



October 2, 2018



Newsletter

UDI PROPERTY TAX COMMITTEE – INFORMATION BULLETIN

In a span of two years, new property taxes have completely changed how property owners should strategize ways to reduce the annual tax burden on their real properties. There are now **THREE** new residential taxes that must be considered in any budgeting, tax planning, and tax strategy. These new taxes are applicable to residential properties (which include development sites and airspace) and carry punitive tax rates. In many cases, either by themselves or when layered together, the new taxes exceed commercial tax rates. **This means properties can easily incur tax increases at a magnitude of 2.50 times and as much as 15 times.** As such, traditional tax strategies of shifting properties to residential class now need to be completely rethought, and will still work in some circumstances, while not in others. [See here for full information bulletin.](#)

Also, please do not forget that **October 31st is the actual use and permitted use date for the classification of properties on the assessment roll. Most property tax strategies revolve around this date. It is highly recommended that you get in touch with your property tax expert now.**

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ADVOCACY

PROVINCIAL

Rental Housing Task Force Recommendation: On Wednesday, September 26, the Provincial Government accepted the recent recommendation made by the Rental Housing Task Force to change the allowable maximum rent increase formula. The recommendation is to change the maximum rent increase formula, from the current formula of inflation plus 2%, to inflation only, which would remove the automatic 2% yearly increase (with TBD provision to apply for an additional increase if formula would not cover maintenances and other costs incurred). This means that the 2019 maximum allowable increase will roll back from 4.5% to 2.5%. This policy change comes into effect on January 1, 2019. See the Premier's and Minister of Municipal Housing's news release [here](#).

UDI has expressed concern and disappointment in the adoption of this seemingly hasty and short-sighted recommendation that lacks economic evidence to substantiate this significant change. Furthermore, the steadily increasing costs faced by rental providers is well documented – see [Landlord BC's analysis](#) - and is in stark contrast to the rationale provided by the Rental Housing Task Force to justify this recommendation. UDI's main concerns with the implementation of this recommendation include:

- Making important improvements unaffordable as Rental Housing Providers can no longer recover these costs through rents;
- The onerous bureaucratic process to apply for any additional increases beyond CPI (as seen in Ontario and Manitoba);
- Some purpose built-rental projects that were in the planning stages will either be delayed or shelved entirely, as they will be financially unviable;
- Potential conflicting policies between the proposed Building Code For Existing Buildings and the caps on allowable rent increases.

The Goodman Report has [compiled information on the significant volume of rental projects that are currently underway](#) that will be at stake with the adoption of this recommendation. The uncertainty and cost burden on Rental Housing Providers that will result from the enactment of this recommendation will inevitably deter, delay or cancel the building of new rental projects. UDI's Rental Housing Committee will be meeting this week to discuss our response and next steps.

Land Owner Transparency Act (LOTA) White Paper: As noted in our June 26 Newsletter, the Provincial Government released a [Land Owner Transparency Act White Paper](#). Their intent is to establish "... a new, publicly accessible registry of who owns real estate in British Columbia." Under the proposed legislation, the Province would establish a registry of beneficial ownership information, which would be shared with the law enforcement and tax agencies as well as the public. UDI's Real Estate Legal Issues Committee provided the [attached](#) response to the proposals, and will be seeking additional consultation from the Government. UDI is also organizing a Breakfast Seminar on LOTA.

Real Estate Industry Reviews: On September 27, the Province [announced](#) two probes into the Real Estate Industry:

- **A Ministry of Finance Expert Panel on Money Laundering in Real Estate**, which "... is designed to uncover the nature, and if possible, the extent of money laundering in real estate and make improvements to market manipulation and abuse policies, procedures and practices within the broader real estate industry in British Columbia."; and
- **Part two of the Attorney General's money laundering review** by Peter German, which will focus on:
 - "Links between real estate activity and money laundering in B.C. casinos, including the scale and patterns of real estate activity with potentially fraudulent or illegal transactions by casino patrons;
 - Money laundering in the real estate sector connected to criminal enterprises in B.C. or elsewhere, including analysis of the extent of the problem;
 - The use of lawyers' trust accounts to mask sources of funds in real estate transactions;
 - Money laundering in the construction industry, including abuse of builders' liens;
 - Any other conduct in which there is an identifiable link between organized crime and real estate transactions in B.C.; and
 - Connections between organized crime and money laundering in the horse racing and luxury car industries."

Final reports for both are anticipated in March 2019. UDI will be seeking opportunities to meet with the Expert Panel and Peter German.

Proposed Energy Step Code Metrics Update: At its September 19, 2018 meeting, the members of the Energy Step Code Council endorsed the following proposed changes to the BC Energy Step Code metrics, for consideration by the Minister of Municipal Affairs and Housing. The Energy Step Code Council is recommending a number of extensions and minor improvements to the BC Energy Step Code that will allow more communities to participate in the transition to net-zero energy ready buildings. Please visit the Energy Step Code [website](#) to see a full description of the [2018 Metrics Update](#). If you have any questions or concerns please contact [Jeff Fisher](#).

REGIONAL

British Columbia Building Envelope Council (BCBEC) event: BC Housing and the BCBEC will be holding a one-day symposium on Friday, October 26 that will cover:

- Discussion around the new BC Energy Step Code and upcoming BC Building Code changes as they relate to building envelope requirements
- New guidelines on TEDI and energy modelling
- Whole building airtightness testing
- Acoustic requirements, thermal comfort and radiant heating
- The impact of climate change on building design and adaptation

Deadline to register is October 24 at 12:00 pm. The event will be held at JQ Marriott Parq, 39 Smithe Street, Vancouver from 7:00 am – 5:00 pm. For more information, see [here](#).

TransLink Modifications to Trolley Overhead Program: TransLink is currently modifying the process for building near trolley overhead (TOH) lines to ensure a safe, cost-effective and reliable transit network. As part of this process, they are meeting with stakeholders from the development community to raise awareness of the proposed changes and to solicit feedback before the changes go into effect January 2, 2019.

To learn more about the modifications to the TOH Program, please review the [table of changes](#) provided or visit TransLink's website for a [presentation and FAQ sheet](#). If you have any questions, please email TOHreview@translink.ca.

MUNICIPAL

City of Vancouver

Mark your calendars for October 10 for a UDI Breakfast Seminar you won't want to miss! Find out how ZEBx, the Province and the City of Vancouver are working to support and provide new incentives for building early energy efficient high performance buildings in order to meet the following timelines:

- City of Vancouver's Zero Emission Building Plan – requires new buildings to be near zero emissions by 2025.
- BC Energy Step Code – sets the path for all new buildings to be net zero ready by 2032.

Learn from the panel about upcoming initiatives (Provincial Better Building Incentives Program), opportunities and tools that have been developed to support early champions in the green building sector, and hear about their experience moving to near-zero emissions building practice.

[Register Now](#)

Regulation Redesign: Regulation Redesign is a project to simplify the City's land use regulations, policies, review processes and online tools. It is identified as a priority action in both the City's 2018 Corporate Plan and Housing Vancouver Strategy.

The current Zoning and Development By-law was adopted by City Council in 1956. It has been amended extensively but a comprehensive review has never been undertaken. Over the years, implementing land use regulations and policies has become more complex with the addition of layers of regulations and policies, which has resulted in longer permit processing times. A comprehensive review is needed to streamline regulations so as to simplify application processing.

Objectives of the Regulation Redesign

- Create user-friendly land use regulations and policies by simplifying and updating regulations and policies (e.g. improving format, ensuring consistent terminology);
- Reconcile competing objectives and conflicts between policies and regulations;
- Streamline application processing;
- Ensure land use regulations and policies advance City policies and priorities; and
- Improve communication and information sharing about regulations, policies and processes.

For more information please visit the project [website](#). For the City's PowerPoint as presented at the Vancouver Liaison Committee meeting, please see [here](#).

Utilities DCL: On September 25, City of Vancouver staff presented an update on the implementation of the Utilities DCL which takes effect on September 30, 2018. See [here](#) for the PowerPoint presentation from the City of Vancouver to the Vancouver Liaison Committee. The Utilities DCL will be levied city-wide and is in addition to other DCLs. The Utilities DCL addresses the need for upgraded water, sewer and drainage infrastructure as the city continues to grow. The Utilities DCL will be used to upgrade neighborhood serving infrastructure in many parts of the city. For all rezonings, 'local servicing' will remain the responsibility of developers. The City has developed a 2019-2026 Utilities DCL Project List whereby the timing of all projects has been specified. If an applicant needs to advance a Utilities DCL project ahead of schedule, the City may consider entering into a DCL front-ending agreement whereby a developer builds and finances a project and the City collects and forwards future DCLs to the front-ending developer. An applicant's guide to front-ending agreements will be posted on the [city's website](#) as will the City's 2019-2016 Utilities DCL Project List.

Community Benefit Agreements (CBAs): As noted in the previous newsletter, staff brought forward a [CBA policy](#) to Council on September 18. It was approved, and the City has provided a [set of FAQs](#) on Policy. CBAs will be a condition of rezoning for projects greater than 45,000 m² (484,375 sq. ft.). There is a 10% requirement for project employment to be sourced from equity seeking communities and a 10% procurement target. Although proponents are to use "best efforts" to meet the requirements of the CBAs, staff have also informed Council that the goals are "aspirational". The City will also be establishing a Working Group to help manage the implementation of the policy that will be made up of staff, social enterprise organizations and developers who will be impacted by the CBA policy. UDI will be meeting with City staff in the coming weeks about the CBA Working Group.

City of Burnaby

Rental Replacement and BC Housing Presentation: On September 4, BC Housing presented to the UDI Liaison Committee and City of Burnaby Staff regarding their current initiatives. Programs included funding opportunities through the Community Housing Fund (CHF) for projects that incorporate supporting housing for vulnerable groups, to be operated by non-profit partners. BC Housing, also provided an overview of opportunities for low-cost financing, access to land, and no or low-capital equity available through the recently launched [Housing Hub program](#).

The City of Burnaby also provided an update on the status of several projects currently delayed due to the changing rental replacement policy. UDI members provided feedback to the City regarding the implementation of rental-only zoning and mandatory 1:1 replacement of rental units. UDI provided further comments in a [letter](#) sent to the City.

The City has directed developers with projects currently caught in the changing policies, to revisit their rental provisions and consider partnerships with Provincial and Federal Housing authorities. Assurances were provided, that should developers re-submit their applications with the relevant changes, they will be considered prior to the final approval of the rental replacement policy.

City of Richmond

Energy Step Code (ESC): At the September 26 Liaison Committee meeting, staff reviewed and provided a [memo](#) to UDI members on the current ESC requirements in Richmond, which are:

- Step 3 for Part 9 townhouses;
- Step 2 for Part 3 office and retail;
- Step 3 for Part 3 wood-frame (6 storeys or less) residential buildings; and
- Step 3 for Part 3 concrete (more than 6 storeys) residential buildings – **or** Step 2 with a Low Carbon Energy System (i.e. either the City's District Energy System or one in which 70% of a project's energy comes from renewable sources).

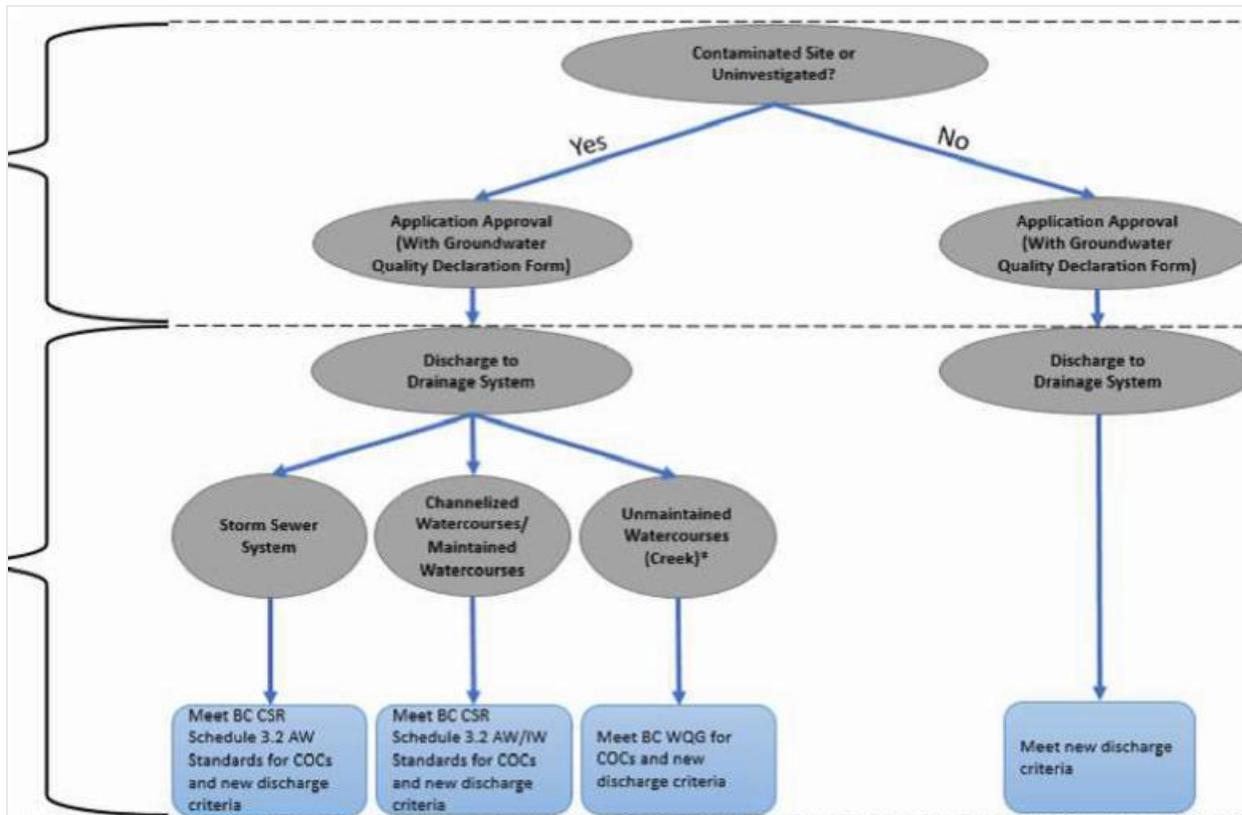
If a proponent seeks to build their own Low Carbon Energy System, it must be provided to the City free of charge. UDI representatives requested that a sub-committee discuss the Low Carbon Energy System option – specifically why the City is taking ownership of the systems built by developers. The Richmond memo also includes information on exemptions for instream applications, and future changes to the City *ESC* requirements, including in 2019.

Market Rental Housing Policy: On September 4 Council passed a *Market Rental Housing Policy* that was in line with what was outlined in previous UDI newsletters. At the September 26 Liaison Committee, staff provided UDI members with the City's [Bulletin on Policy](#). The Policy covers a wide range of issues, including:

- Redeveloping Existing Market Rental Housing;
- Strata Conversion;
- Incentives for New Market Rental Housing; and
- Secondary Suites in Multi-family Developments.

Council has requested that staff review further potential incentives for new purpose-built rental housing. UDI's will be meeting with the City regarding that review. At the September 26 meeting, issues with the Richmond's current Housing Agreement were also raised. They will also be discussed as part of the review. If you have any questions or issues, please contact [Cassandra McColman](#).

Non-Stormwater Discharge Process Changes: The City of Richmond presented a [revised Non-Stormwater Discharge Process](#) to the Richmond Liaison Committee at their bi-monthly meeting held on September 26. Based on feedback from developers and consultations with other municipalities, the City has proposed the changes to the dewatering application resulting in the process outlined below:



Notes: * includes watercourses within 5m and 15m of any Riparian Management Area (RMA)

UDI is supportive of these changes and will be submitting formal feedback to the City of Richmond. If you have any questions or would like to provide feedback on this initiative, please contact [Cassandra McColman](#).

City of Coquitlam

Development Application Review Process: The City of Coquitlam is undertaking a comprehensive Development Application Review Process (DARP). Through a multi-departmental approach, the City has begun analysing the current process and looking for areas where improvements can be made. This will include a shift toward the automation of some services where possible. The City will be organizing a stakeholder workshop with UDI members, with more information to be made available at a later date.

Phased Demolition Process: The City of Coquitlam has introduced a conditional permit option to reduce processing times for demolition permits. This change will allow a conditional demolition permit to be issued at the front counter, so that the owner/agent can proceed with the notice to end tenancy and required reviews prior to the issuance of a final demolition permit. The new Phased Demolition Permit Process is effective immediately, and can apply retroactively on a case-by-case basis.

Electric Vehicle Charging (EVC): At the September 21 Liaison Committee, City staff reviewed the new EVC requirements for new construction. They also provided a [Guide](#) on the requirements, which are, "For apartment, townhouse and street-oriented village home residential uses, a minimum of 1 parking space per dwelling unit shall be equipped with an energized outlet for an EV capable of providing Level 2 charging or higher." Energy management software is allowed under the policy, which will lower the estimated hydro load in buildings, as electricity charging can be shared amongst several outlets.

City of North Vancouver

Inclusionary Zoning and Mid-Market Rental Policy Amendments: On Wednesday, September 26, City staff provided a [presentation](#) on amendments to the Mid-Market Rental Policy and adjustments to strata inclusionary zoning policy. As a part of the Housing Action Plan 2016, there was a condition for the provision of 'Mid-Market Rental Unit' in all new market rental developments seeking a density bonus. The original policy was '10-10-10,' the policy required 10% of units in new market rental projects are required to be rented at 10% below average rents, as indicated by the Canadian Mortgage and Housing Corporation (CMHC), for a minimum of 10 years. This policy has since been changed, at the request of City Council, where new applications beginning January 1, 2019 will have to provide '10-10-in perpetuity,' meaning 10% of units at 10% below average rents in perpetuity; a recommendation from Coriolis Consulting Corp. See [the staff report and attached Coriolis report](#). Members inquired about the types of units that will be required to fulfill this policy, retention of ownership of mid-market rental, and if there will be an ability to pool or transfer below market rent units amongst developers. The City plans to continue consultations with industry stakeholders until they are prepared to present back to City Council, likely in Q1 or Q2 of 2019. If you would like to participate in the consultation process, please contact [Marissa Chan-Kent](#).

Electric Vehicle Strategy: City staff provided a [brief presentation](#) on the Electric Vehicle Strategy that was passed at Council on September 17. Council approved of the [draft Electric Vehicle Strategy](#), which outlined that, in Multi-Family Buildings that 100% of residential parking spaces equipped with an energized outlet capable of providing Level 2 charging, allowing for load management systems. Commercial buildings will have a prescribed percentage of parking spaces in new commercial and industrial buildings equipped with Electric Vehicle infrastructure. UDI submitted initial feedback prior to the approval of the strategy by City Council. Please get in touch with [Marissa Chan-Kent](#) if you would like further information.

Township of Langley

Development Cost Charges (DCCs): As noted in previous newsletters, the Township of Langley has been conducting a review of its DCC program. UDI and the Township have established a DCC Sub-committee, which met for the first time on September 25. The issue was also discussed at the Langley Liaison Committee on September 27. The Township is still finalizing the rates. However, because land costs are three times higher than when the last DCC Review occurred, there will be very substantial increases in the DCC rates. UDI has already suggested that Township staff consider phasing in the rate increases. If you have any questions, please contact [Cassandra McColman](#).

City of Maple Ridge

Electric Vehicle Charging (EVC): As noted in the last newsletter, the City is developing an EVC policy for new buildings that will be going to Council in October. The proposed policy is described in a [staff report](#), and was discussed at the September 28 Development Liaison Committee with the City staff. UDI is now drafting a response to the policy. If you have any comments/questions regarding it, please submit them to [Cassandra McColman](#) by Thursday, October 4. The following are the proposed EVC requirements:

Multi-Family Residential Development	Commercial and Institutional Development	Single Family Development
Require all off-street residential parking spaces in multi-family developments to be energized (Level 2). <ul style="list-style-type: none">All visitor parking be wired for a minimum of Level 1.	Require 10% of parking spaces to be energized (Level 2) along with the charging stations. <ul style="list-style-type: none">Applicable to developments with 10 or more off-street parking spaces.	Require 1 space for each principal dwelling unit to be energized (Level 2). <ul style="list-style-type: none">Secondary suites and detached garden suites are proposed to be exempt.

Development Liaison Committee Meeting: Besides, the EVC Policy, there were several other planning and policy issues discussed at the September 28 Development Liaison Committee that staff are currently working on:

- A Council Resolution to review [Rental Tenure Zoning](#), which, as noted in earlier newsletters, is now allowed under the *Local Government Act*;
- A [policy on infill](#) duplexes, triplexes and quadplexes;
- A [Lougheed Highway Land Use Study](#), outlined in a [staff report](#), that is being conducted in anticipation of the new B-Line Service to Maple Ridge; and
- An *Energy Step Code (ESC)* demonstration project that is being conducted to assess incremental costs and potential issues that City wants to review before establishing an *ESC* policy for new construction.

The Development Liaison Committee will be consulted in the coming months as all of these policy initiatives are developed.

District of Squamish

Squamish design panel: UDI is looking for expressions of interest to be considered for appointment to the District of Squamish Advisory Design Panel. This will be a two-year appointment, and meetings will be held on the third Thursday of each month as required, beginning at 2:00pm. This Panel will provide an objective view in the public interest, and give impartial professional advice to municipal staff and Council regarding the following areas:

- Matters relating to the context of development proposals or policies affecting Squamish's physical environment
- The design of all residential multifamily buildings, commercial and industrial buildings located in specified Development Permit Areas
- Any policies or guidelines established by the District
- All applicable development permit area guidelines, as well as any other relevant policies or guidelines established by the Council, giving consideration to:
 - The effect of proposed buildings on community design, including their physical appearance and physical/ contextual relationship to their surroundings, including existing or proposed buildings;
 - Exterior materials, textures and colours;
 - Landscape;
 - Signage and lighting; and
 - Environmental sustainability.

If you are interested in this appointment, please send your resume accompanied by an expression of interest to [Cassandra McColman](#) no later than October 19.

Community Amenity Contribution (CAC) Policy: On October 2, Squamish's [Community Development Standing Committee](#) will be considering the District's [revised CAC policy proposal](#).

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