



## THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

Sent on behalf of Councillor Akerhielm and Councillor Ronsley

Dear Residents:

This is another update in a series we two Councillors are sending to you. As you know, we are proposing a Zoning bylaw amendment to legalize and regulate the construction of new secondary suites in the Village of Lions Bay. A Public Hearing will be held on the legislative changes themselves, on June 23<sup>rd</sup> at 7 PM in the Village Hall.

At the same time, we are sounding out our Council colleagues and considering what residents have to say, when it comes to policy on how the new secondary suite regulations would apply – for example, whether older existing secondary suites would be “grandfathered.” Our own recommendations are definitely being amended and shaped through this process. It is an iterative process where listening and debate are important. We hope you feel free to contribute to it.

Complete notes on the latest public meeting held on May 29 on the subject, and all our earlier reports, are on the Village website at [www.lionsbay.ca](http://www.lionsbay.ca) under the “Secondary suites” tab on the left.

For your convenience, here is a summary of where we two Councillors are, on some issues that you might like to know about:

- **Update: Grandfathering of existing secondary suites:** We have since early May been recommending “grandfathering” existing secondary suites. In other words, existing secondary suites would be exempted from having to be inspected by the Village or fully comply with the BC Building Code. The exception would be if the landlord were doing a major upgrade, anyway.
- **Update: Secondary suites Surcharge - Exemptions:** The last two Official Community Plans have called for secondary suite owners to make a “fair contribution” to the cost of Village services. On June 7<sup>th</sup> Council discussed whether an exemption from a secondary suites surcharge should be allowed if secondary suite owners are housing immediate family members in a secondary suite. The majority view on Council seems to be in favour of allowing such an exemption. An exemption from the surcharge would also apply if the secondary suite were unoccupied.
- **Secondary Suites Surcharge – Level:** We are interested in hearing people’s thoughts on the appropriate level of the surcharge. Secondary suites create two dwellings/families inside one home, which can bring additional demands for Village services. Municipalities therefore commonly apply a surcharge to the charge for utilities (water, garbage, recycling, etc) to homes with a secondary suite. This is a practical method of collecting a secondary suite surcharge as it keeps costs and administration down by avoiding a new billing system.

Below in this note are three tables. One shows the level of the “secondary suites surcharge” in municipalities around us, so you can see what is typical. (Note that a surcharge of \$300 a year would represent a cost of \$25 a month, while a \$450 surcharge would be closer to \$38 a month). The second table shows what various levels for surcharge would represent, in terms of a percentage of rental income made on a secondary suite (from lower to higher rental income). The third table shows the percentage increase the secondary suite owner would face in the total taxes they pay yearly. These will give you an idea of the impact of a possible surcharge on suite owners.

**Table 1 – Current Secondary Suites Surcharge in Municipalities Around Us**

<b>Whistler</b>		<b>\$0 (dire need for housing)</b>			
<b>Pemberton:</b>		<b>\$275</b>			
<b>Squamish:</b>		<b>\$340</b>			
<b>West Vancouver</b>		<b>\$250/\$400 (business license for registering a suite)</b>			
<b>Vancouver</b>		<b>\$198 (very concerned with affordable housing)</b>			
<b>Coquitlam</b>		<b>\$698 illegal suite (not upgraded) / \$277 legal suite</b>			
<b>North Vancouver</b>		<b>\$407</b>			
<b>District of N. Vancouver</b>		<b>\$452</b>			
<b>Burnaby</b>		<b>\$300</b>			

Table 2 – Possible Secondary Suites Surcharge Level, as Percentage of Rental Income

Rental Income from Suite		Suites surcharge as % of Annual Rental Income			
Monthly	Annually	Possible surcharge levels			
		\$300	\$350	\$400	\$450
\$500	\$6,000	5.0%	5.8%	6.7%	7.5%
\$550	\$6,600	4.5%	5.3%	6.1%	6.8%
\$600	\$7,200	4.2%	4.9%	5.6%	6.3%
\$650	\$7,800	3.8%	4.5%	5.1%	5.8%
\$700	\$8,400	3.6%	4.2%	4.8%	5.4%
\$750	\$9,000	3.3%	3.9%	4.4%	5.0%
\$800	\$9,600	3.1%	3.6%	4.2%	4.7%
\$850	\$10,200	2.9%	3.4%	3.9%	4.4%
\$900	\$10,800	2.8%	3.2%	3.7%	4.2%
\$950	\$11,400	2.6%	3.1%	3.5%	3.9%
\$1,000	\$12,000	2.5%	2.9%	3.3%	3.8%
\$1,050	\$12,600	2.4%	2.8%	3.2%	3.6%
\$1,100	\$13,200	2.3%	2.7%	3.0%	3.4%
\$1,150	\$13,800	2.2%	2.5%	2.9%	3.3%
\$1,200	\$14,400	2.1%	2.4%	2.8%	3.1%
\$1,250	\$15,000	2.0%	2.3%	2.7%	3.0%
\$1,300	\$15,600	1.9%	2.2%	2.6%	2.9%
\$1,350	\$16,200	1.9%	2.2%	2.5%	2.8%
\$1,400	\$16,800	1.8%	2.1%	2.4%	2.7%
\$1,450	\$17,400	1.7%	2.0%	2.3%	2.6%
\$1,500	\$18,000	1.7%	1.9%	2.2%	2.5%

Notes: The suites surcharge would be deductible by the home-owner from rental income for a suite.

**Table 3 – Possible Secondary Suites Surcharge Level, Percentage Increase in Total Taxes Paid (Property Taxes plus Utilities)**

Property Tax Level	2009 Utilities Charge	Total Taxes	Possible Surcharge	IMPACT OF SURCHARGE LEVEL			
				Percentage Increase in total taxes			
				\$300	\$350	\$400	\$450
\$2,500	\$800	\$3,300		9.1%	10.6%	12.1%	13.6%
\$3,000	\$800	\$3,800		7.9%	9.2%	10.5%	11.8%
\$3,500	\$800	\$4,300		7.0%	8.1%	9.3%	10.5%
\$4,000	\$800	\$4,800		6.3%	7.3%	8.3%	9.4%
\$4,500	\$800	\$5,300		5.7%	6.6%	7.5%	8.5%
\$5,000	\$800	\$5,800		5.2%	6.0%	6.9%	7.8%
\$5,500	\$800	\$6,300		4.8%	5.6%	6.3%	7.1%
\$6,000	\$800	\$6,800		4.4%	5.1%	5.9%	6.6%
\$6,500	\$800	\$7,300		4.1%	4.8%	5.5%	6.2%
\$7,000	\$800	\$7,800		3.8%	4.5%	5.1%	5.8%
\$7,500	\$800	\$8,300		3.6%	4.2%	4.8%	5.4%
\$8,000	\$800	\$8,800		3.4%	4.0%	4.5%	5.1%
\$8,500	\$800	\$9,300		3.2%	3.8%	4.3%	4.8%

**Notes: The average homeowner in Lions Bay paid \$4,321 in property taxes plus utilities in 2009. The suite surcharge would be deductible by the homeowner from rental income for a suite.**

We would be happy to hear your comments on any of the above, or on other aspects.

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