

Greater Vancouver Sewerage and Drainage District (GVS&DD) and Greater Vancouver Water District (GVWD) Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing – Frequently Asked Questions

The *Greater Vancouver Sewerage and Drainage Act*, S.B.C. 1956, c. 59 permits the waiver of Development Cost Charges (DCCs) for not-for-profit rental housing. Under this authority, the Greater Vancouver Sewerage and Drainage District (GVS&DD) has adopted the [Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver for Affordable Housing Bylaw No. 314, 2018](#) (the “Bylaw”). Similarly, the *Local Government Act*, RSBC 1996, c. 323 permits the waiver of DCCs for not-for-profit rental housing. Under this authority, the Greater Vancouver Water District (GVWD) has adopted the *Greater Vancouver Water District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 256, 2022*.

Below are some highlights to help explain these Bylaws. Please refer to the complete Bylaws or the [Implementation Guideline](#) for more details.

1. Where did this policy direction originate?

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

In April 2023, the GVWD Board adopted the *Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022* along with the accompanying *Greater Vancouver Water District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 256, 2022* that allows the waiver of GVWD DCCs for Not-for-Profit Rental Housing, including transitional and supportive housing.

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

A diverse and affordable housing stock is essential to support the region’s growing population, a vibrant and prosperous economy and the ongoing development of a complete, resilient and transit-oriented network of centres across the region. *Metro 2050*, the regional growth strategy, has targets

and policies regarding regional housing affordability. This plan is one reflection of Metro Vancouver's ongoing commitment to support affordable rental housing in the region.

3. What are the conditions to waive regional (GVS&DD and GVWD) Development Cost Charges for Not-for-Profit Affordable Rental Housing?

As described in the *GVS&DD Bylaw No. 314, 2018*, and the new *GVWD Bylaw No. 256, 2022*, regional DCCs will be waived, in accordance with a prescribed formula of eligibility, in respect of Dwelling Units within Not-for-Profit Rental Housing that is:

- Owned, leased or otherwise held by a Not-for-Profit Society, BC Housing, CMHC, a Non-Profit Municipal Housing Corporation, or a Registered Charity **at the time of any application for, or issuance of, a waiver of Development Cost Charges;**
- Operated as rental housing for people who meet Eligibility Criteria; and 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.

In addition, proposed project rents are geared toward households who meet or fall below the applicable Housing Income Limits (HILs).

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

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

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

In order to meet the threshold for a waiver applicable to all Dwelling Units within a Not-for-Profit Rental Housing development, at least thirty percent of the Dwelling Units are to be occupied by households with incomes at or below housing income limits for the corresponding size of housing unit, as set out in the current "Housing Income Limits" (HILs) table published by BC Housing. Where a Not-for-Profit Rental Housing development does not meet this threshold (fewer than thirty percent of total Dwelling Units will be occupied by households at or below HILs), only those Dwelling Units within the development that are to be occupied by households with incomes at or below HILs will be eligible to receive the waiver. Housing Income Limits and corresponding affordable rents will be updated annually.

Table A – 2023 Housing Income Limits (HILs) and Affordable Monthly Rents for the Metro Vancouver Region (per Suite Type)¹

Suite Type	HILs	Affordable Monthly Rent ²
Bachelor	\$58,000	\$1,450.00
1 Bedroom	\$58,000	\$1,450.00
2 Bedroom	\$72,000	\$1,800.00
3 Bedroom	\$86,000	\$2,150.00
4+ Bedroom	\$107,500	\$2,687.50

Source: BC Housing³

5. What are the conditions to reduce regional (GVS&DD and GVWD) Development Cost Charges for Not-for-Profit Student Housing?

The Bylaws allow for a 50% reduction of DCCs for all Dwelling Units within a Not-for-Profit Student Housing Development that are to be occupied by students attending that Post-Secondary Institution.

A Not-for-Profit Student Housing is defined as a Residential Use Development or Combination Development that is:

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

Post-Secondary Institutions are encouraged to reach out to Metro Vancouver to discuss entering into a covenant with the GVS&DD and/or GVWD.

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

Tables B and C show the current regional DCC rates as set out in the *Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010* and the *Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022* for Residential Dwelling/Residential Lot

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

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

³ <https://www.bchousing.org/sites/default/files/media/documents/2023-Housing-Income-Limits-HILS-Effective-January-1-2023.pdf>

Development Units, Townhouse Dwelling Units, and Apartment Dwelling Units (as defined in the Bylaws). New GVS&DD DCC rates came into effect on June 24, 2022 in each of the Sewerage Areas.

Table B - Applicable GVS&DD Development Cost Charges (per Dwelling Unit)

Sewerage Area	Residential Dwelling Unit	Townhouse Dwelling Unit	Apartment Dwelling Unit
Vancouver	\$3,335	\$2,983	\$1,988
Lulu Island	\$3,313	\$2,756	\$2,042
North Shore	\$3,300	\$2,786	\$2,030
Fraser	\$6,254	\$5,390	\$4,269

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

Table C - Applicable GVWD Development Cost Charges (per Dwelling Unit)

	Residential Lot Development Unit	Townhouse Dwelling Unit	Apartment Dwelling Unit
Metro Vancouver	\$6,692	\$5,696	\$4,261

Source: Metro Vancouver, *Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022.*

7. How will the policy be implemented?

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

There are two pathways through which to submit an application for the waiver of regional DCCs:

1. **Direct pathway:** The developer of the Not-for-Profit Rental Housing makes an application directly to Metro Vancouver. A municipal staff liaison from the member jurisdiction is notified of Metro Vancouver’s response as provided to the developer.
2. **Partnership pathway (optional):** The developer of the Not-for-Profit Rental Housing makes an application to Metro Vancouver, in partnership with a key contact from the member jurisdiction. The application includes a letter from a municipal staff liaison, recommending the development’s eligibility for the waiver. A municipal liaison from the member jurisdiction is notified of Metro Vancouver’s response as provided to the developer.

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

Metro Vancouver will determine if the eligibility considerations as set out in the Bylaws have been met. Not-for-Profit Rental Housing developments must also meet tenant eligibility criteria to determine whether the waiver will apply to individual Dwelling Units or the whole development. The application form will collect the information that will be considered when deciding to grant a regional

DCC waiver or reduction, and provides a checklist of supporting documents that should accompany an application.

Typically, regional DCCs are collected by the member jurisdiction on behalf of Metro Vancouver at the time that the building permit is issued. If a development or units within a Not-for-Profit Rental Housing development meet the conditions set out in the *GVS&DD DCC Waiver Bylaw No. 314, 2018* and the *GVWD DCC Waiver Bylaw No. 256, 2022*, and the developer has successfully applied to Metro Vancouver for a waiver or reduction of regional DCCs, the member jurisdiction will waive or reduce regional DCCs at the time when DCCs become payable (typically at the time of building permit issuance, or other stage based on the respective municipal process).

If the conditions as set out in the in the *GVS&DD DCC Waiver Bylaw No. 314, 2018* and the *GVWD DCC Waiver Bylaw No. 256, 2022*, are not met at the stage when regional DCCs become payable to the municipality, the regional DCCs must be collected and remitted in the usual manner.

While it is up to Metro Vancouver to determine if the waiver conditions have been met, it is expected that the member jurisdiction may review the application to ensure that the necessary documentation is in place and that the appropriate steps have been completed. For applications made under the Partnership pathway, municipal staff should provide a written recommendation to Metro Vancouver in support of the developer's application. Please refer to the [Implementation Guideline](#) for a step-by-step guide to completing the waiver application.

8. How will the waiver of regional Development Cost Charges be reported, monitored, and audited?

Metro Vancouver will receive statements from each member jurisdiction, for every 12-month period comprising January 1 to December 31. These statements will outline (1) the registered owner or lessee, and (2) the number and type of use of all Dwelling Units where building permits were required and where regional DCCs were waived under these Bylaws.

Metro Vancouver will in turn report the number and cost of regional DCC waivers granted under these Bylaws to its Board of Directors on an annual basis and upon request of the Board.

The *Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 254, 2010* and the *Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022* further require that member jurisdictions retain records to support the above noted statements for a period of four years. In addition, Metro Vancouver may, at any time and with reasonable notice to the member jurisdiction, inspect any and all records relating to the statements required by Metro Vancouver with regards to the calculation, collection, and remittance by the member jurisdiction of Development Cost Charges levied under the GVS&DD and GVWD DCC Bylaws.

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

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

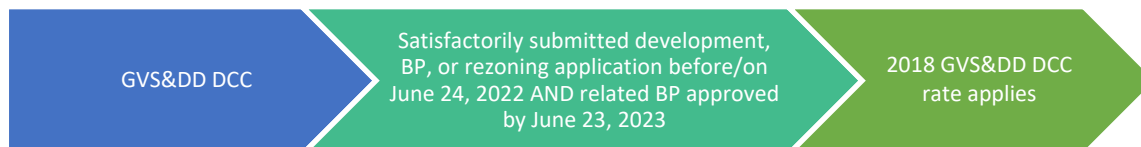
Local Government Act, Division 19, Section 568 - Effect of bylaws adopted after application for rezoning, development permit or building permit submitted

568(2) - Subject to subsection (3), a development cost charge bylaw that would otherwise be applicable to the construction, alteration or extension of a building or structure has no effect with respect to that construction, alteration or extension if

- a. the building permit authorizing that construction, alteration or extension is issued within 12 months after the date the bylaw is adopted, and*
- b. a precursor application to that building permit is in-stream on the date the bylaw is adopted.*

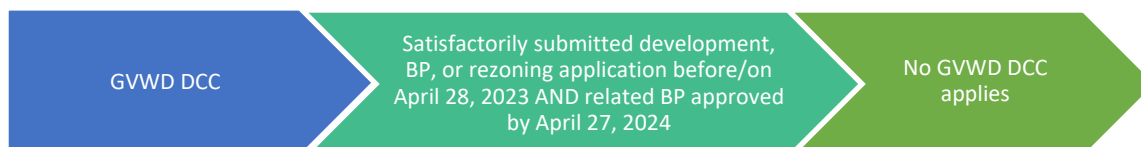
GVS&DD – Effect of New DCC Rates adopted June 24, 2022

If you had a “precursor application” (as defined in the Act) “in-stream” (as defined in the Act) on June 24, 2022 (being the date of adoption of the new GVS&DD DCC bylaw), and a building permit authorizing the construction, alteration or extension of a building related to that precursor application is issued before June 23, 2023, then you will not be subject to the new GVS&DD DCC rates and will be charged the previous (2018) GVS&DD DCC rates.



GVWD – Effect of New DCC Bylaw adopted April 28, 2023

If you had a “precursor application” (as defined in the Act) “in-stream” (as defined in the Act) on April 28, 2023 (being the date of adoption of the new GVWD DCC bylaw), and a building permit authorizing the construction, alteration or extension of a building related to that precursor application is issued before April 27, 2024, then you will not be subject to the new GVWD DCC Bylaw and no GVWD DCCs will be payable.



10. Who to contact for more answers?

Questions about the GVS&DD and GVWD DCC Waivers for Affordable Housing or the Regional Affordable Housing Strategy:

Diana Jeliaskova, Regional Planner, Regional Planning

Tel: 604-436-6780

Email: Diana.Jeliaskova@metrovancover.org

Questions about the collection of GVS&DD and GVWD Development Cost Charges:

Scott Forsyth, Division Manager, Budgets, Business Support & Analysis

Tel: 604-436-6839

Email: Scott.Forsyth@metrovancover.org

Updated April 28, 2023