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The Corporation of **THE CITY OF NORTH VANCOUVER**
FINANCE DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Larry Sawrenko, Chief Financial Officer

Subject: 2024-2028 REVISED FINANCIAL PLAN

Date: June 5, 2024 File No: 05-1715-20-0020/2024

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Chief Financial Officer, dated June 5, 2024, entitled "2024-2028 Revised Financial Plan":

THAT the amendments to the 2024-2028 Financial Plan for new projects identified to be funded by the Housing Accelerator Fund be endorsed;

THAT the amendments to the 2024-2028 Financial Plan for emerging priority projects to be funded by the General Reserve Fund and Civic Amenity Fund be endorsed;

THAT an amount of \$150,000 be allocated to new Project "Community Needs Assessment" using the Provision for External Contributions for the purpose of funding the 2024-2028 Financial Plan;

AND THAT "Financial Plan for the Years 2024 to 2028 Bylaw, 2024, No. 9016, Amendment Bylaw, 2024, No. 9024" (Revised Financial Plan) be considered.

ATTACHMENTS

1. 2024-2028 Capital Plan – Housing Accelerator Fund & Emerging Priorities (CityDocs#[2514530](#))
2. Financial Plan for the Years 2024 to 2028 Bylaw, 2024, No. 9016, Amendment Bylaw, 2024, No. 9024 (CityDocs# [2524341](#))

SUMMARY

This report proposes amendments to the 2024-2028 Financial Plan in order to fund the 9 projects CNV has committed to deliver in the Housing Accelerator Fund agreement and additional emerging priorities.

BACKGROUND

The Community Charter requires CNV to prepare and adopt a 5-year Financial Plan. On April 15, 2024, Council considered and adopted CNV's 2024 - 2028 Financial Plan. Expenditures for items not included in the plan are unlawful, but amendments to the Financial Plan are allowed, by bylaw, at any time.

DISCUSSION

Housing Accelerator Fund

On March 1, 2024, The Corporation of the City of North Vancouver (CNV) was awarded an \$18.6 million grant from the Federal Housing Accelerator Fund (HAF) Initiative. CNV's application to the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund was focused on the goals of expanding the supply and improving the quality, diversity, and affordability of housing in the City.

To achieve these goals, CNV developed nine initiatives to build more homes faster. These nine initiatives are listed in the table below:

	Initiative	Completion Date
1.	Multi-plex Housing: Enabling more multi-family housing and pre-zoning opportunities in lower density residential areas by developing New Zone and Development Permit Guidelines.	Feb 28, 2025
2.	Prezoning R5: Prezoning helps to speed up housing delivery by enabling development projects that are consistent with the Official Community Plan to proceed without having to go through a rezoning process. CNV will be looking at opportunities to prezone areas close to the City of North Vancouver's urban core and to public transit, with specific consideration to the R5 designated lands.	Jul 31, 2025
3.	Parking: Reviewing parking requirements for affordable housing and multi-unit developments near the Frequent Transit Network and undertaking a review of general parking standards to support increased project viability and reduce carbon footprint.	Jan 31, 2025
4.	Affordable Housing Reserve Fund: Updating the terms of this reserve to better support affordable housing providers and encourage more housing types that align with the City's housing needs as well as updating CNV's land acquisition and disposition practices to support the creation of more affordable housing on municipally owned lands.	Sep 30, 2026
5.	Mid Market Rental Policy: Enabling the delivery of more below market rental housing by updating the Mid Market Rental (MMR) Policy.	Jun 30, 2025

	Initiative	Completion Date
6.	Alternative Housing Construction: Supporting and enabling alternative housing construction to encourage pre-fabricated construction options and new construction technologies (ex. mass timber), further streamlining the construction process and reducing community impacts (ex. noise).	Sep 30, 2026
7.	Zoning Bylaw: Ending exclusionary zoning by updating the City's Zoning Bylaw and enabling more housing options.	Sep 30, 2026
8.	Inclusionary Housing Policy: Developing inclusionary housing policy to support the creation of affordable housing that meets the City's housing needs. Inclusionary policies create dedicated affordable housing units by requiring or encouraging developers to include a specified share of below-market units as part of market rental or homeowner developments.	Mar 30, 2025
9.	Development Approvals Process: Reviewing and streamlining the development approvals process to provide clarity, consistency, predictability, and stability for applicants, staff, and the public. This work will include prioritizing affordable and rental housing projects and increasing process efficiency by leveraging technological tools (such as e-permitting and electronic application submission and review) to achieve faster processing. In addition, CNV will be reviewing its financing growth tools (such as Development Cost Charges) to provide amenities that support growth.	Sep 30, 2026

These nine initiatives are anticipated to expedite the delivery of more than 530 new homes over 3 years, in addition to the City's average of approximately 1350 units for the same time period.

A portion of the funding that CNV receives through the Housing Accelerator Fund (in four installments over 4 years) is needed to fund the above 9 initiatives and ensure that CNV can quickly advance them to improve policy and planning processes, and increase the supply of new homes. The remaining funding may later be used to support the delivery of infrastructure and amenities needed to accommodate more homes and people.

The first installment (\$4,649,775) of CNV's \$18.6 million grant, announced on March 1, 2024, has been received. An amendment to the Financial Plan is required to make use of these funds to advance the above 9 initiatives.

It is proposed that CNV's HAF funding be segregated into two categories:

1. Housing Accelerator Fund Initiatives:

The first category of funds will be used to deliver on the Housing Accelerator Fund (HAF) initiatives that were included in CNV's HAF grant application that are currently unfunded. Due to the number of projects and the aggressive timelines and reporting requirements, the projects will require support from external and specialist consultants, as well as integration of new hardware and software into CNV's processes. Funding to advance these projects will be recommended for Appropriation shortly after Council considers this revised financial plan (assuming the revised financial plan is approved).

Housing Accelerator Fund Initiatives Project			
(\$000's)	2024		Total
	¹ Previous Appropriations	Revised Financial Plan	
Initiatives/Sub-projects:			
1. Multi-Plex Housing <i>Previously "Legislated Infill Changes"</i>	300	375	675
2. Rezoning R5 <i>Previously "Pre-Zoning Opportunities"</i>	250	-	250
3. Parking	-	60	60
4. Affordable Housing Reserve Fund	-	80	80
5. Mid-Market Rental Policy	-	100	100
6. Alternative Housing Construction	-	250	250
7. Zoning Bylaw	-	225	225
8. Inclusionary Housing Policy	-	200	200
9. Development Approval Process	-	675	675
Resources to Deliver Housing Initiatives ²	-	1,710	1,710
Total	550	3,675	4,225

¹ These projects were approved as a part of the 2024-2028 Financial Plan under project "Provision for Resources to Deliver Housing Initiatives" and were appropriated on January 22, 2024 and April 22, 2024 from the General Capital Reserve.

² Resources to Deliver Housing Initiatives

To deliver on the CNV's Housing Accelerator Fund commitments and provide extra units, CNV plans to hire three temporary full-time positions for the duration of the HAF period (4 years). Two of those positions will be employed in Planning & Development's Urban Regeneration & Analytics division to support the delivery of key policy projects as well as required grant reporting; the third position will join the Planning & Developments Development Planning division to support the review of planning applications and the smooth delivery of housing units.

2. Projects to Accommodate Growth

Assuming a portion of the HAF funding is used to fund the 9 HAF initiatives as outlined in Section 1 above, significant HAF funding will remain as calculated in the table below.

HAF Funding					
(\$000's)	2024	2025	2026	2027	Total
Opening Balance	-	975	5,625	10,275	
Contributions	4,650	4,650	4,650	4,650	18,600
Available Balance	4,650	5,625	10,275	14,925	18,600
HAF Initiatives	3,675	-	-	-	3,675
Remaining balance:	975	5,625	10,275	14,925	14,925

The terms of the HAF agreement offer Council a lot of flexibility in how it elects to utilize the remaining HAF funds (\$14.9M), which can be for several purposes:

- Affordable housing (construction, repair, modernization, land or building acquisition)
- Housing related infrastructure (drinking water, wastewater and solid waste management, public transit, community energy systems (LEC), disaster

- mitigation, brownfield redevelopment, broadband and connectivity, capacity building, site preparation.
- Community Related Infrastructure (local roads and bridges, sidewalks, lighting, bicycle lanes, fire halls, landscaping and green space)

Staff anticipate developing plans for the utilization of these remaining balances with Council as part of the development of future Financial Plans.

Emerging Priorities

Eastview Park Improvements - \$300,000

This project will involve developing a plan and delivering improvements at Eastview Park that will make 9-hole disc golf the primary, recreational focus. Phase 1 will be design and related engagement, estimated at \$80,000. To fund Phase 1, \$30,000 has already been appropriated so, from the \$300,000 amount above, an additional \$50,000 is needed to fund this Phase. Upon completion of the overall plan and engagement and, pending Council direction in the fall, the remaining \$250,000 is planned for Phase 2 construction and implementation.

Communications: CNV Community News - \$250,000

To support the development, design, printing and quarterly mail-out of a community householder brochure that provides project/service updates to all residents. The brochure will be a multi-page newsletter that offers important, timely and plain language information to residents and businesses. Content could include everything from information on what to do in a weather emergency to updates on housing policy changes and how to participate in electoral decision-making like referenda and alternative approvals processes. Phase 1 will be development and design of the newsletter with an estimated cost of \$50,000, remaining funds will be used for printing and distribution of 60,000 copies per quarter (4 quarters, estimated \$50K per edition).

Communications: Project and Communications Support - \$198,000

This project provides delivery of communications support, including marketing and promotion for the City, communications and engagement support, graphics, social media, and website and digital communications backup. The project was included as a part of the approved 2024-2028 Financial Plan over 3-years, with \$32,000 being appropriated on April 21, 2024:

Ref#	Project Name (\$000's)	2024	2025	2026	2027	2028	Total
10-12	Communications: Project and Communications Support	32	95	71	-	-	198
Revised	Communications: Project and Communications Support	198	-	-	-	-	198

It is requested that the project be amended in the Revised 2024-2028 Capital Plan to advance the full amount of the funding to 2024 and appropriate the remaining \$166,000 (\$198,000 less \$32,000) in 2024. The Office of the Deputy CAO has determined that the work can best be performed through temporary-full-time work. Posting the position with a two-year term year backed by the full \$198,000 appropriation is expected to make the position more attractive to potential applicants than shorter terms, so funding is

recommended to be brought forward to 2024 to enable CNV to fund the full 2 year commitment in 2024.

Community Needs Assessment - \$150,000

At the Regular Council Meeting of December 11, 2023, Council directed staff to prepare and submit an application for the UBCM Complete Communities Grant to support work to produce a Community Needs Assessment for all neighbourhoods in the City of North Vancouver. This grant was awarded to CNV by UBCM in April 2024. CNV has until April 2025 to complete the Assessment. The work will provide a geo-spatial analysis of access to daily needs (such as grocery stores, cafes, childcare, recreation, parks & public spaces, shopping, etc.) across the City to determine where gaps exist and will support future planning and zoning considerations.

The existing 2024-2028 Financial Plan contains a “Provision for External Contributions” allowing the CNV receive the UBCM grant. To make use of this external funding, a revised Financial Plan with a new project in the amount of the grant is however needed.

Housing Needs Report - \$75,000

The Province of BC has passed legislation requiring all municipalities to update their Housing Needs Report prior to January 1, 2025. These funds will be used to engage consultants to support the preparation of an updated Housing Needs Report, as well as any other contracts required to collect and analysis data connected with the provision of housing relative to identified need.

Further details on the projects requesting 2024 appropriation are in **Attachment #1**.

FINANCIAL IMPLICATIONS

The bylaw recommended for adoption in this report in **Attachment 2** incorporates the adjustments discussed in this report.

INTER-DEPARTMENTAL IMPLICATIONS

This new projects recommended in this report have been reviewed by the CNV's Leadership Team.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

The Revised 5-year Financial Plan has been prepared to support the delivery of Council's 2022-2026 Strategic Plan.

RESPECTFULLY SUBMITTED:



Larry Sawrenko
Chief Financial Officer

2024-2028 Revised Financial Plan - Capital Project Changes

Project Name	Department	2024	2025	2026	2027	2028	2024-2028	Description
Housing Accelerator Fund Initiatives	Planning & Development	3,675,000	-	-	-	-	3,675,000	The funds will be used to deliver on the CNV's Housing Accelerator Fund (HAF) initiatives that are required as a part of the Federal government's HAF grants. Due to the number of projects and the aggressive timelines and reporting requirements, the initiatives will require support from external and specialist consultants, as well as integration of new hardware and software into our processes. The nine initiatives include: (1) Multi-plex Housing; (2) Rezoning R5; (3) Parking; (4) Affordable Housing Reserve; (5) Mid-Market Rental Policy; (6) Alternative Housing Construction; (7) Zoning Bylaw; (8) Inclusionary Housing Policy; (9) Development Approvals Process. The initial \$550K of funding need to begin to deliver these initiatives has already been appropriated.
Housing Accelerator Fund:		3,675,000	-	-	-	-	3,675,000	

General Reserve Fund

CNV Community News	DCAO	250,000	-	-	-	-	250,000	To support the development, design, printing and mail-out of a community newsletter that provides offers important, timely and plain language information to residents and businesses as well as project/service updates to all residents
Project and Communications Support	DCAO	198,000	-	-	-	-	198,000	This project provides delivery of communications support, including marketing and promotion for the City, communications and engagement support, graphics, social media, and website and digital communications backup.
Housing Needs Report	Planning & Development	75,000	-	-	-	-	75,000	The Province of BC has passed legislation requiring all municipalities to update their Housing Needs Report prior to January 1, 2025. The funds will be used to engage consultants to support the preparation of an updated Housing Needs Report, as well as any other contracts required to collect and analyse data connected with the provision of housing relative to our identified need.
		523,000	-	-	-	-	523,000	

Civic Amenity Reserve Fund

Eastview Park Improvements	EPE	300,000	-	-	-	-	300,000	This project will involve developing a plan for Eastview Park that will make a 9-hole disc golf course the primary, recreational focus. An overall park plan will address spaces for passive use from adjacent community facilities, mitigate impacts on other park users, and enhance natural areas. \$30K for design has already been appropriated. The funding being requested at this time will complete design & engagement (\$50K) with the remaining being for implementation & construction (\$250K)
		300,000	-	-	-	-	300,000	

External Contributions

Community Needs Assessment	Planning & Development	150,000	-	-	-	-	150,000	This work will provide a geo-spatial analysis of access to daily needs across the City to determine where gaps exist and will support future planning and zoning considerations. This grant was awarded to CNV by UBMC in April 2024. The CNV has until April 2025 to complete the Assessment.
Emerging Priorities:		973,000	-	-	-	-	973,000	

Base Program
New Initiative
Dedicated Funds
External Contribution

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 9024

Financial Plan for the Years 2024 to 2028

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Financial Plan for the Years 2024 to 2028 Bylaw, 2024, No. 9016, Amendment Bylaw, 2024, No. 9024**” (Revised Financial Plan).
2. Schedule “A” attached hereto is the Financial Plan of the Corporation of the City of North Vancouver for the period commencing January 1, 2024, and ending December 31, 2028.

READ a first time on the <> day of <>, 2024.

READ a second time on the <> day of <>, 2024.

READ a third time on the <> day of <>, 2024.

ADOPTED on the <> day of <>, 2024.

MAYOR

CORPORATE OFFICER

**SCHEDULE "A" TO BYLAW NO. 9024
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2024 – 2028**

(1) 2024 – 2028 Financial Plan (\$000's)

For years ended December 31	2024	2025	2026	2027	2028
Revenue					
Property Value Tax	80,951	83,576	86,276	89,053	91,910
Levies (Storm and Eco)	5,565	6,847	8,333	8,811	9,269
Revenue from Fees and Services	55,255	59,442	64,313	69,592	73,083
Revenue from Other Sources	8,837	8,708	8,749	8,790	4,181
	150,608	158,573	167,671	176,247	178,443
Transfers					
Collections for Other Governments	59,940	61,139	62,362	63,609	64,881
Transfer from Reserves	146,115	82,278	60,408	70,151	58,894
External Contributions	23,045	5,718	4,045	2,632	3,362
Transfer from Capital Assets	19,500	19,890	165,288	20,694	21,108
	248,600	169,025	292,103	157,086	148,245
Total Revenues	399,208	327,598	459,774	333,333	326,688
Expenditures					
Operating Expenses					
General Government	30,261	31,017	31,792	32,587	33,402
Transportation and Transit	10,753	11,022	11,298	11,580	11,870
Health, Social Services, Housing	8,133	8,336	8,544	8,758	8,977
Development Services	9,329	9,562	9,801	10,046	10,297
Protective Services	34,978	35,852	36,748	37,667	38,609
Parks, Recreation and Culture	29,836	30,582	31,347	32,131	32,934
Water	13,170	20,553	21,412	22,199	22,955
Sewer	14,643	26,306	30,539	34,174	36,593
Solid Waste	4,242	4,298	4,408	4,521	4,638
	155,345	177,528	185,889	193,663	200,275
Capital Expenditures	149,552	48,292	27,352	36,590	27,050
Transfers					
Collections for Other Governments	59,940	61,139	62,362	63,609	64,881
Equity	19,281	19,404	19,889	20,386	20,896
Reserves	13,092	15,829	47,710	15,490	9,991
Debt Servicing	1,998	5,406	116,573	3,595	3,595
	94,311	101,778	246,534	103,080	99,363
Total Expenditures	399,208	327,598	459,774	333,333	326,688

**SCHEDULE “A” TO BYLAW NO. 9024
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2024 – 2028**

(2) Revenue Proportions by Funding Source
(Excluding Transfers)

	(\$000's)									
	2024	%	2025	%	2026	%	2027	%	2028	%
Property Value Tax	80,951	54	83,576	53	86,276	51	89,053	51	91,910	52
Levies (Storm and Eco)	5,565	4	6,847	4	8,333	5	8,811	5	9,269	5
Revenue from Fees and Services	55,255	36	59,442	38	64,313	39	69,592	39	73,083	41
Revenue from Other Sources	8,837	6	8,708	5	8,749	5	8,790	5	4,181	2
Total Revenues	150,608	100	158,573	100	167,671	100	176,246	100	178,443	100

Background: Property Taxes are CNV’s major source of revenue. CNV’s reliance on property tax as a source of revenue has increased gradually over the past several years. This trend is partially due to the lack of access to other types of revenues. Where feasible, CNV charges user fees for services, however this is not possible for many services. The 2024 – 2028 Financial Plan projects the percentage of revenue coming from property taxes to decrease gradually, due to the assumptions in place surrounding growth of revenue from Fees and Services, particularly within Utilities where rate increases need to account for significant future costs from Metro Vancouver.

Policy: The City will continue to look for ways to reduce the overall percentage of revenue that comes from property tax, by pursuing alternate revenue sources, and remains committed to charging user fees for services where feasible.

(3) Distribution of Property Taxes among the Property Classes

Property Class and Description		Tax Allocation %	
		2023	2024
1	Residential	56.68%	57.29%
2	Utilities	0.45%	0.43%
4	Major Industry	11.32%	11.11%
5	Light Industry	0.94%	0.95%
6	Business And Other	30.57%	30.18%
8	Recreation/Non-Profit	0.04%	0.04%

Background: Council adopted a Long Term Property Tax Strategy to shift taxes from the Business and Other and Light Industry tax classes to the Residential tax class. The goal of this strategy was to move CNV’s tax rates and tax rate ratios to a competitive position within the Metro Vancouver Region, while maintaining principles of fairness and equity. As CNV’s tax rates and tax rate ratios are now competitive within the region, Council endorsed an across the board tax rate increase for 2024.

Policy: CNV will continue to distribute property taxes among the various property classes to keep tax rates and tax rate ratios competitive within the Metro Vancouver Region, while maintaining the principles of fairness and equity.

**SCHEDULE “A” TO BYLAW NO. 9024
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2024 – 2028**

(4) Use of Permissive Tax Exemptions

Background: Council currently allows Permissive Tax Exemptions to organizations within the City, in accordance with authority provided under the Community Charter. The Community Charter shows various types of institutions as eligible, including religious institutions, providers of social housing, and not for profit societies and service organizations.

Policy: CNV has adopted a policy that includes a set of criteria for approving Permissive Tax Exemptions. This criteria links taxation exemptions to desired community needs and outcomes. Applications are also assessed on whether or not uses are available to a significant portion of community residents, if there is ongoing involvement of community volunteers, if benefiting organizations have competent management, and if funding comes from multiple sources. Council also carefully considers the total amount of Permissive Tax Exemptions granted each year when reviewing the annual Property Tax Exemption bylaw, giving consideration to the equity of shifting the exempted tax burden to other property owners in the City.

All existing Permissive Tax Exemptions are reviewed each year and staff continue to work with all organizations who receive a Permissive Tax Exemption to ensure that their services align with Council’s strategy plan.