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December 4, 2018

Councillor Christine Boyle
City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4

RE: Motion on Notice B.5: Land Value Capture in the City of Vancouver

Dear Councillor Boyle:

On behalf of our over 850 members that comprise all facets of the real estate and development and planning industry, the Urban Development Institute (UDI) respectfully submits our comments and concerns regarding the proposed [Land Value Capture in the City of Vancouver Motion](#).

After reviewing the Motion on notice, UDI supports the initial exploration of a Land Value Capture mechanism (LVC) if its application was tied exclusively to transit infrastructure. We respectfully ask that the following comments be given consideration by City Council and staff:

- That any LVC be structured in such a way that it provides increased certainty on development costs for builders. Clarity and predictability of costs will be critical if development projects are going to proceed and provide the revenues that the City is seeking.
- We would recommend that representatives from the development and home building industry, as well as property owners (eg. CHOA, BOMA, and LandlordBC), be included in prospective consultations on such a mechanism.
- If an LVC were put in place, it must be tied to the provision of additional density. One idea that we are contemplating is that there be a two-stage process whereby a set amount of supplemental density could be made available for purchase from the City as a per buildable square-foot fixed charge based a revenue target (for the infrastructure project) and the size of the catchment area around each transit project. The revenue generated by the LVC would be dedicated for transit. Above-and-beyond this, the city's regular CAC and DCL program would continue and could be used to fund other local priorities, such as affordable housing. In the event that a negotiated CAC is applied in addition to the LVC, the LVC would be included as a cost of the development.

- That an LVC only apply to land-lift generated by planned transit infrastructure. We would recommend that the LVC could only apply where a clear and substantial land-lift occurs. Other infrastructure projects mentioned by the motion (hospitals, new roads, and parks) would prove more difficult to determine the specific level of lift directly associated with these infrastructure projects. We think at this time, that the policy review should focus exclusively on transit projects.
- We would caution that double-dipping not occur in instances where projects are funded or provided directly by the private sector through CACs, DCLs, DCEs, density bonusing or in-kind contributions (e.g. parks and roads). We would not want to create a situation where the development sector provides a park and is then subsequently taxed on this newly added amenity.
- We would not want an LVC mechanism to increase community opposition to new infrastructure; therefore, a portion of land-lift generated by infrastructure projects and density should be retained by landowners. This would ensure that they are more likely to benefit and not oppose infrastructure projects and development.
- Finally, we would recommend that a review consider different land uses; for example, the impacts of new infrastructure and amenities on purpose-built rental, commercial and industrial may be different, and/or require different policies.

We ask that these recommendations and considerations be thoroughly reviewed and assessed – with meaningful industry participation. We would be pleased to discuss these issues further with Council or staff, and hope that the home-building sector will be able to work collaboratively with the City to provide more home choice in Vancouver and across the Province.

Yours sincerely,



Anne McMullin
President & CEO