

Mar. 20th 2018



## Newsletter

### **ADVOCACY** **PROVINCIAL**

**Budget 2018 Follow-up:** UDI continues to have significant concerns of the cumulative impacts the new housing tax measures will have on increasing the costs of all forms of residential development, including purpose-built rental. The increases to the Luxury Property Transfer Tax (PTT), the Foreign Buyers' Tax (FBT), the School Property Tax, and the yet to be defined Speculation Tax, will substantially add to the costs of residential development. All of these increased costs will ultimately be passed onto tenants and home buyers, further hurting affordability.

Further to our March 5 [letter](#) to Minister James and Minister Robinson, UDI continues to meet with provincial officials to clarify how development scenarios will be impacted, and wherever possible, work to resolve the unintended consequences of these policies. UDI Okanagan and UDI Capital Region are actively engaged and have also shared their concerns directly with the Ministers responsible.

While UDI appreciates the efforts of government staff to provide clarification on a number of implementation issues from the Budget, the Province has yet to formally respond to our concerns and specific [recommendations](#) to ensure development lands are excluded from the increased tax measures.

**B.C. Utilities Commission (BCUC) Electric Vehicle (EV) Charging Service Inquiry:** As noted in previous newsletters, UDI is participating in a [BCUC Inquiry into the Regulation of Electric Vehicle Charging Services](#). On March 16, UDI provided the attached [letter](#) to the Commission regarding development industry issues with EV charging services. The BCUC will now be hosting several input sessions:

Subject	Location	Date	Time	Address
Castlegar Community Input Session	Sandman Hotel Brilliant Ballroom	2018/03/26	06:00 PM	1944 Columbia Avenue, Castlegar, BC
Victoria Community Input Session 1:00 p.m. – 4:00 p.m. and 6:00 p.m. – 9:00 p.m.	Sandman Hotel Orchid Room	2018/04/09	01:00 PM	2852 Douglas Street, Victoria, BC
Nanaimo Community Input Session 12:00 p.m. – 3:00 p.m.	The Grand Hotel Crystal Room	2018/04/14	12:00 PM	4898 Rutherford Road, Nanaimo, BC
Vancouver Community Input Session 12:00 p.m. – 3:00 p.m. and 6:00 p.m. – 9:00 p.m.	Allwest Reporting Hearing Room	2018/04/16	12:00 PM	12th Floor, 1125 Howe Street, Vancouver, BC

## REGIONAL

**Mayors' Council on Regional Transportation and Province of BC Regional Funding Agreement:** On March 16, The Mayors' Council and the Province [announced](#) a milestone agreement to fund the regional share of Phase Two of the Mayors' 10-Year Transportation Plan. Phase Two of the plan includes the Surrey-Newton-Guilford LRT, Millennium Line Broadway Extension, significant upgrades to the existing Expo-Millennium Lines, and an 8% increase in bus service.

To fund Phase Two projects, the Mayors' Council is proposing increases to transit fares, parking taxes, property taxes, and of specific interest to our members, about a \$300 to \$600/unit increase to the new Development Cost Charge (DCC). It is important to note that the proposed DCC increases for transit will be *in addition* to the \$1,200 to \$2,100/unit charges [approved](#) by the Mayors' Council on December 7, 2017, and expected to be in place by 2020. Provincial legislative changes are required to enable the Mayors Council to levy the proposed DCC.

While UDI has long championed the urgent need for significant transit expansion across the region and has been conditionally [supportive](#) of a modest regional DCC to contribute to funding the 10-Year Plan, UDI is extremely disappointed that the Mayors' Council and Province chose to propose a significant increase to the revenue target for the DCC to \$27.5 million annually, just three months after finalizing the initial \$20 million target. Furthermore, there was no consultation with UDI or our industry prior to Friday's announcement.

Moving forward, UDI will continue to share our [concerns](#) that the proposed regional DCC provides no mechanism to cap the ability of the Mayors' Council to independently increase the rates substantially in the future.

## MUNICIPAL

### City of Vancouver

**Vancouver Building Bylaw Updates (ESC Changes):** On March 13, the City of Vancouver hosted an information session on their [Vancouver Building bylaw changes](#). Most of the changes to the VBBL pertained to purely residential dwellings 6 storeys and under, came into effect on March 1 2018, aligning energy performance requirements with those for single family dwellings. The session detailed changes to [energy requirements for new residential 1-6 storey](#), as well as [energy requirements for single family home renovations](#), updated [wall thickness exclusions](#) for the space that increased insulation requirements took up, and [new relaxations for Passive House](#).

The information session also presented on new [building requirements for EV-readiness](#) and [energy efficiency updates to building bylaw](#). As a result of previous input from UDI members, City staff have adjusted some of the proposals on energy efficiency. Staff are recommending that the City adopt Step 2 of the ESC no earlier than January 1, 2019, and clarified that projects that have Stage 1 (excavation) Building Permit before this date will not be affected. The adoption of Step 3 would be deferred from January 1, 2020 to 2021. They will also be including water amendments to the VBBL that include some measures required by the BC Building Code, and also some EnergyStar appliance requirements. The City will be issuing a final consultation letter to industry detailing the updated proposals within the next week.

**Cambie Corridor Phase 3:** Soon after the March 5 meeting with UDI members, the City of Vancouver released the [Final Draft of the Cambie Corridor Plan](#), and the [Cambie Corridor Public Realm Plan](#). The City also met with UDI again on March 15<sup>th</sup> to discuss concerns about potential downzoning of some Cambie Phase 2 properties, increases in fixed Community Amenity Contributions (including for phase 2 properties) noted below, and servicing costs (especially with regard to sewerage). **UDI will be drafting a response to the Final Draft Plan.** If you have any **questions or comments**, please contact [Marissa Chan-Kent](#) at 604-661-3033.

## Proposed CAC and DB Rates

Plan	Category	Type of rate	Existing rate	Proposed rate
Cambie Phase 3	Townhouse	density bonus	-	<b>\$65</b>
	4 storey residential	fixed rate CAC	-	<b>\$80</b>
Cambie Phase 2	4 storey residential	fixed rate CAC/density bonus	\$68.18	<b>\$80</b>
	4 storey mixed-use	fixed rate CAC	negotiated	<b>\$30</b>
	6 storey residential	fixed rate CAC	\$68.18	<b>\$115</b>
	6-10 storey mixed use	fixed rate CAC	negotiated	<b>\$125</b>
Marpole	Townhouse	density bonus	FSR 0.75-1.2: \$12.10	<b>\$25</b>
	4 storey residential (remaining RM-9)	density bonus	Tiered: FSR 0.75-1.2: \$12.10 FSR 1.2 - 2.0: \$66.55	<b>\$66.55</b> (remove tiered structure)
	6 storey residential	fixed rate CAC	\$66.55	<b>\$90</b>

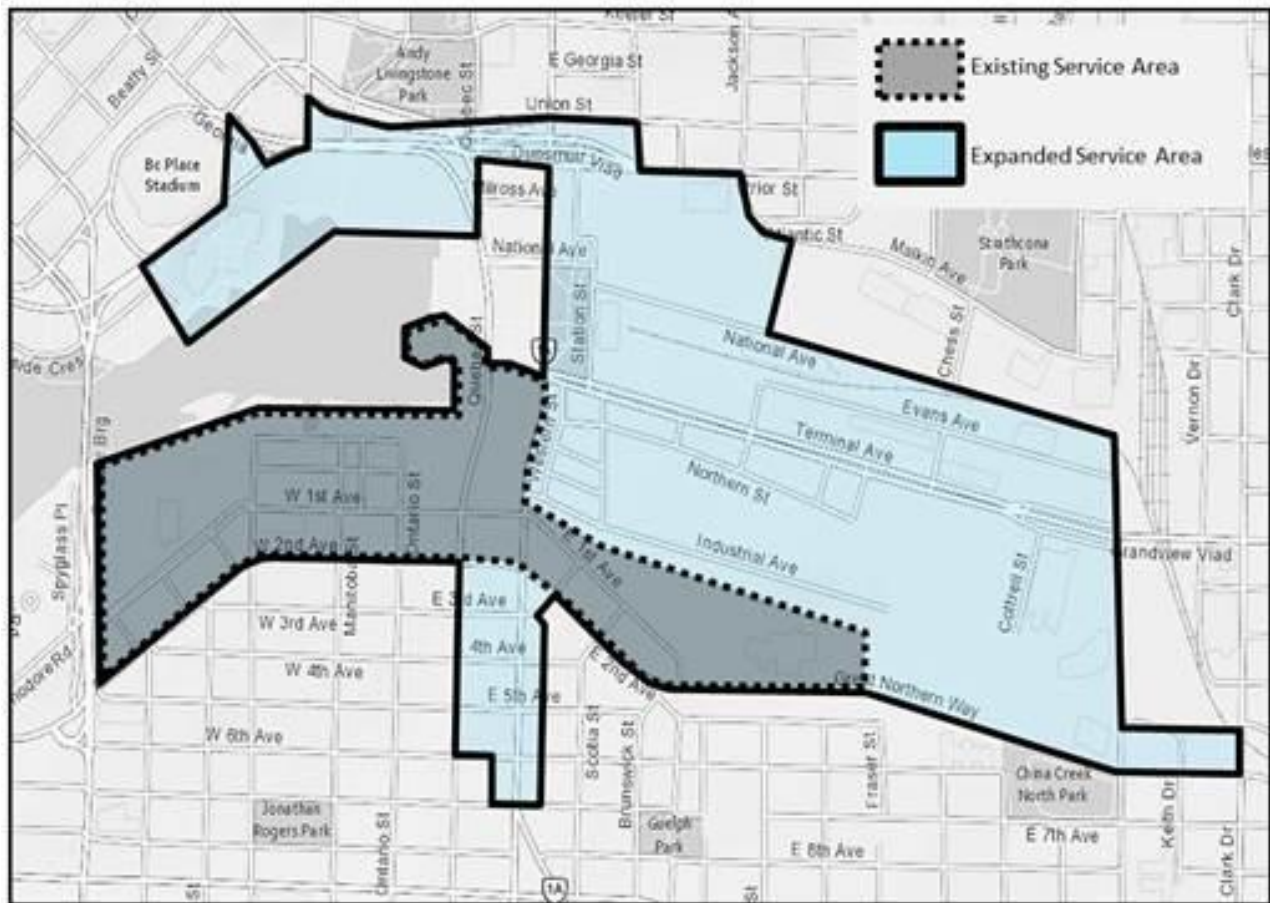
**Electric Vehicle (EV) Charging Infrastructure** – On March 14, Vancouver City Council [approved](#) the following [report](#) on EV charging infrastructure in new residential buildings. UDI has consulted on multiple occasions with the City and we were very pleased that the City was able to push the implementation date from summer 2018 to January 1, 2019 in order to avoid catching projects in-stream. Furthermore, projects that have Development Permit applications in place when the bylaw comes into effect will be exempted from the new requirements. The City also increased the planned capacity building efforts in advance of the updated requirements coming into force to ensure there's adequate opportunity to understand them. UDI will be working with the City to create a technical bulletin outlining the implementation intentions and options for energy management systems. The City will also hold informational sessions on utilizing EV energy management systems and to further clarify the by-law changes and implications for owners and managers.

**Neighbourhood Energy Utility Expansion (NEU): Optimization Working Session** - On February 21, 2018 City Council [approved](#) expansion of the service area for the City-owned False Creek Neighbourhood Energy

Utility (NEU) to parts of Mount Pleasant, Northeast False Creek and the False Creek Flats (see map below). Staff held an initial meeting with UDI members on January 16, 2018 - see here for the [presentation](#) and the [NEU 2018 Customer Rate Report](#) that was provided to Council. The City is seeking further input from the UDI on technical design and optimization opportunities that could improve performance and add value for developers and customers. Key principles guiding the exploration of system optimization include the following:

- Maximize energy efficiency and recovery of waste heat
- Preserve 100% renewable energy outcomes
- Achieve economic efficiency and affordability
- Maintain long-term technology flexibility
- Balance innovation and risk
- Maximize design flexibility and co-benefits for connected buildings

Members that have interests within the existing SE False Creek and/or expanded service area are invited to attend the working session being held on April 5, 2018 from 9:30-11:00 AM, in the Business Centre Meeting Room located on the 2nd floor of City Hall. Please register for the session by emailing [Marissa Chan-Kent](#) or at 604-661-3033.



### **City of Richmond**

**BC Energy Step Code Implementation for "Part 3" Buildings:** As noted in previous Newsletters, the City of Richmond has hosted several workshops regarding the implementation of the *B.C. Energy Step Code (ESC)* in the municipality. They hosted their final workshop for Part 3 buildings on March 6, 2018 (please see the [attached](#) PowerPoint slides). It is anticipated that staff will be going to Council for approval of a By-law in March/April, and the By-law would come into effect on June 1, 2018. However, there will be grandfathering provisions.

**Draft Market Rental Housing letter:** UDI has written and submitted a [letter](#) to the City of Richmond regarding their proposed draft market rental housing policies. In the letter, UDI outlines our preference for more flexible approaches and avoiding restrictive policies. City staff are looking at going to the Planning Committee and Council in May 2018.

### **Township of Langley**

**Maintenance and Warranty Periods (letter to council):** UDI has written a [letter](#) with GVHBA to the Township of Langley Council voicing our concerns and opposition in expanding municipal charges on new development for maintenance and operating costs.

**Community Amenity Contributions (CACs):** As noted in our previous newsletter, the Township is anticipating a substantial increase in Development Cost Charges later this year, and will be introducing a new CAC fee. The Township is hosting an Open House regarding the CACs on April 5 between 3:00 and 7:00 p.m. in the Yorkson Meeting at the Township Hall (20338 65 Avenue). The focus of the Open House will be to obtain community input on a preliminary list of amenities that would be considered for the CAC program.

### **City of Burnaby**

**Green Building Policy** – The City of Burnaby recently presented their proposed Green Building Policy to UDI on Electric Vehicle (EV) charging in new residential developments and changes to the Energy Step Code (ESC) for New Part 3 Buildings. See [here](#) for the presentation that was brought to the Burnaby Liaison Committee meeting on March 14. The City aims to bring a draft policy report to Council by April, followed by additional stakeholder consultation from April to June, and finishing in June with the final policy presentation to Council.

- **ESC** – The City is currently consulting on the [Proposed Changes for the Energy Step Code for New Part 3 Buildings \(ESC\)](#) and is looking to require Step 3 for multi-family residential buildings and Step 2 for commercial/office buildings. The potential inclusion of a carbon target of 6kg/m<sup>2</sup>/y and requirement of building benchmarking, are also being explored. Exemptions will apply to projects with accepted development applications. However, they will have to meet minimum Step 1 + energy benchmarking. Future rezonings and master plan communities may need to comply with the new rules. Details forthcoming on this piece.
- **EV Charging For New Residential Development** - The proposed policy for [Electric Vehicle Charging in New Residential Developments](#) outlines that all required parking stalls be provided with access to an energized outlet for Level 2 (208 or 240V) EV charging (excluding visitor stalls and secondary suites). Load-sharing technology would be allowed, as provided for in the 2018 Canadian Electrical Code. The policy is proposed to be implemented through an amendment to the Zoning Bylaw. It is estimated that the cost for multi-family buildings for this approach would be approximately \$1200 per stall at time of construction. Full installation of Electric Vehicle Supply Equipment (Level 2 or Direct Current Fast Charge) by the developer would no longer be required. EV charging infrastructure requirements were based on the City of Richmond's Zoning Bylaw – see technical bulletin [here](#). There will be proposed exemptions for in-stream projects that have advanced past Public Hearing (2<sup>nd</sup> reading).

The City has asked stakeholders and the public to fill out a [survey](#) by March 21 to better inform the next stages of their Green Building policy development. We urge UDI members to fill out this survey and get in touch with [Marissa Chan-Kent](#) with any further questions.

### **District of North Vancouver**

**Complex Site Rezoning Fee:** At its March 12 meeting, Council gave first, second and third readings to amendments to the District's Fees and Charges Bylaw (starting on page 229) that would increase the fees for large/complex rezoning projects. The new rezoning fee will be "... \$150,000 for the first 10,000m<sup>2</sup> of site area plus \$350 per additional 100m<sup>2</sup> of site area with a maximum fee of \$750,000. Sites which would be applicable to this fee are 6,000m<sup>2</sup> or larger in area (approximately 1.5 acres) and have development complexity ...".

Development complexity is defined as:

- *“The proposal includes or results in multiple parcels and 1 or mixed-use;*
- *The proposal is for a CD zone or a split zone;*
- *There is a density bonus bylaw;*
- *The site includes a phased development agreement;*
- *There are new roads, park or other dedications; or*
- *The proposal includes a housing agreement (for more than strata rental protection).”*

UDI and large/complex site applicants were consulted regarding the fee increase, and there was general support for it because the District will be providing dedicated staff resources to those large/complex projects. It is anticipated that the fees will be approved by Council on March 19, 2018.

#### **City of Maple Ridge**

**Community Amenity Contribution (CAC) Allocations to Affordable Housing:** On March 6, City staff provided Council with a [Report](#) (starting on page 4) recommending that Maple Ridge “... *allocate all CAC funds collected from the previously exempted Town Centre area to affordable housing until funding reaches a maximum of 20% of total CAC’s collected City-wide ...*”. After some discussion, it was decided that UDI and the Greater Vancouver Home Builders’ Association should provide a presentation to Council on the issue. The presentation will occur on April 17, 2018.

#### **City of Coquitlam**

**Community Planning Update** – The City of Coquitlam recently presented UDI with the attached [presentation](#) regarding their Community Planning Update, which included the next steps for Oakdale development and a Housing Choices Review as well as an update on the Housing Affordability Strategy.

- **Oakdale Update** – The City will be rolling out a survey in the next couple of weeks to consult with the community about changes in Oakdale. The intention of this outreach will be to build a consensus with Oakdale residents regarding future land uses and identify opportunities and constraints for transportation access and servicing. The project timeline is estimated to carry through the next election with the new Council adopting the plan in 2019.

**Housing Affordability Strategy (HAS) Update** – The City relayed the following [presentation](#) on the updated work and requested UDI feedback on the definitions in the HAS bylaw at the latest Coquitlam Liaison Committee meeting on March 16. The City is looking to add clarity and predictability to the HAS bylaw. The City requested UDI input on the following terms to be included in the upcoming user implementation guide that will be distributed to stakeholders:

- Defining Market (related to “below market” incentives)
- Defining 3 bedroom units
- Defining value (related to “in-kind” contributions)

Furthermore, regarding borrowed light bedrooms, the City will be creating a future family friendly guidelines to explore this issue further and welcomes UDI’s participation.

UDI members generally agreed with the City definitions for the above terms - details of which are included in the presentation. UDI will submit a formal letter in support of these defined terms within the next week. If you’d like to provide input or have feedback, please contact [Marissa Chan-Kent](#) at 604-661-3033. The City is also planning to host a Housing Forum in late May or early June to better facilitate partnerships with developers, senior levels of government and housing operators. Details forthcoming.

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