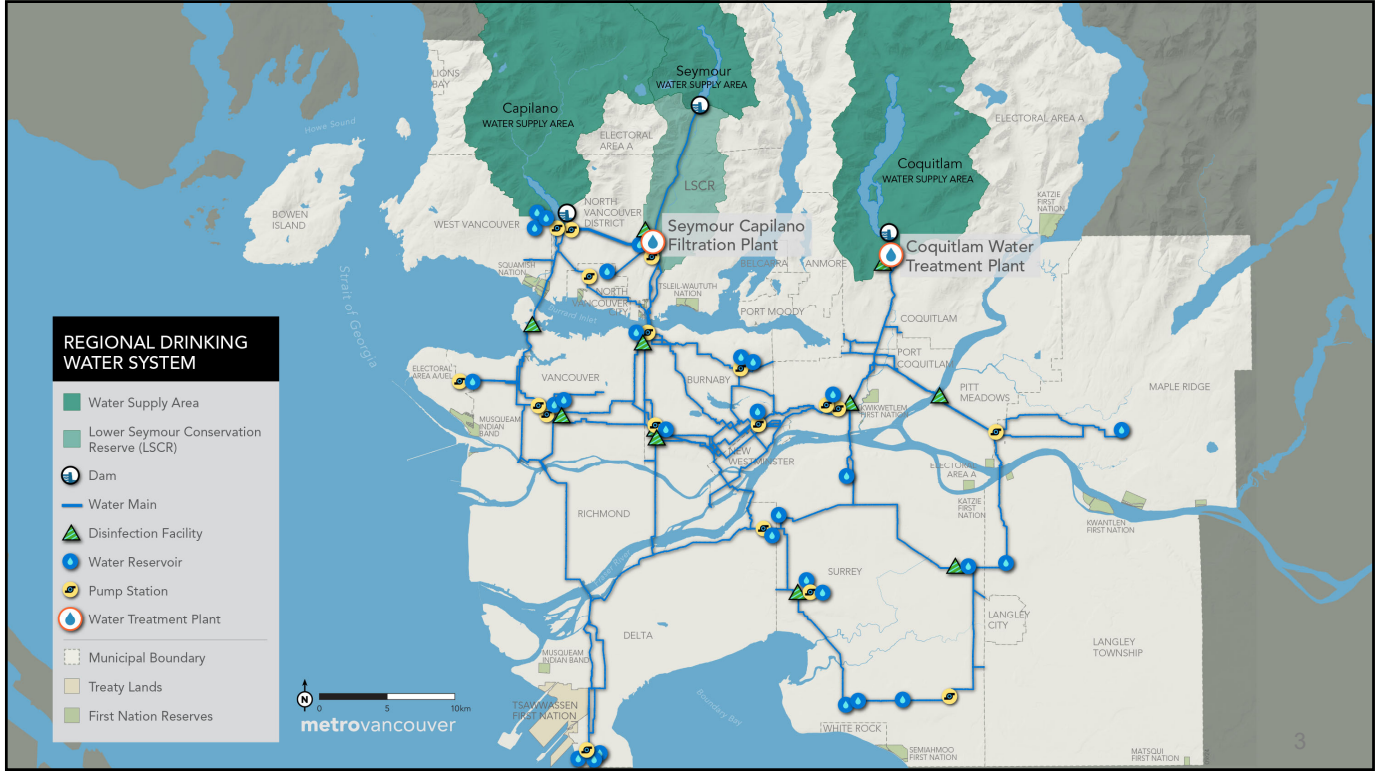
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PRESENTATION OVERVIEW

- Who we are
- What we do
- The system
- Operating and Capital Costs
- Our projects in photos

metrovancouver

2



100 YEARS OF DRINKING WATER

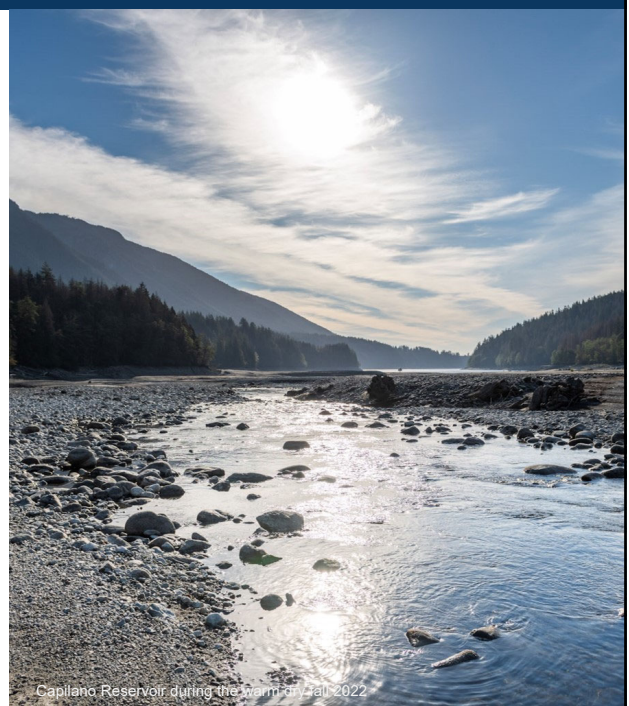
The Greater Vancouver Water District (GVWD) was established in 1924 with a mandate to ensure drinking water for the region's residents.



WATER COMMITTEE

Terms of Reference

The Water Committee is the standing committee that provides advice and recommendations to the Board on policies, bylaws, plans, programs, budgets and issues related to water management under the GVWD service.

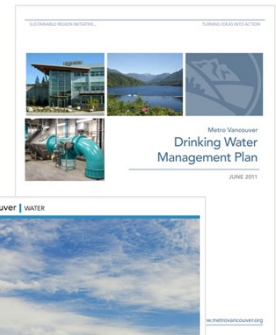
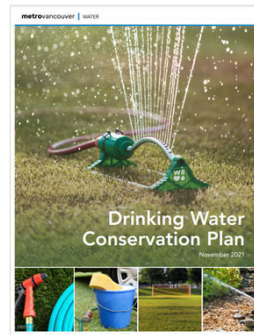


Capilano Reservoir during the summer of 2022

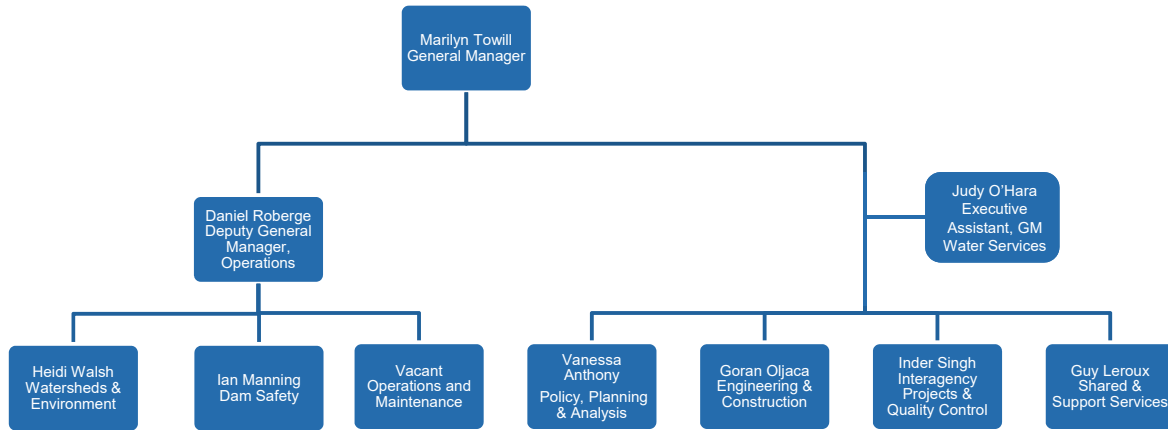
REGULATORY & STRATEGIC FRAMEWORK

Core Documents that Guide our Work

- GVWD Act
- Board Strategic Plan
- Water Supply Outlook 2120
- Drinking Water Management Plan
- Drinking Water Conservation Plan



WATER SERVICES ORG CHART



WHAT DRIVES & GUIDES OUR WORK



Annacis Main No.2. Magnetic Flowmeter installation in a new chamber



Water main installation in Stanley Park – Circa 1932

CONTINUOUS IMPROVEMENT – 2024 COMPLETE OR ONGOING

Water Services

Initiative	Outcomes
On-site field services improvements	<ul style="list-style-type: none"> Acquired technology improvements (robotic survey equipment, etc.) to improve on-site efficiency
Completed a dam safety tracking system	<ul style="list-style-type: none"> Allows entry and tracking of work activities for the entire corporate portfolio of dams
Refined environmental management system	<ul style="list-style-type: none"> Revised the review and approval process for regulatory reporting which was established in 2015; process is freeing up time for frontline, engineering, and legal teams

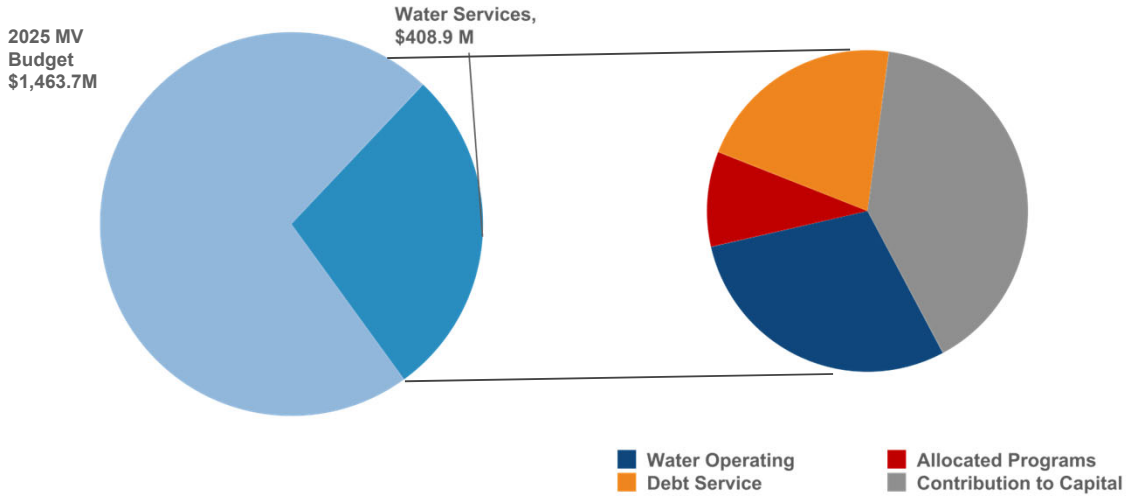
2025 CONTINUOUS IMPROVEMENT INITIATIVES

Water Services

Initiative	Outcomes
Departmental GHG emissions management	<ul style="list-style-type: none"> Working towards achieving 45% reduction by 2030 and net-zero emissions by 2050 with focus on fleet electrification
Enhancing water quality monitoring	<ul style="list-style-type: none"> Installation of improved in-system reservoir sampling equipment and remote data monitoring of rechlorination stations
Retrofit air valves	<ul style="list-style-type: none"> Retrofitting air valves to avoid future failures, emergency repair costs, as well as reduce the environmental risk

BUDGET OVERVIEW

2025 Operating Budget Breakdown - Water



OPERATING EXPENDITURES

Water Services Financial Plan

Overview:

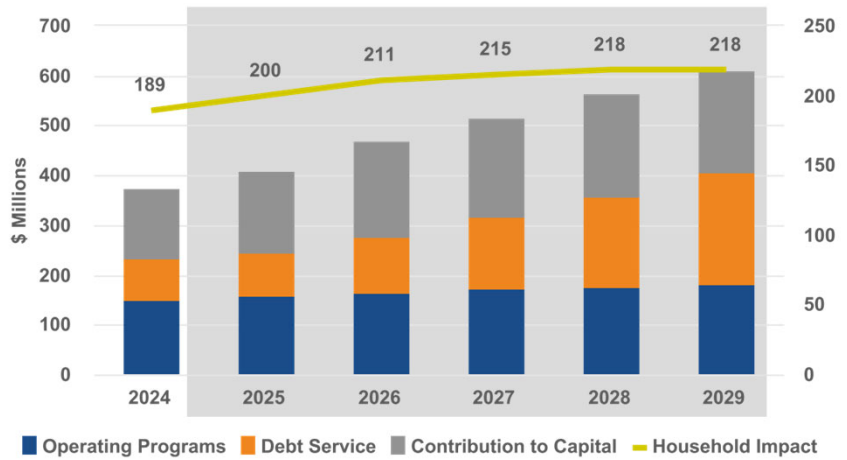
2024 Operating Budget: **\$378.9M**
 2025 Operating Budget: **\$408.9M**

7.9% increase

Drivers for Change:

- Increases to operating programs are largely inflationary
- Increased debt service (growing capital program)
- Managing contribution to capital (Financial Management Policy)

2025 - 2029 Water Services Financial Plan



OPERATING REVENUES

Water Services Financial Plan

Overview:

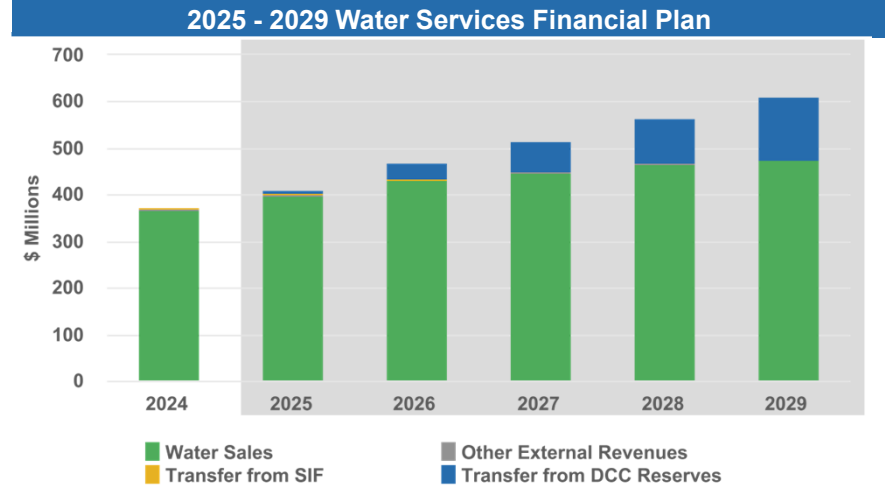
2024 Operating Budget: **\$378.9M**

2025 Operating Budget: **\$408.9M**

7.9% increase

Drivers for Change:

- Population growth and increased consumption
- Maintaining funding for capital program



BENCHMARK OF RATES

Water Services (\$ CAD)

Jurisdiction	Wholesale Water Rate (\$ CAD / m3) (year)	Average Daily Residential Water Use (litres per person per day) (year of published data)
Metro Vancouver	\$1.00 (2025)	269 (2021)
Portland	\$0.78 (2024)	167 (2023)
Capital Regional District	\$0.81 (2024)	220 (2023)
Seattle	\$0.93 (2024)	110 (2021)
Waterloo	\$1.13 (2024)	152 (2019)
San Francisco	\$2.72 (2025)	155 (2023)

WATER COMMITTEE 2025 WORK PLAN

1st Quarter

Advancing Water Metering in the Region

Water Supply Area Fisheries Initiatives Annual Update

2nd Quarter

2024 Year End Financial Performance Results Review

Implications of Increased Population on Water Utility Planning

3rd Quarter

Drinking Water Customer Service Guide

Water Supply Tunnels Projects Update

4th Quarter

Drinking Water Management Plan Update

GVWD Annual Budget and 5-Year Financial Plan

CAPITAL EXPENDITURES

Water Services Capital Plan

Overview:

2024 Capital Cash Flow: **\$424.9M**

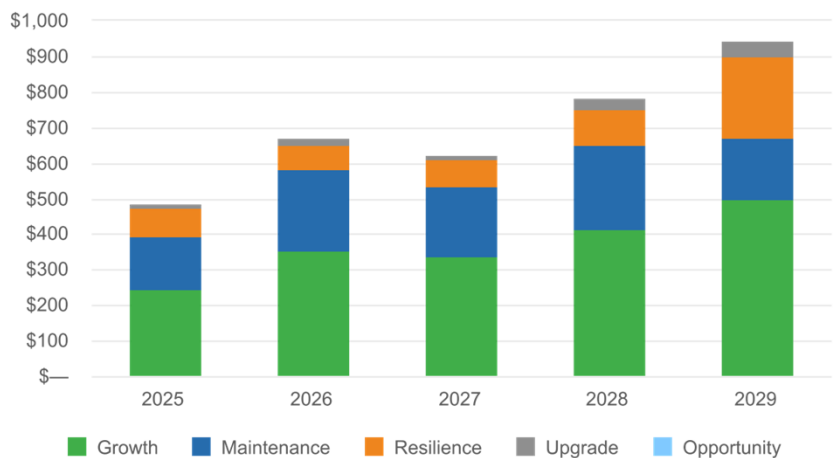
2025 Capital Cash Flow: **\$484.5M**

14.0% increase

Drivers for Change:

- Coquitlam Water Main
- Annacis Water Supply Tunnel
- Stanley Park Water Supply Tunnel
- Coquitlam Lake Water Supply
- Haney Water Supply Tunnel
- Capilano Raw Water Pump Station - Back-up Power
- Kennedy Newton Main

2025 - 2029 Water Services Capital Cash Flow



CAPITAL FUNDING

Water Services Capital Plan

2025 - 2029 Water Services Capital Funding

Overview:

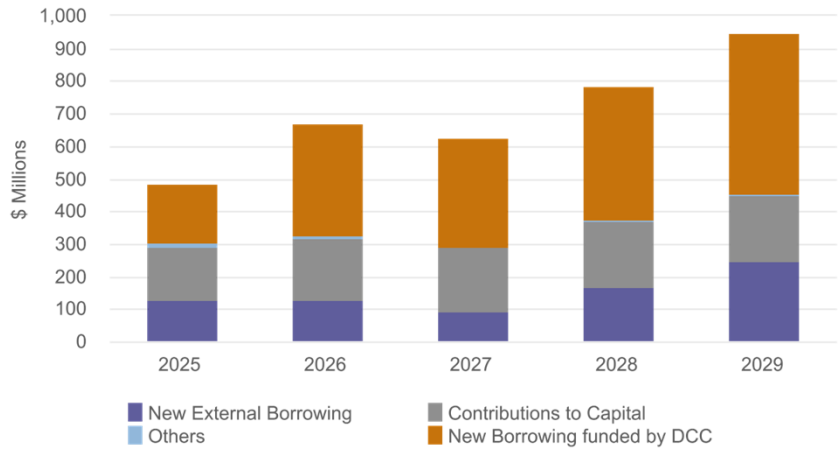
2024 Capital Cash Flow: **\$424.9M**

2025 Capital Cash Flow: **\$484.5M**

14.0% increase

Drivers for Change:

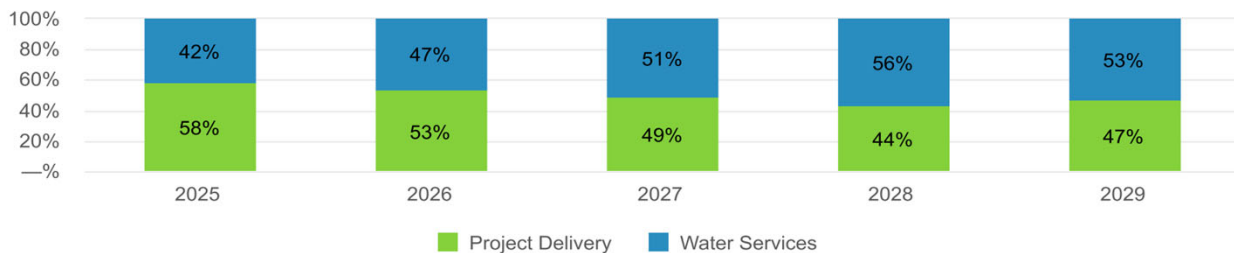
- Contribution to capital funding to comply with Financial Management Policy
- DCC's in place for 2024 and onwards



WATER 2025 - 2029 CAPITAL PLAN

	2025	2026	2027	2028	2029
Annual Capital Expenditures (millions)					
WS	\$202.4	\$312.3	\$319.6	\$439.8	\$500.1
PD	\$282.1	\$357.4	\$304.8	\$342.4	\$445.3
Total	\$484.5	\$669.7	\$624.4	\$782.2	\$945.4

- Water Services: 144 projects in the 2025–2029 capital plan
- Project Delivery: 9 projects in the 2025–2029 capital plan
- Total: 153 projects in the 2025–2029 capital plan



WATER SERVICES FINANCIAL PLAN SUMMARY

Water Services

	2024	2025	2026	2027	2028	2029
Total Expenditures (\$ Millions)	\$378.9	\$408.9	\$468.2	\$516.0	\$564.8	\$611.3
% Change		7.9%	14.5%	10.2%	9.5%	8.2%
Blended Water Rate (\$/m3)	\$0.9333	\$1.0002	\$1.0655	\$1.0975	\$1.1233	\$1.1380
Total Capital Cash Flow (\$ Millions)	\$424.9	\$484.5	\$669.7	\$624.4	\$782.2	\$945.4
Household Impact (\$)	\$189	\$200	\$211	\$215	\$218	\$218
% Change		5.7%	5.5%	2.0%	1.6%	0.1%
Prior Cycle Projected Change (%)		7.4%	5.3%	2.4%	1.8%	N/A



CAPILANO PUMP STATION BACKUP POWER



Excavation and Installation of Storm and Sanitary Lines



Construction of Underground Fuel Vault (front) and Powerhouse (back)

metrovancover

21

DOUGLAS ROAD MAIN NO.2 (STILL CREEK)



Water Main Installation



Water Main Works

metrovancover

22

COQUITLAM WATER MAIN NO. 4



3150mm diameter steel pipe lowered into trench



Drone Flyover of Coquitlam Main No. 4 Installation

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23

ANNACIS WATER SUPPLY TUNNEL



Decommissioning of Tunnel Launch Lock



Slurry Treatment Plant in Operation

metrovancover

24

FLEETWOOD RESERVOIR



Fleetwood valve chamber and City of Surrey Pump Station

metrovancover

25

KENNEDY NEWTON WATER MAIN



Concrete Pour of Crossover Valve Chamber Roof



1829mm Water Main Installation on 63rd Ave

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26

KENNEDY NEWTON WATER MAIN WORK ZONE



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27



Barnston Maple Ridge Pump Station

Questions?

metrovancover

28

To: Water Committee

From: Jessica Hayes, Program Manager, Housing Policy and Planning,
Regional Planning and Housing Services

Date: December 20, 2024 Meeting Date: January 15, 2025

Subject: **Consideration of Updating Development Cost Charge Waivers to Include
Inclusionary Housing Units**

RECOMMENDATION

That the Regional Planning Committee / Water Committee / Liquid Waste Committee / Regional Parks Committee receive for information the report dated December 20, 2024, titled “Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units”.

EXECUTIVE SUMMARY

In October 2023, the MVRD Board directed staff to review the Metro Vancouver DCC Waiver Framework with the aim of continuing to support affordable rental housing. Metro Vancouver currently waives regional development cost charges (DCCs) for not-for-profit rental housing for liquid waste and water infrastructure, but does not waive DCCs if the not-for-profit housing units are delivered by a private entity. Inclusionary housing refers to regulations or policies that seek to have developers provide a set amount of below market housing within market-rate residential developments. The current waiver is projected to support between 1,950 and 2,500 affordable units annually over the next 10 years with an annual impact on DCC revenues to Metro Vancouver of between \$38 million and \$49 million.

This report presents the opportunity to expand the DCC Waiver Framework to: include waiving DCCs for inclusionary units, revise definitions to better align with provincial and federal funding programs, and reduce administrative complexity. The impact of expanding the program on DCC revenues is estimated to be \$5.4 million to \$7.0 million per year over the existing DCC waiver.

Any proposed changes to the DCC Framework go through the Finance Committee to the MVRD/GVWD/GVS&DD Boards for consideration. However, as the Liquid Waste, Water, Regional Parks and Regional Planning committees either have a DCC bylaw or interest in incentivizing housing, staff are bringing the proposed changes to these four committees for information and an opportunity to provide feedback. Any feedback received will be provided to the Finance committee at the February 2025 Finance Committee meeting along with alternatives.

PURPOSE

To seek feedback on proposed new directions for Metro Vancouver’s development cost charge (DCC) Waiver Framework, including extending DCC waivers for inclusionary housing units, and additional housekeeping amendments.

BACKGROUND

Metro Vancouver collects DCCs for new residential and non-residential developments in the region to pay for the new liquid waste and water infrastructure required to accommodate growth. Metro Vancouver can waive or reduce DCCs for certain types of development under provincial legislation (*Local Government Act* and *GVS&DD Act*):

- **Not-for-profit rental housing:** This includes supportive living housing;
- **For-profit affordable rental housing:** Local governments can waive or reduce DCCs for these types of developments;
- **Small lots:** Local governments can waive or reduce DCCs for subdivisions of small lots that are designed to have low greenhouse gas emissions; and
- **Low environmental impact:** Local governments can waive or reduce DCCs for developments that are designed to have a low environmental impact.

Since 2010, Metro Vancouver has waived DCCs for not-for-profit rental housing. From 2010-2018, Metro Vancouver also waived DCCs for for-profit rental housing where rental rates were set at 20% below the lesser of CMHC average market rents for the municipality or region. In 2018, when a separate DCC waiver bylaw was introduced, applicability of the DCC waiver was limited to not-for-profit rental housing only. As such, DCCs cannot currently be waived if not-for-profit affordable housing units are delivered by a private entity (inclusionary housing).

At its October 27, 2023 meeting, the MVRD Board gave third reading to bylaws to revise DCC rates and implement a regional parkland acquisition DCC, based on the principle of ensuring new development in the region fund the cost of the infrastructure expansion required to service growth. The DCC rates approved included transitioning, over three years, to a 1% assist factor, such that new growth would pay for 99% of infrastructure required to accommodate growth. As part of implementing revised DCC rates, the Board directed staff to conduct reviews of the DCC program, including a review of the DCC waiver program with the aim of supporting rental housing and incentivizing affordable housing. On March 22, 2024, final adoption was given to the applicable DCC bylaws.

Recognizing that a private developer is likely in receipt of other benefits or incentives (e.g. increased market residential density) in exchange for the provision of the inclusionary units, Metro Vancouver conducted an analysis to assess the costs/benefits associated with expanding eligibility for DCC waivers to private (for-profit) developers building affordable rental housing units to be transferred to a non-profit or public entity upon completion, to ensure that it is possible for the benefit of the DCC waiver to flow through to non-profit partners in the form of realized housing affordability benefits (i.e. lower rents and/or more units). This report provides an overview of proposed amendments to the DCC waiver bylaws stemming from this analysis, including providing DCC waivers for inclusionary housing units, and other amendments to simplify implementation of the waivers.

CONSIDERATION OF DCC AFFORDABLE HOUSING WAIVERS FOR INCLUSIONARY HOUSING UNITS

In recent years, BC local governments have been using tools such as inclusionary housing and density bonusing to require the provision of affordable housing units within private developments,

often as a condition of rezoning. Six of the 19 municipalities that have DCC Bylaws in Metro Vancouver currently waive or reduce DCCs for affordable rental housing, and it is anticipated that, with the introduction of new provincial housing legislation to enable inclusionary zoning powers, there will be an increasing number of projects in which for-profit and not-for-profit entities collaborate in projects with a mix of market and below-market housing. As a result of these changes and in response to MVRD Board direction, Metro Vancouver is exploring possible adjustments to its DCC waiver framework to better enable and incent inclusionary units.

Currently, regional liquid waste and water DCCs are waived for 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 DCCs;
- 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
- Geared toward households who meet or fall below the applicable Housing Income Limits (HILs) as defined by BC Housing.

In addition, Metro Vancouver’s existing framework includes provisions to reduce DCCs by 50% for not-for-profit student housing. The intent of the DCC waivers and reductions has been to support the development of affordable housing by non-profit entities. To that end, the bylaws require that applicants either own or lease the affordable units at the time of the application for or issuance of the DCC waiver (typically at the time of building permit issuance). The intent of the requirement for ownership or possession of the affordable units at the time of the application was to ensure any foregone DCC revenue directly supported non-profit affordable housing, without relying on private agreements to secure housing commitments that the region cannot enforce or effectively monitor.

In October 2023, the MVRD Board directed staff to review the DCC waiver framework with the aim of supporting rental housing and incentivizing affordable housing. Concurrently, Metro Vancouver has received an increasing number of enquiries as to whether privately owned affordable units that will be transferred to a not-for-profit upon completion qualify for a waiver of regional DCCs. Under the currently waiver Bylaw, the not-for-profit must have fee simple ownership or an enacted lease at the time of the application or issuance of the waiver. Additionally, through its engagement with the development industry on DCCs, Metro Vancouver has received feedback requesting that Metro Vancouver revisit the DCC waiver bylaws to better facilitate the delivery of inclusionary units.

LEGAL CONTEXT AND DCC WAIVER BYLAW HISTORY

The *Greater Vancouver Sewerage and Drainage District Act* and *Local Government Act* permit the Greater Vancouver Sewerage and Drainage District (GVS&DD) and the Greater Vancouver Water District (GVWD) to, by bylaw, waive or reduce DCCs for eligible developments and to set the conditions for which such waivers or reductions may be granted. Since 2010, Metro Vancouver’s liquid waste DCC bylaw (*GVS&DD Bylaw No. 254, 2010*) has included provisions to waive DCCs for not-for-profit rental housing.

In 2018, the waiver language in *GVS&DD Bylaw No. 254, 2010* was moved into a separate bylaw concerning the waiver of DCCs, following a review of the overall DCC program. On May 25, 2018, the GVS&DD Board adopted *Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 314, 2018* (Reference 1). At this time, the Board, in consultation with its members, decided to limit the DCC waiver to not-for-profit rental housing only. On October 26, 2018, the GVS&DD Board enacted an amending bylaw, *GVS&DD Bylaw, No. 322, 2018*, to establish additional requirements and conditions for a 50 per cent reduction of DCCs for Not-for-Profit Student Housing.

To support housing affordability within the region, and ease of administration for municipalities within Metro Vancouver, TransLink also adopted a bylaw in 2018 to provide a waiver for not-for-profit affordable rental housing and reduction for not-for-profit student housing from DCCs consistent with the waiver and reduction provided by GVS&DD.

On April 28, 2023, the GVWD Board adopted *Greater Vancouver Water District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 256, 2022* (Reference 2). The frameworks for liquid waste and water DCC waivers are identical. When the new parkland acquisition DCC is introduced in 2025, it is proposed to also provide DCC waivers to affordable rental housing under the same conditions as the existing bylaws.

SCOPE AND FINDINGS OF THE DCC WAIVER BYLAW REVIEW

Metro Vancouver assessed the costs and benefits associated with expanding eligibility for DCC waivers to private (for-profit) developers building affordable rental housing units to be transferred to a non-profit or public entity upon completion. The review included modelling the ability of mixed-market residential developments to absorb DCC payments for affordable housing units in a market development, and the impact of these DCC payments on the provision of affordable units required through negotiations/agreements with local governments (e.g. secured via an inclusionary zoning bylaw, density bonus, or negotiated at the time of rezoning). The objective of the review was to identify whether the DCC payments impact the viability of the project and the ability of the private developer to produce the agreed upon affordable/inclusionary units at below-market rates. The review also analyzed whether the benefit of a DCC waiver would be likely to be passed down from the private developer to the not-for-profit owner or operator.

The DCC waiver review found that, given the increasing number of developments in the region in which for-profit and not-for-profit entities collaborate to include a mix of market and below-market housing, the waiver framework should be adjusted to enable DCC waivers for this type of development, provided there are mechanisms in place to ensure that the benefit of the waiver flows through to the not-for-profit entity. Such mechanisms could include using contract terms that require the transfer of units at cost or a specified price, with no provision for land cost or developer profit. This recommendation is aligned with the findings of Metro Vancouver's recent Inclusionary Housing Policy Review study (Reference 3), which found that inclusionary housing policies were most viable and worked most effectively where the inclusionary units are sold at below-market rates to a non-profit organization for ongoing ownership, management, and operations. Selling the units at a reduced price to a not-for-profit housing provider facilitates retention of the units in the affordable market, improves long term affordability, and reduces the need for monitoring.

If the DCC waiver eligibility is expanded to inclusionary housing units that are built by a private developer and then turned over at or below cost to a non-profit (or government) upon completion, the number of affordable units receiving a DCC waiver is anticipated to increase between 281 to 361 units per year in the 10-year period between 2025 and 2034. A review found waiving Metro DCCs for inclusionary units could reduce break-even rents for affordable housing projects by 4.0% to 4.4%. Alternatively, waiving Metro Vancouver DCCs for inclusionary housing could increase the supply of new below-market rental units by between 5.3% and 6.7% with the same equity invested by affordable housing developers. There are a number of factors which make it difficult to accurately predict the mix of rent reductions or increased housing supply, because how the savings from the DCC waiver are applied will vary from project to project based on site capacity, the financial resources of the non-profit entity, and other factors. There is also no reliable way to predict whether there will be new projects that would not otherwise have been built because of the change. For the waiver to be effective it must be coupled with inclusionary housing policies that limit the sale price upon transfer of the units to the non-profit partner, to ensure that the cost savings are passed on to the non-profit entity and not the private developer.

The study found that with appropriate oversight, it is possible to ensure that the foregone DCC revenue will translate into affordable housing benefits, in the form of lower rent, more units, or some combination thereof. Though the legislation permits DCCs to be waived for for-profit rental housing units, the current review did not consider development projects that include a mix of market units and below market units all developed and owned by a private for-profit entity (e.g. purpose-built rental housing buildings incorporating below-market rental units). The proposed revised bylaw definitions to enable a waiver of DCCs for inclusionary units is outlined in Table 1 below.

Table 1: Proposed Amendment – Waiver of DCCs for Inclusionary Units Turn-keyed to Not-for-Profit Entities

Bylaw Section	Proposed Change	Rationale
Definition of “Not-for-Profit Affordable Housing”	<p>Modify the definition of “Not-for-Profit Affordable Housing” to include affordable rental units in a mixed-market or mixed-tenure project (e.g. inclusionary housing units) built by a private developer, where there is an obligation to turnkey the affordable rental units to a not-for-profit entity upon completion, provided there is a means to ensure that the benefit of the waiver flows through to the not-for-profit entity.</p> <p>A DCC waiver will only be provided for the units where there is a binding agreement obligating the developer to turnkey the units via sale or long-term lease to not-for-profit entity, where there is an agreement with</p>	<p>Currently, the definition states that the units that will be built must be “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 DCCs.</p> <p>Expanding eligibility for the DCC waivers to affordable rental units built by for-profit entities that will be turn-keyed to a not-for-profit at cost, under strict contract terms, is aligned with the original intent of the bylaws to support not-for-profit affordable</p>

	<p>Province, BC Housing, CMHC, or municipality regarding operation of the units, and where the cost of the units transferred to the not-for-profit entity does not include any land cost or developer’s profit (but can include a reasonable project management fee). Verification would be obtained in the form of municipal confirmation that agreements or regulations are in place which restrict the sale price of the units to the not-for-profit entity.</p>	<p>housing, and ensures that foregone DCC revenue are translated into tangible affordable housing benefits for the region.</p>
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PROPOSED ADDITIONAL HOUSEKEEPING AMENDMENTS

In addition to bylaw amendments being considered to enable DCC waivers for inclusionary units, the DCC waiver bylaw review also considered amendments to simplify implementation of the existing framework, as outlined in Table 2.

Table 2: Proposed Additional DCC Waiver Bylaw Housekeeping Amendments

Bylaw Section	Proposed Change	Rationale
Definition of “Not-for-Profit Affordable Housing”	Clarify eligible not-for-profit entities within the existing definition of Not-for-Profit Affordable Rental Housing	Add ‘Member Jurisdiction’, ‘Metro Vancouver Housing Corporation’, ‘British Columbia Housing Management Commission’, ‘Provincial Rental Housing Corporation’, ‘Vancouver Affordable Housing Agency’ to the list of public bodies described in the definition of Not-for-Profit Rental Housing.
Section 3.1	Remove the household income criteria for eligible Not-for-Profit Affordable Rental Housing Developments (i.e. requirement that units be occupied by households with incomes at or below BC Housing’s Housing Income Limits (HILs))	<p>Eliminating the requirement for specific rent rates or income limits as long as there is an agreement in place with the Province, BC Housing, CMHC, or municipality regarding management of units for the purpose of providing affordable housing, will streamline the administration of the DCC Waiver, and eliminate the need for ongoing compliance monitoring of eligible rents.</p> <p>This change would make the DCC waiver automatic for units developed, owned, and operated by a not-for-profit entity, subject to confirmation of units being non-market rental. Confirmation would include evidence of provincial or federal affordable housing funding OR a statutory declaration that units will be below-market rental OR an agreement or covenant with the Province, BC Housing, CMHC, or a municipality. This approach would remove the need to evaluate varying yet overlapping affordability and income criteria for non-profit affordable rental housing, which is already being assessed and secured by other levels of government.</p>
Section 3.1	Remove the thirty percent	Currently, the DCC waiver framework makes an entire project eligible for a DCC waiver if at least 30% of the units meet the

	<p>affordability threshold for an entire not-for-profit affordable rental housing development to receive a DCC waiver</p>	<p>household income requirement (based on BC Housing HILs). Removing this threshold in favour of a simplified system that relies on the affordability and income mix stipulated through senior government funding or municipal policy will simplify administration and monitoring.</p> <p>In addition, nearly all waivers granted to non-profits to date have been for 100% of units in the development (i.e. non-profit affordable housing projects rarely fall short of providing at least 30% of the total units at affordability levels suitable for HILs incomes).</p>
<p>Section 3.2</p>	<p>Replace 50% DCC reduction for Not-for-Profit Student Housing with 100% DCC waiver</p>	<p>In 2018, when amendments were made to the DCC waiver framework to enable a 50% DCC reduction for not-for-profit student housing, it was assumed that most student housing units would not pay DCCs as a result of the statutory exemption for units less than 29 square metres in size. However, the <i>GVS&DD Act</i> and <i>LGA</i> specify that such units must be ‘self-contained’ (with kitchen and bathroom) to be exempt from DCCs. As a result, dormitory-style student housing units are subject to the per square foot DCC rates as they do not meet the current bylaw definition of a self-contained Dwelling Unit. Residences for upper year students that tend to be suite style and can include studio, one bedroom and larger apartments are technically eligible for the 50% reduction, but to date, no such reductions have been granted under the existing bylaws.</p> <p>Consequently, there is very little DCC revenue from student housing projects and it would be administratively simpler to waive DCCs for all student housing units, provided the housing is primarily intended for occupancy by students, is on-campus, and is owned/operated by a post-secondary institution.</p> <p>Introducing a new definition of “student housing unit” that comprises housing units that have shared living quarters (kitchen, living, bath), e.g. double, triple, quad-style rooms, and ensuring that these units are eligible for a DCC waiver will simplify administration given that DCCs are already not payable for most new student housing units as they are typically under 29 m2 in area, and exempt from DCCs as per the <i>GVS&DD Act</i> and <i>LGA</i>. Though student housing units may rent at near-market rates, on-campus housing operated on a cost recovery basis for students takes pressure off the local rental housing market and reduces transportation demand and GHG emissions.</p>

Several illustrative examples comparing the calculation of DCCs under the current waiver bylaw with those owing with the proposed changes are shown in Attachment 1.

REGIONAL PLANNING AND FINANCE ADVISORY COMMITTEES' FEEDBACK

The draft proposed framework was reviewed at the October 11, 2024, Regional Planning Advisory Committee and November 21, 2024 Regional Finance Advisory Committee (RFAC) meetings, with members supportive of the proposed direction and providing the following comments:

- In implementing the waivers, ease of administration and verification processes are important for municipalities;
- Supportive of mechanisms to ensure the benefits of waivers flow to non-profits;
- Supportive of reduced complexity in the proposed definitions; and
- Desire for additional opportunities to engage and provide feedback and coordinate on development cost related matters.

If directed to proceed, staff will consider and incorporate these comments into the bylaw amendments.

NEXT STEPS

Staff have been directed by the Board to conduct periodic reviews of the DCC bylaws including a review of economic impacts and measures to support rental housing and to incentivize affordable housing and report back with recommendations. The proposed updates to the DCC waiver framework outlined in this report for consideration are one aspect of the work underway to further this objective. Feedback received from the Regional Planning Committee, Liquid Waste Committee, Water Committee, and Regional Parks Committee in January 2025 will be forwarded on to the Finance Committee and MVRD Board for direction in February. Should staff be directed to prepare bylaw amendments, these will come forward to the respective Committees and Boards in March 2025. If directed to proceed, staff will consult with stakeholders including member jurisdictions, industry stakeholders and other levels of government prior to bringing forward amendments to the respective DCC waiver bylaws for consideration in March 2025.

ALTERNATIVES

This is an information report. No alternatives are presented. Feedback on the proposed framework will be provided to the Finance Committee in February with alternatives.

FINANCIAL IMPLICATIONS

The Metro Vancouver DCC waiver review is within the Regional Planning and Housing Services work program and was considered as part of the Board-approved budget. \$50,000 was allocated for external consultant support.

Should the proposed changes to the DCC waiver framework be supported, staff will bring forward a subsequent report detailing proposed waiver bylaw amendments. Based on historical waivers, it is projected that between 1,950 and 2,500 affordable units will receive a DCC waiver each year on average between 2024 and 2033 under the current waiver definitions, representing a total

estimated ten-year impact on DCC revenues to Metro Vancouver of \$380 million to \$488 million (or about \$38 million to \$49 million per year on average).

If the DCC waiver eligibility is expanded to projects that are built by a private developer and then turned over at cost to a non-profit (or government) upon completion (i.e. inclusionary housing), the review found the number of affordable units receiving a DCC waiver is anticipated to increase by an average of 281 to 361 units per year between 2024 and 2033. The total estimated ten-year impact on DCC revenues to Metro Vancouver of these additional units receiving the DCC waiver would range between about \$54.3 million and \$69.7 million between 2024 and 2033 (or \$5.4 million to \$7.0 million per year), representing 0.8% to 1.0% of average annual DCC revenue.

The cost associated with the DCC waiver program is required by the Province's best practices guide to be funded through the water sales, liquid waste levy or tax requisition. The average annual cost per household is projected to be \$3 to \$4. Funding to accommodate this expansion is not available in the 2025 Budget and Five-Year Financial Plan, and therefore would need to come from within the current budget and result in updates to future years in the Five-Year Financial Plan.

CONCLUSION

Since 2010, Metro Vancouver has waived DCCs for affordable rental housing, for a time for not-for-profit and for-profit affordable rental housing, and since 2018, only for not-for-profit affordable rental housing. Metro Vancouver has assessed the costs/benefits associated with expanding eligibility for DCC waivers to private (for-profit) developers building affordable rental housing units to be transferred to a non-profit or public entity upon completion (e.g. inclusionary housing). Recognizing that the private developer is likely in receipt of other benefits or incentives (e.g. increased market residential density) in exchange for the provision of the inclusionary units, and to ensure that the benefit of the waiver flows through to non-profit partners in the form of realized housing affordability benefits (i.e. lower rents and/or more units), it is recommended that the waiver framework be adjusted to enable DCC waivers for this type of development, with strict terms in place (e.g., requiring the transfer of units to the non-profit partner at cost with no provision for land cost or profit).

Several additional housekeeping amendments are also outlined in the report, to improve the efficiency and ease of administration. Staff are now seeking feedback from the Regional Planning Committee, Liquid Waste Committee, Water Committee, and Regional Parks Committee regarding possible amendments to the DCC waiver framework, and will forward this input to the Finance Committee and MVRD Board in February 2025 for further direction. Should the proposed changes to the DCC waiver framework be supported, staff will bring forward a subsequent report detailing proposed waiver bylaw amendments.

ATTACHMENTS

1. Example Calculation of DCC Affordable Housing Waivers (Current Framework Compared with Proposed).
2. Presentation re: Development Cost Charge Waiver Update: Consideration of Including inclusionary Housing units.

REFERENCES

1. [GVS&DD Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 314, 2018 - Unofficial Consolidation \(metrovancover.org\).](#)
2. [GVWD Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 256, 2022 - Unofficial Consolidation \(metrovancover.org\).](#)
3. [Inclusionary Housing Policy Review and Regional Model Policy Framework \(metrovancover.org\).](#)

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EXAMPLE CALCULATION OF DCC WAIVERS (CURRENT FRAMEWORK COMPARED WITH PROPOSED)

Scenario Description	Eligibility for DCC Waiver Under Current Bylaw	Eligibility for DCC Waiver Under Proposed Bylaw Changes
Local government-owned land will be leased to a non-profit housing agency and developed into a 100-unit social housing building. The non-profit housing agency will operate the entire building. 30 of the units will rent at BC HILs (Housing Income Limits), and 70 of the units will rent at low end of market rents.	All 100 units will be eligible for a waiver of DCCs.	All 100 units will be eligible for a waiver of DCCs.
For-profit developer plans to develop a 70-unit mixed-use strata, with an additional 30 units of social housing which will be turned over to the City upon completion at no cost as turnkey social housing (separate air space parcel to be owned by the City and operated by a non-profit housing provider).	Not eligible for a waiver of DCCs as the development does not meet the current definition of not-for-profit affordable rental housing.	The 30 social housing units will be eligible for a waiver of DCCs.
For-profit developer plans to develop a 70-unit mixed-use strata, with an additional 30 units of social housing which will be sold to a non-profit housing provider at market value upon completion.	Not eligible for a waiver of DCCs as the development does not meet the current definition of not-for-profit affordable rental housing.	Not eligible for a waiver of DCCs as the development does not meet the definition of not-for-profit affordable rental housing.
For-profit developer plans to develop a 85-unit mixed-use strata, with an additional 15 units of inclusionary housing which will be sold to a non-profit housing provider at below market value upon completion.	Not eligible for a waiver of DCCs as the development does not meet the current definition of not-for-profit affordable rental housing.	The 15 inclusionary housing units will be eligible for a waiver of DCCs.
Post-secondary institution plans to develop on-campus student housing divided into: 60 dormitory-style units smaller than 312 sq.ft. (without a kitchen or bathroom), 40 units of self-contained dwelling units larger than 312 sq.ft. (with their own kitchen and bathroom).	The 60 dormitory-style units under 312 sq.ft. are not exempt from DCCs as they are not 'self-contained'. The 40 self-contained dwelling units larger than 312 sq.ft. would be eligible for a 50% reduction of DCCs.	The 60 dormitory-style units under 312 sq.ft. and the 40 self-contained dwelling units larger than 312 sq.ft. would be eligible for a 100% waiver of DCCs.



Development Cost Charge Waiver Update

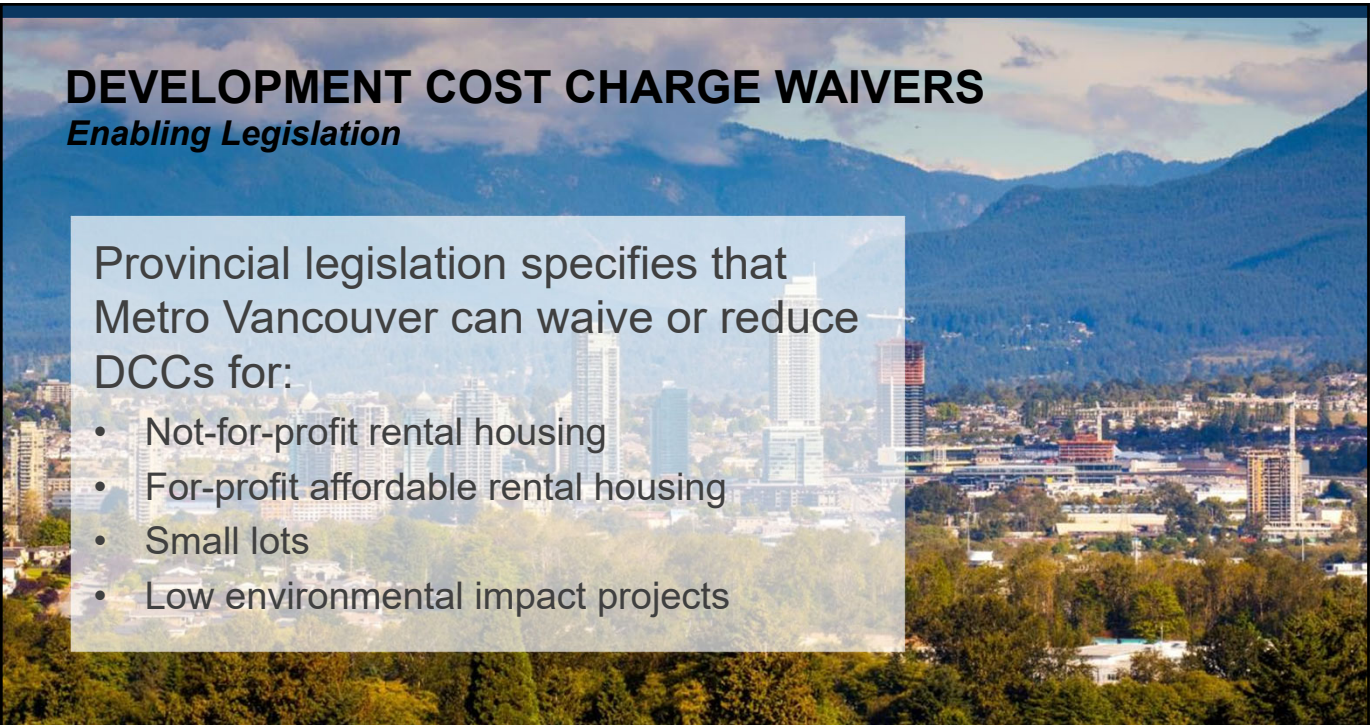
CONSIDERATION OF INCLUDING INCLUSIONARY HOUSING UNITS

Jessica Hayes

Program Manager, Housing Policy and Planning

Water Committee Meeting, January 15, 2025
73086622

metrovancouver



DEVELOPMENT COST CHARGE WAIVERS

Enabling Legislation

Provincial legislation specifies that Metro Vancouver can waive or reduce DCCs for:

- Not-for-profit rental housing
- For-profit affordable rental housing
- Small lots
- Low environmental impact projects

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2

EXPLORING DCC WAIVERS FOR INCLUSIONARY HOUSING UNITS



Affordable housing projects with for-profit/not-for-profit partnerships on the rise

- Local governments increasingly using inclusionary housing & density bonusing as a tool
- New provincial legislation enabling inclusionary zoning

Impacts of extending DCC waiver bylaw eligibility to inclusionary housing units:

281 to 361 more

affordable units per year receiving waiver

Reduce break-even rents

for affordable housing projects by 4.0% to 4.4%

Increase the supply

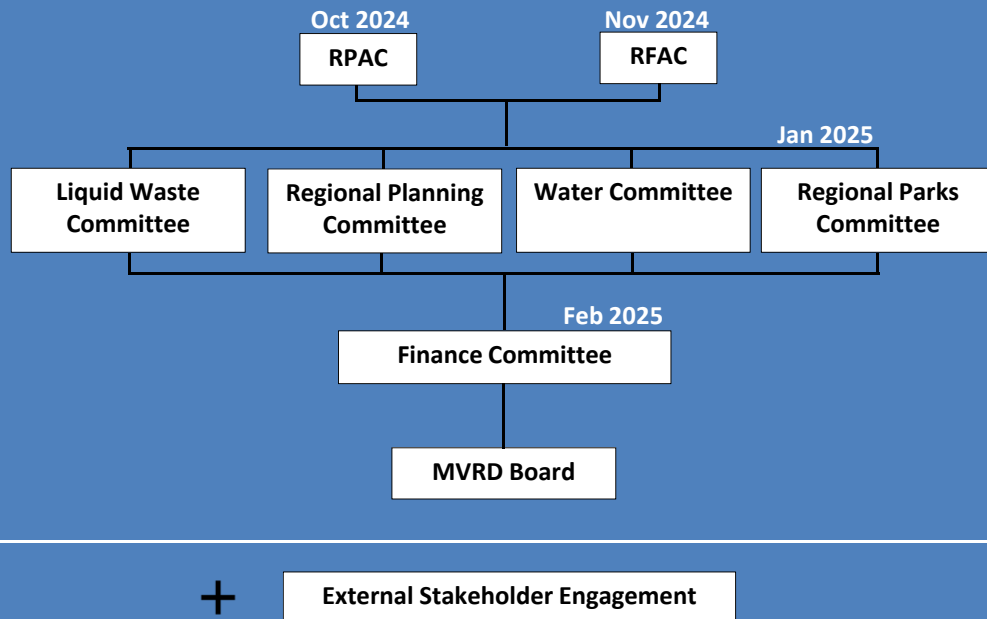
of new below-market rental units by 5.3% to 6.7%

PROPOSED HOUSEKEEPING AMENDMENTS

Bylaw Section	Proposed change
Definition of “Not-for-Profit Affordable Housing”	Expand waiver to include inclusionary housing units
Definition of “Not- for-Profit Affordable Housing	Clarify eligible not-for-profit entities
Section 3.1	Remove household income criteria
Section 3.1	Remove 30% threshold for an entire project to receive waiver
Section 3.2	Increase waiver for student housing from 50% to 100%

NEXT STEPS

Seeking Feedback on Proposed changes to DCC Waiver Framework





Thank You

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7

To: Water Committee

From: Marilyn Towill, General Manager, Water Services

Date: January 7, 2025

Meeting Date: January 15, 2025

Subject: **Manager's Report**

RECOMMENDATION

That the Water Committee receive for information for the report dated January 7, 2025, titled "Manager's Report".

1. CALA Accreditation

The Metro Vancouver – Quality Control Laboratory, which consists of multiple laboratories conducting regulatory analyses for Water and Liquid Waste Services, is accredited under the Canadian Association for Laboratory Accreditation (CALA). A key component of this accreditation involves the successful completion of proficiency testing that is administered by Proficiency Testing Canada (PTC). Water Services laboratories located at the Seymour Capilano Filtration Plant, Coquitlam Water Treatment Plant, and Lake City Operations Centre perform proficiency testing twice a year on a wide range of microbiological and chemical parameters.

In 2024, the Metro Vancouver – Quality Control Laboratory was awarded a Certificate of Performance from PTC. This certificate recognizes a laboratory's level of performance and Metro Vancouver's median proficiency testing score was within the top 20th percentile amongst other participating laboratories. This demonstrates the continued excellence of the Metro Vancouver – Quality Control Laboratory to provide reliable and accurate results to ensure the region's drinking water delivered by Metro Vancouver is in compliance with provincial and federal water quality standards.

ATTACHMENT

1. CALA Certificate.



2024 Certificate of Performance

This is to certify that

Metro Vancouver - Quality Control Laboratory

1299 Derwent Way

Delta, BC

participated in Proficiency Testing Canada PT Schemes throughout 2024 and obtained a level of performance that places their median PT score within the **top 20th percentile** amongst other participants who received between 50 and 1,000 evaluations throughout the year.

A handwritten signature in black ink, appearing to read "Ken Middlebrook", is positioned above a horizontal line.

Ken Middlebrook
PTC Executive Director