



# South Coast British Columbia Transportation Authority

## Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Information Guide

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### Background

In May 2018, the *South Coast British Columbia Transportation Authority Act* (the “Act”) was amended to give TransLink the authority to impose a Regional Transportation Development Cost Charge (the “DCC”) in Metro Vancouver. The amended Act also permits TransLink to provide waivers or reductions from the DCC through a bylaw for certain categories of developments.

To support housing affordability within the region, and ease of administration for municipalities within the Metro Vancouver, TransLink adopted a policy to provide a waiver for certain eligible not-for-profit affordable rental housing and reduction for certain eligible not-for-profit affordable student rental housing from the DCC consistent with the waiver and reduction provided by the Greater Vancouver Sewerage and Drainage District (the “GVS&DD”) for its own regional development cost charge.

TransLink’s waiver and reduction are set out in its *Bylaw #125-2018 – A Bylaw to Establish a Waiver or Reduction of Development Cost Charges for Not-for-Profit Rental Housing* (the “DCC Waiver or Reduction Bylaw”).

**NOTE:** *The information provided in this guide is for your convenience only and is not a replacement for the legislation or related bylaws. Any conflict or inconsistency between applicable legislation or bylaws and this guide will be resolved by referring to the applicable legislation or bylaws. Access to the South Coast British Columbia Transportation Authority Act and TransLink’s DCC bylaws are available on our website at <https://www.translink.ca/about-us/about-translink/taxes-and-charges/development-cost-charges>.*

## Eligibility Criteria for Waiver or Reduction

Not-For-Profit Affordable Rental Housing may be eligible for a waiver of the DCC, where such housing is a Residential Use Development, Combination Development, or Supportive Living Housing Development 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 DCC waiver;
- operated as rental housing for, and made available to, people who meet certain Eligibility Criteria (as defined in the DCC Waiver or Reduction Bylaw), in exchange for Rent; 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 dwelling units will be occupied and managed.

The waiver may apply to all units or a portion of units within the development depending on whether the threshold set in the DCC Waiver or Reduction Bylaw is met. For the waiver to apply to all dwelling units in a Not-For-Profit Affordable Rental Housing development, at least 30% 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 (see table below). Where a Not-For-Profit Affordable Rental Housing development does not meet this threshold (i.e., fewer than 30% 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. It is expected that the HILs and corresponding affordable rents will be updated annually.

**Table A – 2021 Housing Income Limits (HILs) and Affordable Monthly Rents for the Metro Vancouver Region (per Suite Type)<sup>1</sup>**

Suite Type	HILs	Affordable Monthly Rent <sup>2</sup>
<b>Bachelor</b>	\$57,500	\$1,437.50
<b>1 Bedroom</b>	\$57,500	\$1,437.50
<b>2 Bedroom</b>	\$69,000	\$1,725.00
<b>3 Bedroom</b>	\$80,000	\$2,000.00
<b>4+ Bedroom</b>	\$88,500	\$2,212.50

Source: BC Housing

<sup>1</sup> 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.

<sup>2</sup> 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'.

Not-For-Profit Student Rental Housing may be eligible for a 50% reduction of the DCC, where such housing is a Residential Use Development or Combination Development that is:

- owned and operated by a Post-Secondary Institution or by a Government Business Enterprise on behalf of such Post-Secondary Institution at the time of any application for, or issuance of, a DCC reduction;
- purpose built to provide rental housing for students attending that Post-Secondary Institution;
- operated on a cost recovery basis; and
- governed by the terms of an agreement, which restricts the use of the development as not-for-profit student rental housing, made with:
  - the GVS&DD for a period of 60 years pursuant to its own development cost charges waiver or reduction bylaws; or
  - TransLink for a period of 60 years;

The amount of the waiver or reduction for the above eligible developments will be based on the DCC rate schedule set out in TransLink's Bylaw to Impose DCCs effective at the time of the waiver or reduction.

### **Application Process**

To obtain a waiver or reduction from the DCC, a developer of Not-for-Profit Affordable Rental Housing or Not-for-Profit Student Rental Housing must submit an application directly to TransLink. The application form is available on the same website that this information guide was published.

The application form must be completed in full, including the checklist of supporting documents to be attached with the application and sent to TransLink per the instruction provided. Within 15 business days of submitting the application, TransLink will provide a written notice and confirmation by email regarding eligibility for the DCC waiver or reduction.

Translink will review the application to determine if the eligibility considerations as set out in the DCC Waiver or Reduction Bylaw have been met. Not-for-Profit Affordable Rental Housing developments must also meet tenant eligibility criteria to determine whether the waiver will apply to individual Dwelling Units or whole development.

*Where a developer is also making a separate application with the GVS&DD for a waiver or reduction of their development cost charges, it is recommended that the TransLink application be sent to TransLink staff at the same time the GVS&DD application is submitted to GVS&DD staff. This will assist with TransLink's review of the application.*

Typically, regional development cost charges are collected at the time that the building permit is issued. If a development or units within a Not-for-Profit Affordable Rental Housing or Not-for-Profit Student Rental Housing development meet the conditions set out in the DCC Waiver or Reduction Bylaw, at the building permit stage, the collection entity can recommend that an application for DCC waiver or reduction is submitted for approval to Translink.

If the conditions as set out in the DCC Waiver or Reduction Bylaw are not met at the building permit stage, the DCC must be collected and remitted in the usual manner.

While it is up to TransLink to determine if the conditions have been met, it is expected that municipalities may review the application to ensure that the necessary documentation is in place and that the appropriate steps have been completed to assist developers with their waiver or reduction application and determination.

### **Contact Information**

For more information about the DCC, including waivers or reductions, please contact Tianyi Chen, Senior Manager, Real Estate Finance; by email: [dcc@translink.ca](mailto:dcc@translink.ca), or by phone: 604.307.1801.