

MINUTES OF THE REGULAR MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBER, CITY HALL, 141 WEST 14th STREET, NORTH VANCOUVER, BC, ON **MONDAY, JULY 17, 2017.**

REPORTS OF COMMITTEES, COUNCIL REPRESENTATIVES AND STAFF -

9. Report Back on Density Bonus and Community Benefits Policy Review – File: 13-6410-01-0001/2017

Report: Deputy Director, Community Development, July 12, 2017

Moved by Councillor Keating, seconded by Councillor Buchanan

PURSUANT to the report of the Deputy Director, Community Development, dated July 12, 2017, entitled “Report Back on Density Bonus and Community Benefits Policy Review”:

THAT the Revised Density Bonus and Community Benefits Policy be endorsed;

THAT new Community Benefit contribution rates, as outlined in the report and amended policy, come into effect on January 1, 2018, for any projects for which complete applications are received on or after that date;

THAT Council support an annual adjustment of Community Benefit contribution rates for inflation, plus a periodic detailed review of the entire Density Bonus and Community Benefits Policy, every 2 to 3 years or at the request of Council;

THAT staff be directed to propose a project to explore mixed tenure (rental/strata) projects and/or the mandating of inclusionary zoning for the 2018 Financial Plan process;

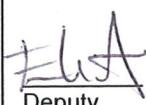
AND THAT staff be directed to report back on potential amendments to “Development Cost Charge Waiver Bylaw, 2010, No. 8130” for consideration to remove the 50% waiver of Development Cost Charges on For-Profit Rental Housing.

Moved by Councillor Bookham, seconded by Councillor Clark

THAT Item 9 be referred to staff for further information and an analysis of the information provided by the North Van City Voices.

CARRIED UNANIMOUSLY



 Deputy Director	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Emilie K. Adin, Deputy Director, Community Development

SUBJECT: REPORT-BACK ON DENSITY BONUS AND COMMUNITY BENEFITS
POLICY REVIEW

Date: July 12, 2017 File No: 13-6410-01-0001/2017

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

RECOMMENDATION

PURSUANT to the report of the Deputy Director, Community Development, dated July 12, 2017, entitled "Report-Back on Density Bonus and Community Benefits Policy Review":

THAT the attached Revised Density Bonus and Community Benefits Policy be endorsed;

THAT new Community Benefit contribution rates, as outlined in the report and amended policy, come into effect on January 1, 2018 for any projects for which complete applications are received on or after that date;

THAT Council support an annual adjustment of Community Benefit contribution rates for inflation, plus a periodic detailed review of the entire Density Bonus and Community Benefits Policy every 2-3 years or at the request of Council;

THAT staff be directed to propose for the 2018 Financial Plan process a project to explore mixed tenure (rental/strata) projects and/or the mandating of inclusionary zoning;

AND THAT staff be directed to report back on potential amendment to Bylaw 8130: A Bylaw to Waive Development Cost Charges for Eligible Developments for consideration to remove the 50% waiver of Development Cost Charges on For-Profit Rental Housing.

ATTACHMENTS

1. Current Density Bonus and Community Benefits Policy (Document #1498392)
2. Council Report - Density Bonus and Community Benefits Policy Review (Document #1504004)
3. Information Report - Sources of Transferrable Density (Document #1532563)
4. City Meeting Notes from the staff meeting with the Urban Development Institute, April 5, 2017 (Document #1543014)
5. Public Open House Display Boards (Document #1509574)
6. Excerpt from the Advisory Planning Commission meeting, April 12, 2017 (Document #1543899)
7. 2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices (Document #1547602)
8. Final Revised Density Bonus and Community Benefits Policy (Document #1545317)

PURPOSE

The purpose of this report is to report back on the City's review of the 2015 Density Bonus and Community Benefits Policy and to propose amendments to the policy, including an increase to required cash contributions for density bonuses.

BACKGROUND

Following a multi-year community engagement effort, the current Density Bonus and Community Benefits Policy (Attachment #1) was adopted by Council in May 2015.

On February 20, 2017, Council resolved unanimously that:

PURSUANT to the report of the Deputy Director, Community Development, dated February 15, 2017, entitled "Density Bonus and Community Benefits Policy Review":

THAT the draft Revised Density Bonus and Community Benefits Policy be received for information;

AND THAT consultation with the development industry and other stakeholders on the recommended changes to the policy be conducted, as outlined in the section "Next Steps" of the report.

An overview of the current policy, as well as a number of proposed amendments to the policy, are outlined in a staff report, which is Attachment #2 to this report. The attached report also outlines legal and other parameters that provide important context to the City's ability to endorse and to apply its Density Bonus and Community Benefits Policy.

Council since requested additional information on sources of potential density transfer, and the responding information report is also included here as Attachment #3 to this report.

DISCUSSION

Summary of Consultation Process

A limited consultation process was proposed and endorsed for the Density Bonus and Community Benefits Policy review process, for the following three reasons:

1. Limited amendments to the Density Bonus and Community Benefits Policy were being considered;
2. The policy has been received well and has been implemented without substantial complaint to date; and
3. The policy was endorsed by Council less than two years ago, after a comprehensive 3 year policy analysis and development process.

The following aspects of the proposed consultation process were completed:

1. A letter was sent to the Urban Development Institute and the Greater Vancouver Home Builders Association requesting comment and offering an in-person meeting to discuss the proposed amended policy;
2. A meeting was held with members of the Urban Development Institute on April 5, 2017, in response to the call (see below for a summary and Attachment #4 for detail on their input);
3. A Public Open House was held on April 12, 2017 (see below for a summary of the input received);
4. Poster Boards (Attachment #5) were displayed at City Hall over the course of four days, and were subject to discussion at the Public Open House;
5. Referral to the Advisory Planning Commission for comment and recommendation (see Attachment #6 for an excerpt from the Commission meeting);
6. Creation of dedicated content on the City's website, regarding the proposed amendment to the Density Bonus and Community Benefits Policy;
7. Awareness campaign on social media;
8. Inclusion in the City's e-newsletter, CityView;

9. City email notifications via CityConnect; and
10. Availability of Planning staff to answer questions during the notification period.

Summary of Input from members of Urban Development Institute

City staff's full notes on the meeting held with the Urban Development Institute on April 5, 2017, are included as Attachment #4 to this report.

Of particular usefulness, questions of interpretation on the policy from UDI members highlighted the need for additional wordsmithing of the amended draft. Attending to questions of interpretation will ensure more consistent understanding of the policy and assist the City in meeting its policy goals.

In staff's opinion, the most significant concerns articulated in the meeting with industry were:

1. The need for greater latitude to allow in-kind contributions, so that immediate neighbours of a development project can gain a very localized amenity that would not otherwise be provided by the City on the shorter term horizon;
2. The need for a City Community Amenities Strategy so that developers can propose sought-after amenities with their projects in exceptional circumstances and/or explain to residents how their cash contributions to the City will be used;
3. Concern about going from two rates for Category B density bonuses to one higher rate; and
4. The need to explore how mixed-tenure projects could be supported as a pathway for achieving a full Category B density bonus.

Staff have responded to these concerns by proposing limited availability of in-kind contributions with the amended policy; committing to working towards a more structured Community Amenities Strategy in close cooperation with Real Estate and Facilities, Engineering and Finance staff groups, under Council direction; further amending the policy to propose a more gradual phasing out of the two Category B density bonus contribution rates; and proposing to Council a 2018 project to explore mixed-tenure development projects and inclusionary zoning.

Inclusionary zoning is a planning term which refers to a mandatory requirement that a given share of new construction be affordable by people with low to moderate incomes. The City already now requires that all market rental projects set aside 10% of units for renters with low to moderate incomes. The City may consider whether it should also require that all strata projects similarly set aside a percentage of units for renters with low to moderate incomes, as is currently provided for in places like Seattle and Richmond. Any new such requirements would likely be accompanied by reductions in cash contributions to the City to ensure that development of new projects remains

financially feasible. This would be explored more deeply in a 2018 project, if supported by Council through the Financial Plan process.

Two meeting participants also articulated a need for a public report on how the City's proposed amended contribution rate (i.e., \$190 per square foot) was calculated. The contribution rate was proposed based upon a survey of recent land sales by internal City real estate staff, a third party check of our findings by certified real estate advisors G.P. Rollo and Associates, and consideration of the fact that there would be a generous period provided for in terms of grandfathering of rates paid. City staff do not support further delays to amending the rates such that a public report be generated, distributed for discussion, and debated with industry. However, in proposing to Council a periodic detailed review every 2-3 years (see third active clause in recommended resolution), staff are proposing the generation of a comprehensive public report that includes full impact analysis of City contribution rates in relation to all development costs.

Summary of Input from Public Open House

Seventeen people attended the open house to review and discuss the City's update of the Density Bonus and Community Benefits Policy. Of these, 5 represented non-profit organizations, 4 represented the development industry, 1 was a commercial realtor, and 6 were members of the general public.

Attachment #5 comprises the Display Boards shown at the Public Open House.

Concerns expressed by participants in the open house included:

1. Amenities chosen by developers and Council (either in-kind or paid by cash contributions) do not necessarily reflect the priorities of the residents most affected by the new development;
2. There is a need to generate a list of amenities for consideration by developers, staff and Council when allocating CACs;
3. Questionable ability for heritage properties with low or no ascribed residential density under the Official Community Plan (OCP) to be able to leverage their properties for heritage conservation, unless additional density can be created and transferred off the site;
4. General concerns about the impacts of development on existing neighbourhoods, especially redevelopment of existing rental buildings;
5. Question as to whether, if one consolidated several lands for redevelopment, including both strata and rental buildings, one could then be permitted to construct a mixed-tenure development? How else could one replace rental units 1:1 or grow rental units?
6. Request for additional clarity with regard to density transfers, especially for private sales of density between private sites; and
7. Concern about how the value of in-kind contributions will be calculated.

Staff have responded to these concerns by proposing working towards a Community Amenities Strategy that is aligned with the Strategic Facilities Plan (in progress) and the Financial Plan; proposing a 2018 project to explore criteria for permitting or requiring mixed-tenure development projects; ensuring additional clarity in the amended policy; and affirming with the Real Estate and Facilities Division, Engineering, Parks and Environment, and the Finance Department a standard method by which in-kind contributions will be calculated for each project going forward.

Advisory Planning Commission

An excerpt of the minutes of the Advisory Body's meeting to discuss the amended Density Bonus and Community Benefits Policy is included as Attachment #6 to this report.

Concerns expressed by APC members included:

1. Worry that proposed Community Benefit contribution rates may be too high or too low;
2. The need for more information on what is being required by other municipalities in Metro Vancouver;
3. Concerns that more or fewer in-kind contributions be provided for; and
4. The need for flexibility in response to opportunities that arise for the City.

Staff have responded to these concerns by waiting to report back to Council on the amended Density Bonus and Community Benefits Policy until Metro Vancouver had completed its review of municipal CAC and density bonusing practices (see Attachment #7 and summary below); and have reiterated the need to consider unique circumstances in the City's provision for in-kind contributions and flexibility.

Summary of Metro Vancouver Municipalities' CAC and Density Bonusing Practices

Metro Vancouver regional planning staff conducted a survey of all local authorities with regard to their Community Amenity Contribution (CAC) and density bonusing practices. A matrix of municipal responses is Attachment #7 to this report.

The City of White Rock and the Village of Lions Bay did not respond to the survey, and Tsawwassen First Nation, Bowen Island Municipality and the Electoral Areas were not included in the survey as they are not subject to the provisions of the Local Government Act and the Community Charter.

Of the remainder of Metro Vancouver municipalities, all but Belcarra either:

- 1) require contributions by bylaw;
- 2) outline CAC provisions in policy form, in order to apply them consistently at rezoning; and/or
- 3) have negotiated contributions from developers on an ad hoc basis.

There are many different tools that municipal governments can use to obtain amenity contributions from new development projects. It is virtually impossible to compare the contribution requirements of different municipalities, as each local government works within a very unique policy and bylaw context. Some municipalities are applying a contribution rate for every square foot of construction (as in Coquitlam); others are calculating required contributions based upon a percentage of uplift (as in Vancouver and Burnaby); others are applying per lot or per unit fees (as in Maple Ridge and parts of Richmond); others (like the City of North Vancouver and Port Coquitlam) are applying a contribution rate on a per square foot basis for bonused density only; and still others are treating each rezoning as a unique opportunity for negotiation for developer contributions (as was past practice for several decades at the City of North Vancouver). Many municipalities use a mix of different approaches to CACs, including fixed rate CAC targets, site-by-site negotiated CACs, and density bonus zoning.

During the recent OCP update process, the City of North Vancouver moved from a system of negotiated CACs to a fixed rate CAC approach. Fixed rate targets increase certainty for developers, land owners, the City, and the community, and are supported by the Province. Staff believe that this transition has gone well, and has achieved increased certainty, equity and transparency for the development community and the general public. The proposed amendments to the Density Bonus and Community Benefits Policy brought forward in this report are intended to build on this success by increasing contributions towards community amenities, and increasing opportunities to create affordable housing, to preserve heritage resources, and to generate good jobs.

In order for municipal CAC approaches to be effective, there must be sufficient market demand and additional value created by policy or bylaw for any additional floor space opportunities that are created. Community Benefit contributions need to be calculated based not on the square foot sales price for strata development, but on the residual value of land per square foot once construction costs, soft costs and profit have been calculated in the current market.

CAC rates should not be punitive but should assist in mitigating the impacts of development without reducing the rate of development. City of North Vancouver contribution rates are currently a bit low, but with the amendments as recommended by staff, revenues for community amenities should rise without stopping or significantly slowing the rate of development.

Detailed financial analysis of case study sites is proposed to be provided to Council in more comprehensive reviews of the Density Bonus and Community Benefits Policy, every 2 to 3 years.

Summary of Major Changes to the Policy

The major change proposed in this report is an update to Community Benefit contribution rates for Category A and Category B density bonuses, as follows:

Table 1. Proposed Per Square Foot Contribution Rates for Bonused Density

	Current / May 2015	Proposed / January 2018
Category B bonus – inside Lonsdale Reg. City Centre	\$140	\$190
Category B bonus – outside Regional City Centre	\$115	\$175
Category A bonus	\$20	\$25

Other changes to the policy relate mainly to clarifying rather than amending current policy and practice:

- Describing the City's criteria for consideration of density transfers;
- Further clarifying that in-kind contributions may sometimes be negotiated under the direction of Council;
- Clarifying the pathways for attaining full density bonus for provision of market rental, non-market housing, commercial or mixed-use projects, and heritage conservation in lieu of cash contributions in whole or in part;
- Updating the policy with the requirements that were set out in the City's endorsed Housing Action Plan;
- Clarifying what can and cannot be funded out of the Community Benefit contributions (e.g., public art contributions are in addition to cash contributions);
- Clarifying that when Community Benefit Cash Contributions are waived 100%, limited off-site improvements relating to safety and capacity may still be required;
- Adding to the list of examples of civic amenities that could be paid for out of the Civic Amenity Reserve Fund, at the direction of Council; and
- Clarifying the process to process development proposals that are inconsistent with the Density Bonus and Community Benefits Policy.

Summary of Other Recommendations in the Report

This report also seeks to:

- Propose an automatic inflation-adjusted increase to the Community Benefit contribution on an annual basis;

Municipalities such as the District of North Vancouver have introduced automatic increases to CAC contribution rates in order to ensure transparent, orderly and foreseeable cost increases for industry, and more reliability with regard to potential revenue increases for the municipality over time.

- Articulate staff's intention to negotiate a greater number of in-kind contributions at time of rezoning, under Council's direction;

Staff, members of the public, developers, and some members of the Advisory Planning Commission have recommended an incremental move away from cash-only contributions to a majority of cash contributions together with increased consideration of in-kind contributions. This would be at Council's direction on a case by case basis. Staff would ensure the cost to the developer for each in-kind amenity is calculated such that good value is realized by the City.

- Introduce, for future consideration, a project to consider the creation of City policy on mixed-tenure projects and inclusionary zoning;

Council and industry have expressed an interest in further exploring mixed-tenure projects. Staff recommend a project, to be considered in the 2018 Project Plan process, that weighs mixed-tenure projects (the creation of voluntary options and incentives) together with potential inclusionary zoning (the consideration of mandatory requirements).

- Propose that staff report back on potential removal of the 50% waiver on Development Cost Charges on For-Profit Rental Buildings, in consideration of the additional value of density created through the 2014 Official Community Plan, and in consideration of changing market conditions for rental tenure construction;

Due to some limited additional incentives created by the 2014 Official Community Plan together with the existing 2015 and proposed 2018 Density Bonus and Community Benefits Policy, staff consider it prudent to review the financials of market rental housing in the local market and to consider removing the 50% waiver on Development Cost Charges on For-Profit Rental Buildings. Staff will report back on this in the fall.

- Propose a periodic detailed review, including full financial impact analysis, of the entire Density Bonus and Community Benefits Policy every 2-3 years or at the request of Council.

A fulsome review of all aspects of the Density Bonus and Community Benefits Policy should occur every 2 to 3 years, or at the request of Council. A detailed review could take 6-8 months as it would entail an RFP process, several consultation meetings, and reports to Council. As such, detailed review of the policy cannot occur on an annual basis.

OPTIONS FOR COUNCIL CONSIDERATION

Option 1: Endorse Updated Density Bonus and Community Benefits Policy

Should Council adopt the recommended resolution, the updated policy (Attachment #8) would be endorsed. The higher contribution fees will be applied to applications received on or after January 1, 2018.

Option 2: Direct staff to incorporate further changes to the draft policy

If Council believes that the amended policy misses the mark in any specific ways, Council may direct staff to incorporate additional changes to the policy. In that case, the following resolution would be appropriate:

PURSUANT to the report of the Deputy Director, Community Development, dated July 12, 2017, entitled "Report-Back on Density Bonus and Community Benefits Policy Review":

THAT the revised Density Bonus and Community Benefits Policy, attached to the report, be further amended in the following ways:

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FINANCIAL IMPLICATIONS:

The primary purpose of this report is to establish an increase to the required contributions for density bonusing to better reflect current market values, as outlined in the report and as proposed by the updated policy, which is Attachment #8 to this report.

As per the Local Government Act and Provincial Guidelines on density bonuses, monies collected are to help meet the demands created as a result of development and are not to be treated as general revenues. In 2016, the City negotiated to receive \$3.85 million in cash contributions towards Community Benefits.

This figure includes a contribution accrued through density transfer from the civic precinct to 1301-1333 Lonsdale Avenue to enable a new rental building. The density sold by the City had initially been created through a process of density bonusing for the new City library. The contribution had been carried forward in the Financial Plan as anticipated revenue towards repayment of this community amenity.

The \$3.85 million in cash contributions in 2016 were as follows:

Table 2. Cash Contributions Negotiated to Receive Through Development, 2016

Date of Bylaw Adoption	Development Project Address	Total of Cash Contribution Secured
Monday, July 11, 2016	119-131 West Esplanade and 120 Carrie Cates Court (SITE 8)	\$ 1,370,740
Monday, November 21, 2016	711 West 14th Street	\$ 456,049
Monday, November 21, 2016	1301-1333 Lonsdale Ave	\$ 2,022,758
Total		\$ 3,849,547

As new developments construct to partial or full bonused density over time, it is expected that negotiated and received annual density bonus revenues will range from \$6 million to \$10 million per year. This does not include contributions from density transfers. Estimates on the size of coming density bonus cash contributions are based entirely on an assumption of the continuation of a relatively strong housing market, and are therefore highly speculative. These potential revenues must be proven out over time, and cannot be relied upon as secure revenue sources for the City.

INTER-DEPARTMENTAL IMPLICATIONS:

This report has been prepared with input from the Finance Department, Real Estate & Facilities Division, Engineering Parks and Environment Department, and the Planning Division. The report was also reviewed and endorsed by the Civic Projects Team and the Directors Team at their joint meeting on July 11, 2017.

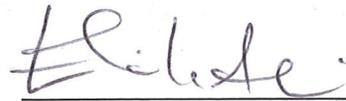
SUSTAINABILITY COMMENTS:

Achieving community benefits through density bonusing is a key tool in advancing the City's policy objectives and working towards social, environmental and economic sustainability. Obtaining public benefits – including affordable and rental housing, employment generating uses, parks and greenways, and civic facilities – in return for additional density contributes to the City's sustainability objectives. Securing these amenities for current and future City residents is an important part of ensuring that the City remains a livable, complete community.

CORPORATE PLAN AND/OR POLICY IMPLICATIONS:

A number of City policies apply. See "Corporate Plan and/or Policy Implications" in Attachment #2 to this report for a full listing of the relevant goals and objectives in the 2014 OCP.

RESPECTFULLY SUBMITTED:



Emilie K. Adin
Deputy Director, Community
Development

Attachments

EKA/eb

Density Bonus and Community Benefits Policy



Endorsed: May 25, 2015

1. Introduction

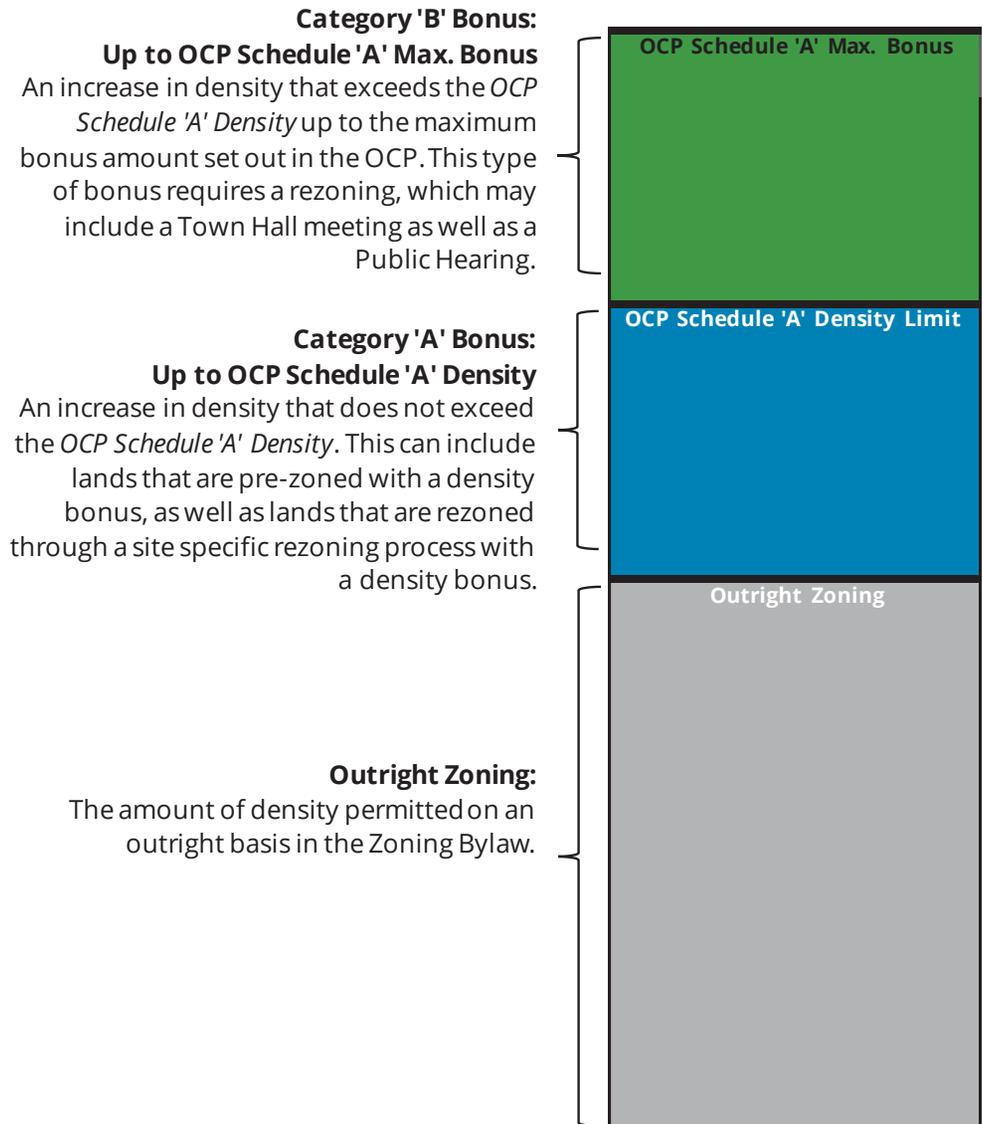
This document serves as a guide for the consideration of density bonuses within the framework of the Official Community Plan (OCP) and Local Government Act. This document should be read in conjunction with the OCP and, in particular, Section 2.2 Density Bonusing, Section 2.3 Density Transfer, and the Schedule 'A' Land Use Map.

This guide is intended to provide a greater degree of certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications. Contributions of this nature help ensure that the City is able to provide amenities to meet the needs of our growing community.

Owners and applicants are reminded that OCP and rezoning applications are at Council's absolute discretion. While these guidelines provide a framework for determining *community benefits* related to rezoning applications, Council may reduce, increase or reject any application.

2. Bonus Categories

The graphic to the right describes two types of density bonuses. *Community Benefit* options applicable to each of these bonus categories are outlined in Section 3 of this policy.



3. Community Benefit Categories

	Amenity Fund Contribution	Secured Rental Housing	Employment Generating Use	Heritage Conservation
Category 'B' Bonus Up to Schedule 'A' Max. Bonus	<p>Lonsdale Regional City Centre - \$140 Other Locations - \$110 (\$ per sq. ft. of residential floor area increase beyond existing zoning) See Schedule 1 Conditions:</p> <ul style="list-style-type: none"> Sites with existing rental units are not eligible for a bonus except for Secured Rental Housing Amenity Fund Contributions may be negotiated only in unique circumstances 	<p>A) 100% Rental Housing Conditions:</p> <ul style="list-style-type: none"> A portion of the rental units must be rented at below market rates Below market req. to be determined through Housing Action Plan (HAP) <hr/> <p>B) Non-Market Rental Housing 30% of Bonus Amount Provided As Non-Market Rental Housing Conditions:</p> <ul style="list-style-type: none"> Must be secured in perpetuity Not applicable for existing rental sites <hr/> <p>C) Rental Retention Maintaining Existing Rental Building with Bonus Density Transfer to Another Site Conditions:</p> <ul style="list-style-type: none"> A recipient site for the density transfer must be determined in advance at the City's discretion A business plan must outline how the existing building on the donor site will be repaired and upgraded 	<p>Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR Conditions:</p> <ul style="list-style-type: none"> Can be combined with a cash contribution to reach 100% of Maximum Bonus 	<p>Bonus for Restoration and Preservation Determined through Rezoning</p>
Category 'A' Bonus Up to Schedule 'A' Density	<p>\$20 or Negotiated Contribution (\$ per sq. ft. of residential floor area) Conditions:</p> <ul style="list-style-type: none"> Sites with existing rental units are not eligible for a bonus except for Secured Rental Housing 	<p>No Amenity Fund Contribution is suggested for Secured Rental Housing projects</p>	<p>Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR</p>	<p>Bonus for Restoration and Preservation Determined through Rezoning</p>
OUTRIGHT ZONING				

4. Applying the Guidelines

These guidelines should be read in conjunction with other City policies. Please note that:

- The Community Benefit options outlined in Section 3 are intended as guidelines and alternatives may be considered by Council in unique circumstances. This could include the provision of on-site *community amenities* rather than a contribution to an amenity fund, for example. On-site *community amenities* would be determined based on community needs and must match the value of the bonus density.
- Infrastructure upgrades needed to accommodate a development or mitigate development impacts may be required in addition to public benefits or *amenity fund contributions*.
- All development applications must provide bylaw-required infrastructure upgrades and contributions, Development Cost Charges, and other applicable fees.
- Community Benefits for OCP amendments are negotiated on a case by case basis considering the nature and extent of the change and community needs.
- Any application which involves the displacement of existing tenants must be accompanied by a Tenant Relocation Strategy;
- The guidelines are not applicable for properties designated Residential Level 1 or Residential Level 2 in the Official Community Plan.

5. Allocating Cash Community Benefit Contributions

Cash contributions for Community Benefits are to be applied to the Community Amenity Reserve Fund and Affordable Housing Reserve Fund. These funds are used to ensure a high quality of life as the community grows. These Funds specifically provide for the following Community Benefits:

Community Amenity Reserve Fund

Contributions to this fund will be used to provide City-serving amenities. This includes, but is not limited to:

- Harry Jerome Community Recreation Centre;
- Waterfront Amenity Spaces;
- Park and public open space improvement;
- Child Care Facilities;
- Museum;
- Other Civic Amenities.

Affordable Housing Reserve Fund

- Providing new non-market and special needs housing units.

Community Benefit Cash Contributions shall generally be allocated as indicated in the table below. These funds shall be spent at Council’s discretion as per the terms of the Bylaws establishing these funds, as amended from time to time. These funds shall be allocated to future projects based on identified community needs.

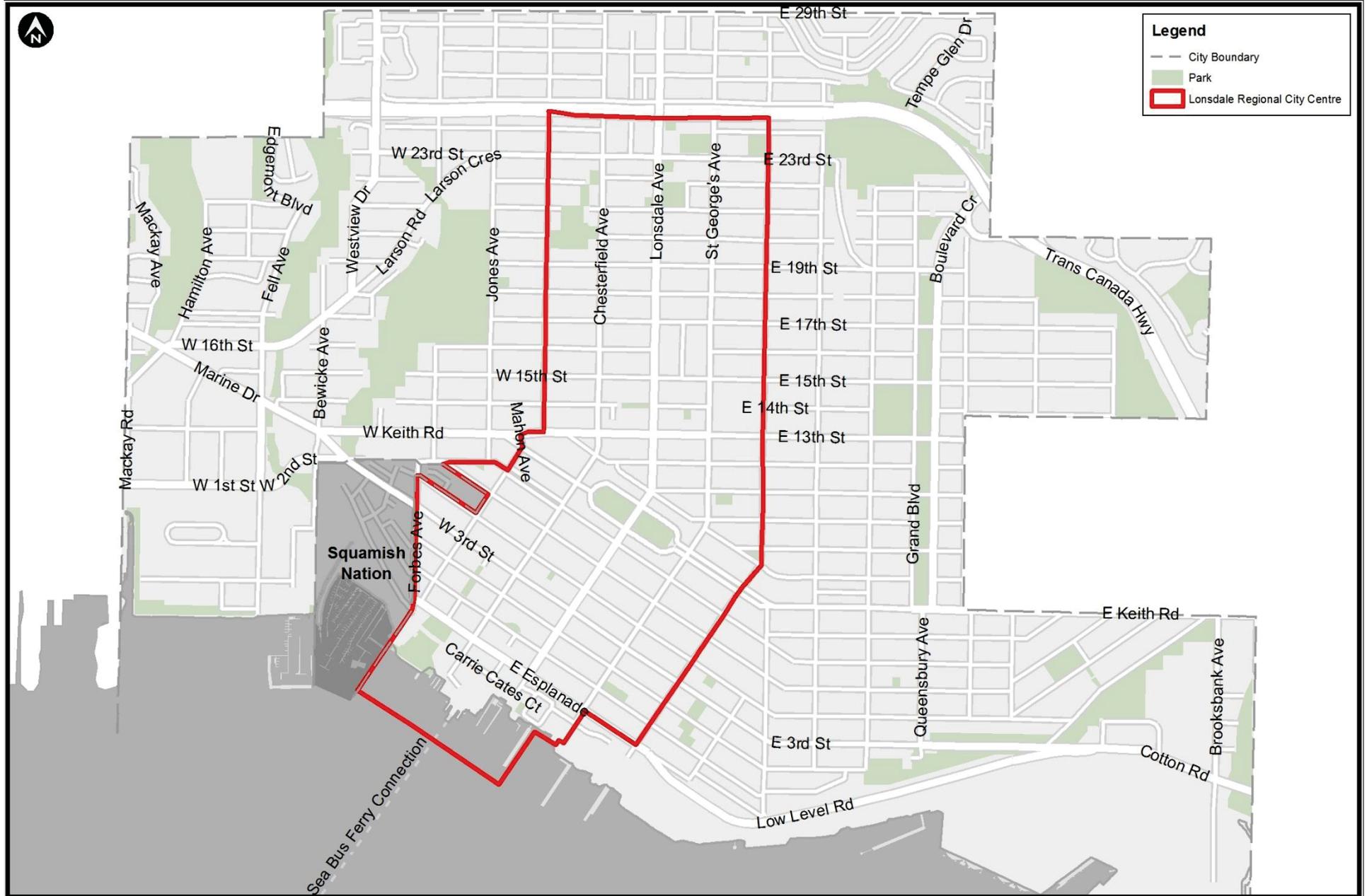
Percentage	Public Benefits	Fund
80%	Civic Facilities / Community Amenity Space	Community Amenity Reserve Fund
20%	Affordable and Rental Housing	Affordable Housing Reserve Fund

6. Monitoring

The *Amenity Fund Contribution* amounts shall be updated periodically to reflect community needs and changing market conditions. The allocation of Amenity Fund Contribution amounts to individual reserve funds will be reviewed annually in conjunction with the City’s Financial Plan in order to ensure alignment with Council priorities.

A summary of *Amenity Fund Contributions* received will be prepared and presented annually.

Schedule 1: Category B Bonus Area / Lonsdale Regional City Centre Boundary



Appendix 1: Definitions

Amenity Fund Contribution means a cash or in-kind contribution toward Community Benefits provided in return for a rezoning or OCP Amendment.

Community Amenity is a defined physical space that provides direct or indirect Community Benefits to the community and includes, but is not limited to, recreation facilities, child care facilities, museum, library, offices for non-profit organizations, cultural facilities, heritage conservation, civic and institutional uses, district heating utility, community meeting space and employment-generating offices.

Community Benefits are the wide range of benefits achieved in the public interest to support the Goals and Objectives of the OCP and realized in part through Amenity Fund Contributions and Community Amenities achieved through rezoning or density bonusing.

Density is the Floor Space Ratio that can be achieved on a parcel, as a calculation of Gross Floor Area over site area.

Density Bonus is additional density provided in return for Community Benefits.

Floor Space Ratio (FSR) is a method of calculating density and controlling the size of building that can be built on a property. The FSR multiplied by the lot area determines the maximum size of building.

Land Use Designation means the permitted uses and densities as outlined in Schedule 'A' of the Official Community Plan.

OCP Maximum Bonus means the highest *Floor Space Ratio* increase that can be achieved on a site through a *Category 'B' Bonus*, as per the OCP (excludes density transfers). All such density bonuses are subject to a rezoning and enhanced public process.

OCP Schedule 'A' Density means the density permitted for a given Land Use Designation in the OCP, under the Schedule A Land Use Map.

Outright Zoning means the maximum *Floor Space Ratio* that can be realized on a site under existing zoning through a Building Permit without any density bonus.



 Deputy Director	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Emilie K. Adin, Deputy Director, Community Development

SUBJECT: DENSITY BONUS AND COMMUNITY BENEFITS POLICY REVIEW

Date: February 15, 2017 File No: 13-6410-01-0001/2017

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

RECOMMENDATION

PURSUANT to the report of the Deputy Director, Community Development, dated February 15, 2017, entitled "Density Bonus and Community Benefits Policy Review":

THAT the draft Revised Density Bonus and Community Benefits Policy be received for information;

AND THAT consultation with the development industry and other stakeholders on the recommended changes to the policy be conducted, as outlined in the section "Next Steps" of the report.

ATTACHMENTS

1. Current Density Bonus and Community Benefits Policy (Document #1498392)
2. Community Benefits Summary 2016 (Document #1498048)
3. City of Vancouver report on Community Benefits from Development: Improving Neighbourhoods & Enabling Affordable Housing (Document #1369748)
4. Information Report entitled, "History and Regional Comparison of Affordable Housing Reserve Fund" (Document #1498396)
5. Revised Density Bonus and Community Benefits Policy, with proposed changes highlighted (Document #1498374)

PURPOSE

This report serves as a review of the City's 2015 Density Bonus and Community Benefits Policy in conjunction with the City's Financial Plan, as directed in a previous Council resolution.

BACKGROUND

Following a multi-year community engagement effort, the current Density Bonus and Community Benefits Policy (Attachment #1) was adopted by Council in May, 2015, with the following resolution:

PURSUANT to the report of the Director, Community Development, dated May 20, 2015, entitled "Revised Density Bonus and Community Benefits Policy":

THAT the Density Bonus and Community Benefits Policy dated May 20, 2015, and attached to said report be endorsed;

AND THAT said policy and the allocation of amenity contributions be reviewed annually in conjunction with the City's Financial Plan, including a review of related reserve funds.

As the City is concluding the first full year following the implementation of the policy, staff deems that it is opportune to start this revision process.

A 2016 Summary of Community Benefits (Attachment #2) clarifies and formalizes the City's efforts to incentivize the creation of new community benefits and amenities through development. This overview is part of an effort to quantify and render more transparent and accountable the community amenities that are secured through rezoning. This effort reflects a growing trend to report out on the mitigating benefits of new construction, as community amenity contributions (CACs) are not always understood by the general public to have been financially enabled by the construction of new residential units. See Attachment #3 for an example of such efforts to quantify CACs, by the City of Vancouver.

The Density Bonus and Community Benefits Policy builds upon a long history of finding ways to incent market rental housing units as well as non-market and special needs housing. In addition, the City is committed to ensuring there is funding for and construction of community amenities that mitigate the impacts of development and that assist neighbourhoods in transitioning to higher densities.

This general review provides a summary of the successes of density bonusing and community benefit negotiations, both prior to and after the adoption of the May 2015 (current) Density Bonus and Community Benefits Policy.

DISCUSSION

An Overview of the Policy

The creation of new amenities in a growing community is intended not only to help offset the impacts of development but to help make the community more livable for the longer term. The 2014 Official Community Plan (OCP) included Section 2.2 which contains the provision for Density Bonusing in support of achieving public benefits and amenities such as:

- community amenity space;
- employment generating uses;
- heritage conservation; and
- non-market and market rental housing.

The OCP places limits on the maximum density bonus achievable within each land use designation, where applicable. The Density Bonus and Community Benefits Policy works in conjunction with these limitations to stipulate how a density bonus can be achieved, at Council's discretion, with provision of one or more community benefits. The OCP also establishes that the amount of a density bonus should be commensurate with the value of the public benefit achieved and that the resultant project should be consistent with good urban design principles.

Whereas past practice targeted the provision of on-site amenities, the new policy places a strong preference on achieving cash contributions to the City's amenity funds, which can then be expended at Council's discretion on the housing projects, civic facilities and community services that best meet the community's amenity needs.

The Density Bonus and Community Benefits Policy was developed in accordance with the following four principles: clarity, flexibility, efficiency and fairness.

There are a number of aspects of the Density Bonus and Community Benefits Policy which benefit from regular review, including the schedule of community benefit cash contributions that typically apply to additional density should those means of achieving full bonus be pursued by the development proponent, the City's requirements with respect to density bonusing for market and non-market rental housing, and allocation of financial contributions.

Reserve Fund Cash Contributions

The schedule of community benefit contributions for additional density can be found in Column 1 of Section 3 (Community Benefit Categories) of the Density Bonus and Community Benefits Policy (Attachment #1). The schedule of community benefit contributions needs regular and considered review to adjust to market conditions. Are they set too high or too low? Do they appropriately mitigate development impacts?

Currently there is a higher rate within the Lonsdale Regional City Centre and a lower rate outside of that area. Should Council consider setting a flat fee across the City? (This might act as an incentive to bonus density requests in core areas such as Central Lonsdale and as a gentle disincentive to bonus density requests in non-core areas such as Marine Drive and Moodyville neighbourhoods.) Should the ratio of allocations to the Civic Amenity Reserve Fund and the Affordable Housing Reserve Fund be altered? These were all questions that were analysed by staff, with the assistance on some questions from third party review of a land economist.

Proposed changes to cash contributions are summarized in the following table:

Table 1. Proposed Changes to Community Benefit Cash Contributions

	Current 2015 Policy	Proposed 2017 Policy
Category A Bonus	\$20 per sq. ft.	\$25 per sq. ft.
Category B Bonus - Lonsdale Regional City Centre	\$140 per sq. ft.	\$190 per sq. ft.
Category B Bonus – outside Regional City Centre	\$110 per sq. ft.	No reduced cash contribution outside city centre: \$190 per sq. ft.

The proposed \$190 per square foot contribution for a Level B density bonus was reviewed by a third party consultant on land economy. Rollo and Associates found with some proforma analysis that a \$190 per square foot contribution is appropriate for a development that is seeking to go for a Category B density bonus. Their analysis showed that developers could pay that \$190 per square foot of bonus floor area and still make the standard 15% profit on project costs. Rollo's calculation assumed densities over 3.0 Floor Space Ratio (FSR) and sales prices north of \$1,000 per square foot. They found that a general survey of recent sales of newer construction suggests that \$190/sq.ft. is a fair price point.

New Contribution Levels Not Retroactive

It is proposed that no rezoning bylaws be amended to reflect new contribution amounts, should amended contribution levels be endorsed by Council in time. In other words, additional density provided by neighbourhood-wide rezoning processes, such as seen in the Moodyville area, will not be subject to a new contribution requirement of \$25 per square foot. This provision is in the interest of consistency and clarity, as well as to avoid another public hearing process for the Moodyville area, since the \$20 per sq. ft. payment requirement, for any constructed density above 0.5 FSR, is embedded within the Zoning Bylaw.

Enactment Delay on New Contribution Levels

Lands have been exchanged for some time with the understanding that community benefit contributions would be charged as per the current policy. As such, staff proposes that a consultation on the draft amended policy with landowners and the development community, and a delayed effective date of approximately 3-6 months once the policy comes back to Council for final endorsement. The length of the delay in

the effective date would be recommended when the policy returns to Council for final endorsement, and may depend on the outcome of the industry consultation process and other factors.

Density Bonuses for Market and Non-Market Rental Housing

Conditions on achieving the density bonus for rental housing projects can be found at the top of Column 2 of Section 3 (Community Benefit Categories) of the Density Bonus and Community Benefits Policy (see Attachment #1). In part, this policy is aimed at both protecting existing rental stock and replacing it with additional rental housing when necessary. These conditions were refined through the subsequent development of the Housing Action Plan, which was endorsed by Council on October 17, 2016. The rental renewal strategy embedded within the Density Bonus and Community Benefits Policy, working in conjunction with the Official Community Plan, fits with the goals and objectives of the Regional Housing Strategy and the City's Housing Action Plan.

Mixed Income Rental Buildings

In particular, the City's consultants' research showed that it would be appropriate and financially feasible for the City to require that new market rental buildings receiving a full density bonus provide somewhere in the range of 10% of units at below-market rents that can be afforded by lower-income renters. This proposed requirement was endorsed by Council with the endorsement of the HAP in October, 2016, and is now reflected in the proposed revised Density Bonus and Community Benefits Policy (Attachment #5).

Mixed Rental and Strata Projects

As a non-cash contribution option, the current Density Bonus and Community Benefits Policy includes the following two options for achieving a Category B bonus:

1. Provide a 100% market rental building. Under this option, no cash payment for bonus density is required.
2. Provide payment at \$140 per sq. ft. for additional density for stratified condominiums.

There is no option within the adopted Policy for a mixed rental and strata project.

An initial draft of the Policy contemplated a bonus for delivering a mixed market rental and condominium project, which would have allowed for a density bonus of up to 0.5 FSR, provided that 100% of the floor area beyond OCP 'Schedule A' density was secured as rental housing. A report provided to Council on May 20, 2015 analyzed the impacts of this approach and recommended to Council that this not be included in the final version of the bonus policy. The rationale for no longer including this provision was to provide sufficient incentive to create new rental and nonmarket housing, without introducing options that may have the unintended consequence of hastening the redevelopment of rental housing stock.

Due to concern about early demolition and redevelopment of existing rental (and strata) buildings, staff are not now proposing to alter the current policy to encourage the construction of mixed tenure residential projects. Anecdotally, it is staff's understanding that other municipalities have tried unsuccessfully to encourage mixed strata and market rental tenure buildings. These can be difficult to govern, operate and maintain, and the City might receive complaints from failed efforts. Should Council nevertheless choose to amend the Density Bonus and Community Benefits Policy in order to encourage market mixed tenure residential projects, criteria could be set to help guide this new category of density bonusing. Council could direct staff to amend the policy to include an option to pursue mixed tenure projects, and staff would return to Council with a recommendation, subject to the proposed consultation process on the draft Revised Density Bonus and Community Benefits Policy.

Civic Amenities

The Province of British Columbia has issued guidelines to steer municipalities on collecting of community amenity contributions from development, yet without conferring authority or establishing detailed regulations to guide municipalities. Community benefits can also be achieved through the density bonusing tool (section 482) as set out in the Local Government Act, but regulations on density bonusing are also vague in Provincial law.

The primary aspect of provincial guidelines on achieving community benefits through CACs and density bonusing is the concept of "nexus" whereby the community amenities that are collected can be shown to be of primary benefit to the immediate neighbourhood of the new development, as a mitigation of the impacts of development. This includes contributions to larger facilities that serve the whole City, proportionate to the increased demand from development, given that the City's area is less than 12 square kilometres.

The current Density Bonus and Community Benefits Policy lists a few examples of community amenities that could be provided, under Council's discretion, from the Community Amenity Reserve Fund. These examples do not limit the kinds of amenities that can be considered by Council, but offer guidance to the public and the development community on the sorts of civic amenities that are of priority importance to the City.

These examples of civic amenities are listed as follows:

- Harry Jerome Community Recreation Centre;
- Waterfront Amenity Spaces;
- Park and public open space improvement;
- Child Care Facilities;
- Museum; and
- Other Civic Amenities.

In light of the completion of the Moodyville area rezoning, and the discussions with the public that ensued with that rezoning process, the following amenities are proposed to be added to the current list:

- Greenways construction and improvements;
- Active transportation projects; and
- Traffic safety improvements.

Affordable Housing

An overview of the successes and history of the City's Affordable Housing initiatives has recently been completed. See Attachment #4.

Allocating Cash Contributions for Community Benefits

Section 5 (Allocating Cash Community Benefit Contributions) of the current Density Bonus and Community Benefits Policy (see Attachment #1) directs cash contributions received through density bonusing to be distributed as follows:

- 80 percent applied to the Civic Amenity Reserve Fund; and
- 20 percent to the Affordable Housing Reserve Fund.

Under the current policy, the great majority of community benefit contributions, once they are collected, would go to the Community Amenity Reserve Fund. This is appropriate due to the high costs the City is incurring to renew or build new community amenities.

The rationale for applying 20% of cash contributions to the Affordable Housing Reserve Fund hinges on the following points:

1. The practice of transferring \$260,000 a year from general revenues to the Affordable Housing Reserve Fund, which had been occurring annually from 2003-2013, has been discontinued while the available balance in the Fund exceeds \$2.5 million in order for City funding to be used for other infrastructure maintenance priorities. (The balance of the Affordable Housing Reserve Fund is approximately 2.8 million dollars.) There are currently no other sources for growing the Affordable Housing Reserve Fund beyond the Community Benefit Cash Contributions.
2. Affordable housing projects are specifically provided for as a community amenity in the density bonus provisions of the Local Government Act.
3. Funding for affordable housing projects is a central component of most municipal CAC regimes. The practice of other Metro Vancouver and North Shore municipalities was analyzed and reported on in the information report by the

Deputy Director, Community Development, entitled "History and Regional Comparison of Affordable Housing Reserve Fund" (see Attachment #4).

4. Community Benefit Cash Contributions are anticipated to be used to support implementation of the new Housing Action Plan. The reserve fund is expected to become more actively used moving forward, due to the availability of new and substantial sources of funding from the federal and provincial governments.
5. There is a limit to what the City can do on its own. However, at the current 20% going to the Affordable Housing Reserve Fund, the approximate \$12-20 million that is anticipated to be collected from development occurring over the next 10 years along with the \$2.8 million currently in the fund is anticipated to be enough to leverage new federal affordable housing dollars to construct 3-4 new affordable housing projects in the City.
6. The City's practice has been to use reserve funds to provide discounted land and/or facility leases on City lands, in order to "pay" itself at market rates. In other words, using funds from the Affordable Housing Reserve Fund, while successfully leveraging funding from senior levels of government, would mean that imminent contributions to the Affordable Housing Reserve Fund could flow back into general revenues and be used again by the City in order to meet other Council priorities.
7. The Affordable Housing Reserve Fund (see Attachment #3 for an overview) is the strongest tool at the City's disposal with respect to assisting the City in meeting Metro Vancouver targets for non-market units. Density bonusing seems to be a stronger tool for meeting the targets for market rental units.

Staff proposes that the practice of allocating funds 80 percent to the Civic Amenity Reserve Fund and 20 percent to the Affordable Housing Reserve Fund be maintained until a more fulsome review of the City's reserve funds occurs, once the 2017 Financial Plan has been finalized.

NEXT STEPS

A limited consultation process is proposed for the Revised Density Bonus and Community Benefits Policy (Attachment #5), for the following three reasons:

1. Limited amendments to the Density Bonus and Community Benefits Policy are being considered;
2. The policy has been received well and has been implemented without substantial complaint; and

3. The policy was endorsed by Council less than two years ago, after a comprehensive 3 year policy analysis and development process.

The proposed consultation process will include:

1. A request to the Urban Development Institute and the Greater Vancouver Home Builders Association to comment on the proposed amended policy;
2. Referral to the Advisory Planning Commission for comment and recommendation;
3. A Public Open House;
4. Creation of dedicated content on the City's website, regarding the proposed amendment to the Density Bonus and Community Benefits Policy;
5. Advertisement in the City's online newsletter, CityView;
6. A newspaper advertisement;
7. City email notifications via CityConnect; and,
8. Availability of Planning staff to answer any questions during the notification period.

OPTIONS FOR COUNCIL CONSIDERATION

Option 1: Receive for information the Draft Revised Density Bonus and Community Benefits Policy

Should Council adopt the recommended resolution, the draft amended policy would be received for information and would be subject to a consultation with industry and public, as outlined above under the section "Next Steps".

Further changes or reconsideration of the proposed changes to the amended policy could be considered by Council when staff report back on the proposed amendments to the policy, subsequent to the consultation process.

Option 2: Direct staff to incorporate further changes to the draft policy

If Council believes that the existing or draft amended policy misses the mark in any specific ways, Council may direct staff to incorporate specific changes to the draft amended policy prior to the proposed consultation process with industry and the general public. In that case, the following resolution would be appropriate:

PURSUANT to the report of the Deputy Director, Community Development, dated February 8, 2017, entitled "Density Bonus and Community Benefits Policy Review":

THAT the revised Density Bonus and Community Benefits Policy, as attached to said report, be received for information;

THAT the revised Density Bonus and Community Benefits Policy, as attached to said report, be further amended in the following ways:

-
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AND THAT consultation with the development industry and other stakeholders on the recommended changes to the policy be conducted, as outlined in the section "Next Steps" of said report.

FINANCIAL IMPLICATIONS:

Through adoption of the Density Bonus and Community Benefits Policy in 2015, the City began to generate significantly more revenue from development to support public amenities. As per the Local Government Act and Provincial Guidelines on density bonuses, monies collected are to help meet the demands created as a result of development and are not to be treated as general revenues. As a result, monies collected are currently directed to either the Civic Amenity Reserve Fund or the Affordable Housing Reserve Fund. Affordable Housing is specifically referenced in the Local Government Act as an appropriate use of these funds. The Civic Amenity Reserve Fund allows for the use of the monies collected to be directed to community benefits that would meet Provincial expectations.

In 2016, the City collected \$3.85 million in cash contributions from density bonusing. As new developments take advantage of this tool, it is expected that annual density bonus revenues will range from \$6 million to \$10 million per year. This does not include contributions from density transfers. Estimates on the size of coming contributions are based entirely on an assumption of the continuation of a relatively strong housing market, and are therefore highly speculative. These potential revenues must be proven out over time, and cannot yet be relied upon as secure revenue sources for the City.

Finance staff will review the current density bonus funding allocation practices, working together with Community Development staff, and taking into account the City's reserve fund balances, once the 2017 Financial Plan has been finalized. This could result in recommended changes to the allocation of monies between the two funds and/or a change to the cap currently placed upon the size of the Affordable Housing Reserve Fund.

The primary purpose of this report is to establish an increase to the required contributions for density bonusing to better reflect current market values, as outlined in the report.

INTER-DEPARTMENTAL IMPLICATIONS:

This report has been prepared with input from the Finance Department, Real Estate & Facilities Division, Engineering Parks and Environment Department, and the Planning Division. The report was also reviewed and endorsed by the Civic Projects Team and the Directors Team at their joint meeting on February 14, 2017.

SUSTAINABILITY COMMENTS:

Achieving community benefits through density bonusing is a key tool in advancing the City's policy objectives and working towards social, environmental and economic sustainability. Obtaining public benefits – including affordable and rental housing, employment generating uses, parks and greenways, and civic facilities – in return for additional density contributes to the City's sustainability objectives. Securing these amenities for current and future City residents is an important part of ensuring that the City remains a livable, complete community.

CORPORATE PLAN AND/OR POLICY IMPLICATIONS:

A number of City policies apply, relating to the provision of community amenities, affordable housing and civic facilities. The City's Social Plan, Parks Master Plan, Housing Action Plan, and many other corporate policy documents inform the City's efforts in this regard.

In particular, the City's Official Community Plan includes the following objectives:

1.1.2 Align growth with the development of community amenities and infrastructure;

1.1.5 Provide space for commercial uses in mixed-use developments to support employment and economic development;

1.5.2 Increase the amount of affordable and adequate accommodation for lower income households (including non-market housing) in an effort to meet the Metro Vancouver Housing Demand Estimates...;

1.5.4 Prioritize the development and revitalization of affordable rental housing and use density bonusing and density transfers to incentivize the retention, renewal and/or replacement of rental units as a public benefit;

2.1.1 Invest in cycling and pedestrian networks and facilities to make these more attractive, safer, and convenient transportation choices for all ages and abilities with an aim to increase these ways of travelling over single-occupant vehicle use;

6.2.1 Work with community partners to realize the full potential of cultural and community spaces as essential 'social infrastructure' and community living rooms, particularly in high density neighbourhoods like Central and Lower Lonsdale.

RESPECTFULLY SUBMITTED:



Emilie K. Adin
Deputy Director, Community
Development

Attachments

EKA/eb

Density Bonus and Community Benefits Policy



Endorsed: May 25, 2015

1. Introduction

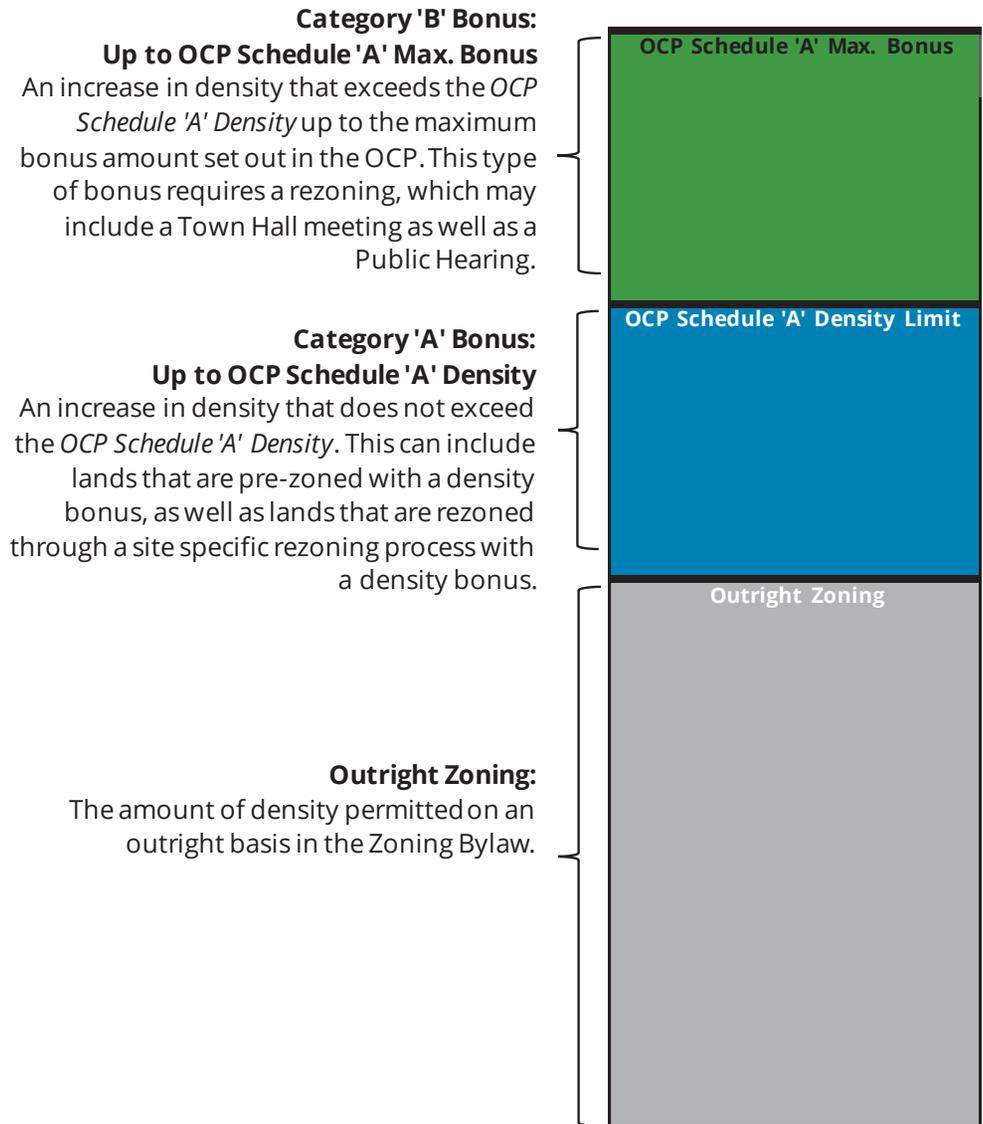
This document serves as a guide for the consideration of density bonuses within the framework of the Official Community Plan (OCP) and Local Government Act. This document should be read in conjunction with the OCP and, in particular, Section 2.2 Density Bonusing, Section 2.3 Density Transfer, and the Schedule 'A' Land Use Map.

This guide is intended to provide a greater degree of certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications. Contributions of this nature help ensure that the City is able to provide amenities to meet the needs of our growing community.

Owners and applicants are reminded that OCP and rezoning applications are at Council's absolute discretion. While these guidelines provide a framework for determining *community benefits* related to rezoning applications, Council may reduce, increase or reject any application.

2. Bonus Categories

The graphic to the right describes two types of density bonuses. *Community Benefit* options applicable to each of these bonus categories are outlined in Section 3 of this policy.



3. Community Benefit Categories

	Amenity Fund Contribution	Secured Rental Housing	Employment Generating Use	Heritage Conservation
Category 'B' Bonus Up to Schedule 'A' Max. Bonus	<p>Lonsdale Regional City Centre - \$140 Other Locations - \$110 (\$ per sq. ft. of residential floor area increase beyond existing zoning)</p> <p>See Schedule 1</p> <p>Conditions:</p> <ul style="list-style-type: none"> Sites with existing rental units are not eligible for a bonus except for Secured Rental Housing Amenity Fund Contributions may be negotiated only in unique circumstances 	<p>A) 100% Rental Housing Conditions:</p> <ul style="list-style-type: none"> A portion of the rental units must be rented at below market rates Below market req. to be determined through Housing Action Plan (HAP) <p>B) Non-Market Rental Housing 30% of Bonus Amount Provided As Non-Market Rental Housing</p> <p>Conditions:</p> <ul style="list-style-type: none"> Must be secured in perpetuity Not applicable for existing rental sites <p>C) Rental Retention Maintaining Existing Rental Building with Bonus Density Transfer to Another Site</p> <p>Conditions:</p> <ul style="list-style-type: none"> A recipient site for the density transfer must be determined in advance at the City's discretion A business plan must outline how the existing building on the donor site will be repaired and upgraded 	<p>Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR</p> <p>Conditions:</p> <ul style="list-style-type: none"> Can be combined with a cash contribution to reach 100% of Maximum Bonus 	<p>Bonus for Restoration and Preservation Determined through Rezoning</p>
Category 'A' Bonus Up to Schedule 'A' Density	<p>\$20 or Negotiated Contribution (\$ per sq. ft. of residential floor area)</p> <p>Conditions:</p> <ul style="list-style-type: none"> Sites with existing rental units are not eligible for a bonus except for Secured Rental Housing 	<p>No Amenity Fund Contribution is suggested for Secured Rental Housing projects</p>	<p>Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR</p>	<p>Bonus for Restoration and Preservation Determined through Rezoning</p>
OUTRIGHT ZONING				

4. Applying the Guidelines

These guidelines should be read in conjunction with other City policies. Please note that:

- The Community Benefit options outlined in Section 3 are intended as guidelines and alternatives may be considered by Council in unique circumstances. This could include the provision of on-site *community amenities* rather than a contribution to an amenity fund, for example. On-site *community amenities* would be determined based on community needs and must match the value of the bonus density.
- Infrastructure upgrades needed to accommodate a development or mitigate development impacts may be required in addition to public benefits or *amenity fund contributions*.
- All development applications must provide bylaw-required infrastructure upgrades and contributions, Development Cost Charges, and other applicable fees.
- Community Benefits for OCP amendments are negotiated on a case by case basis considering the nature and extent of the change and community needs.
- Any application which involves the displacement of existing tenants must be accompanied by a Tenant Relocation Strategy;
- The guidelines are not applicable for properties designated Residential Level 1 or Residential Level 2 in the Official Community Plan.

5. Allocating Cash Community Benefit Contributions

Cash contributions for Community Benefits are to be applied to the Community Amenity Reserve Fund and Affordable Housing Reserve Fund. These funds are used to ensure a high quality of life as the community grows. These Funds specifically provide for the following Community Benefits:

Community Amenity Reserve Fund

Contributions to this fund will be used to provide City-serving amenities. This includes, but is not limited to:

- Harry Jerome Community Recreation Centre;
- Waterfront Amenity Spaces;
- Park and public open space improvement;
- Child Care Facilities;
- Museum;
- Other Civic Amenities.

Affordable Housing Reserve Fund

- Providing new non-market and special needs housing units.

Community Benefit Cash Contributions shall generally be allocated as indicated in the table below. These funds shall be spent at Council’s discretion as per the terms of the Bylaws establishing these funds, as amended from time to time. These funds shall be allocated to future projects based on identified community needs.

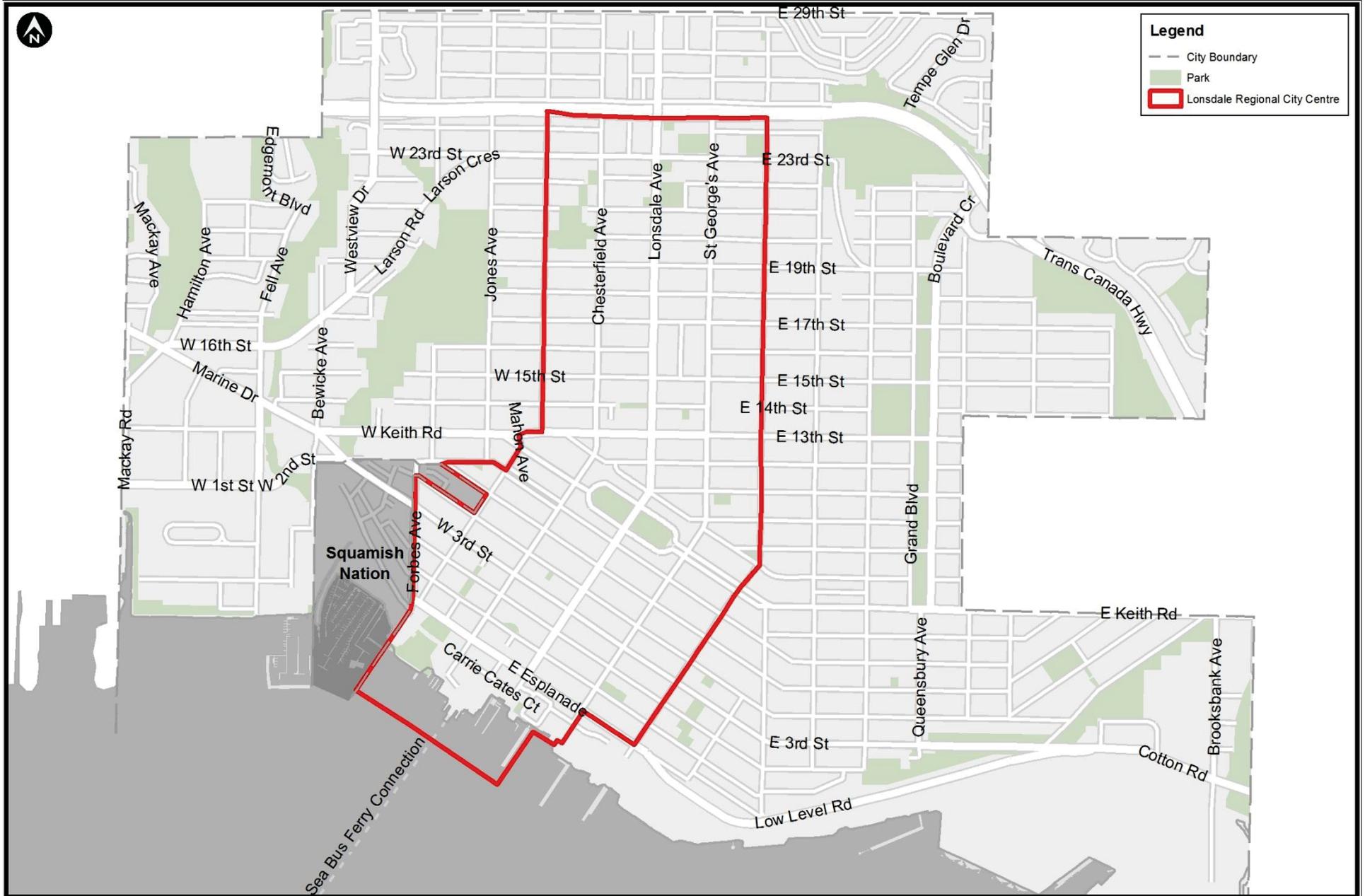
Percentage	Public Benefits	Fund
80%	Civic Facilities / Community Amenity Space	Community Amenity Reserve Fund
20%	Affordable and Rental Housing	Affordable Housing Reserve Fund

6. Monitoring

The *Amenity Fund Contribution* amounts shall be updated periodically to reflect community needs and changing market conditions. The allocation of Amenity Fund Contribution amounts to individual reserve funds will be reviewed annually in conjunction with the City’s Financial Plan in order to ensure alignment with Council priorities.

A summary of *Amenity Fund Contributions* received will be prepared and presented annually.

Schedule 1: Category B Bonus Area / Lonsdale Regional City Centre Boundary



Appendix 1: Definitions

Amenity Fund Contribution means a cash or in-kind contribution toward Community Benefits provided in return for a rezoning or OCP Amendment.

Community Amenity is a defined physical space that provides direct or indirect Community Benefits to the community and includes, but is not limited to, recreation facilities, child care facilities, museum, library, offices for non-profit organizations, cultural facilities, heritage conservation, civic and institutional uses, district heating utility, community meeting space and employment-generating offices.

Community Benefits are the wide range of benefits achieved in the public interest to support the Goals and Objectives of the OCP and realized in part through Amenity Fund Contributions and Community Amenities achieved through rezoning or density bonusing.

Density is the Floor Space Ratio that can be achieved on a parcel, as a calculation of Gross Floor Area over site area.

Density Bonus is additional density provided in return for Community Benefits.

Floor Space Ratio (FSR) is a method of calculating density and controlling the size of building that can be built on a property. The FSR multiplied by the lot area determines the maximum size of building.

Land Use Designation means the permitted uses and densities as outlined in Schedule 'A' of the Official Community Plan.

OCP Maximum Bonus means the highest *Floor Space Ratio* increase that can be achieved on a site through a *Category 'B' Bonus*, as per the OCP (excludes density transfers). All such density bonuses are subject to a rezoning and enhanced public process.

OCP Schedule 'A' Density means the density permitted for a given Land Use Designation in the OCP, under the Schedule A Land Use Map.

Outright Zoning means the maximum *Floor Space Ratio* that can be realized on a site under existing zoning through a Building Permit without any density bonus.

Community Benefits Summary 2016

The City has adopted policies and incentives to ensure that new development provides benefits to the community. These benefits included new housing units, community facilities, and cash contributions to the City which help pay for new and expanded facilities, parks, child care, trails and other amenities. This report summarizes the benefits the City has received through density bonusing over the last year. These are all amenities which would not have been delivered without the use of density bonusing.

2016 Highlights

The first projects under the City's new Density Bonus Policy were approved. The City approved six projects in 2016 which received additional density in exchange for delivering Community Benefits. In 2016, there was 184,800 square feet of additional density provided, in exchange for the following benefits:



Housing

275 New Market Rental Units
15 Lower Income Rental Units



Community Facilities

New Location for North Vancouver Museum and Archive Society (value of \$11 million)



Green Building

Most new buildings built more efficient than Building Code by 10 – 20 percent



Contributions

\$3.85 Million in Cash
~\$2 Million of In-Kind Amenities



Heritage

Restoration of Eades Residence Heritage Building



Public Art

\$426,000 in Public Art delivered

Community Benefits from Development: Improving Neighbourhoods & Enabling Affordable Housing



Introduction

One of the key challenges facing a growing city like Vancouver is providing community facilities, services and infrastructure that keep pace with the arrival of new residents and workers.

Public amenities play a large role in making Vancouver one of the most livable cities in the world as well as supporting a robust economy. Delivering and maintaining the wide array of facilities in our extensive recreation system – parks, playfields, pools, rinks and community centres, as well as other key infrastructure in which we partner with others – affordable housing, daycares, schools, neighbourhood houses, and cultural spaces, is fundamental to making our city a healthy city for all.

To help deliver new facilities and infrastructure so vital to the well-being of residents, the City looks to ensure that new development contributes to neighbourhoods where change is occurring. These community benefits are sometimes built within a new project – such as a childcare facility or cultural space, or in other cases, a developer makes a payment in lieu so that funds from a number of projects can be pooled to deliver benefits somewhere in the city.

Development contributions provided by new development help deliver facilities faster so our residents can enjoy the benefits of growth. These contributions also reduce the pressure on taxpayers who fund the majority of the capital plan.

The City prepares annual reports on development contributions – containing important details of what contributions were made and how they were allocated, enabling the public as well as the development community to see the benefits contributed to our city. *Community Benefits from Development* explains the broader context of Vancouver’s approach to development contributions, and helps residents better understand what kinds of community benefits accompany new development in our neighbourhoods.

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Section 1 Meeting the Needs of a Growing City



Vancouver is one of the best places in the world to live and has a robust and growing economy with world leading innovators in a number of areas.

The demand for job space continues to grow in our city. Our business community is clear that the broad array of recreation and cultural facilities in our city is crucial to attracting workers to Vancouver, and the ongoing need for childcare and affordable housing is critical for the City to address to sustain our success.

Over the next 20–30 years, the Metro Vancouver region is expected to grow by more than one million people. Vancouver anticipates growth of about 150,000 people and 100,000

BELOW Cityscape – Vancouver in the Fall



jobs during that timeframe. Growth in the city will focus new housing and jobs close to transit thus: reducing traffic, commuting distances and greenhouse gas emissions; providing a wide range of affordable housing; providing key amenities such as childcare facilities, community facilities, cultural venues, and an extensive network of recreation infrastructure and green space.

There are obviously costs related to growth. More people means increased needs for new facilities and infrastructure. The City undertakes careful long-term planning and capital budgeting to provide for the needs of a growing city.

Quick Fact: In 2014, more than 2,000 people participated in the City’s Capital Planning process. The top investment priorities from the public were affordable housing, rapid transit, childcare and community facilities.

Quick Fact: Over the past 10 years, the City with assistance from development contributions has funded the following:

- 4,200 affordable housing units
- 3,400 licensed childcare spaces
- 100 kilometres of bikeways

The three main funding sources for the City’s capital projects are:

PROPERTY TAX AND USER FEES

Operating revenue such as property taxes, utility fees (e.g. water and sewer fees) and parking revenue;

DEVELOPMENT CONTRIBUTIONS

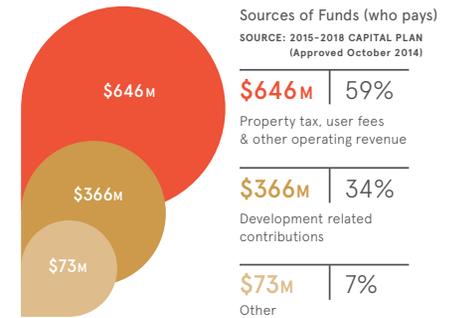
Development Cost Levies (DCLs) and Community Amenity Contributions (CACs); and

CONTRIBUTIONS FROM PARTNERS

such as the federal and provincial governments, non-profit partners, foundations, and others.

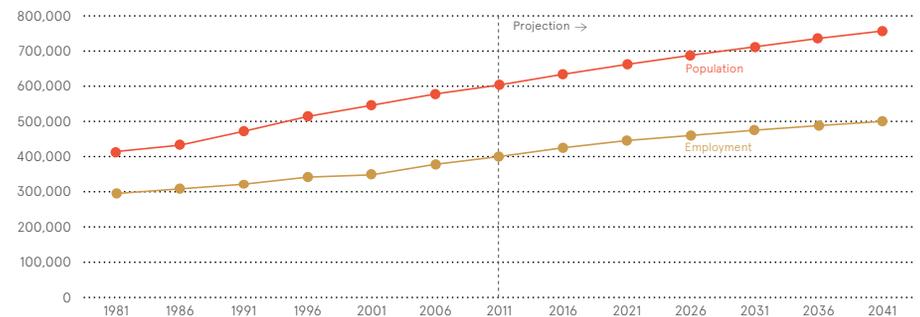
It is critical for the City to maintain excellent services for residents and to be able to expand or provide new civic amenities as the city grows. Keeping Vancouver as one of the most livable cities in the world is essential to support our economic growth as well as the health and well-being of our residents both now and in the future.

How does the City fund facilities and infrastructure?



Note: Funding source proportions can vary with each capital plan

A Growing City



Section 2 Vancouver's Approach to Development Contributions

Quick Fact: The City issues annual reports on both DCLs and CACs which enhance transparency and clarity for residents and developers.

The process of robust engagement through community planning and the ongoing development of city-wide policies to effectively manage change are Vancouver's primary approach to ensuring that new development contributes in a positive way to our communities to meet public needs as the city grows.



1 Coal Harbour Public Realm and Seawall
2 False Creek North Seawall and George Wainborn Park
3 Beach Neighbourhood Seawall

a) Brief history of development contributions

Significant contributions from development in Vancouver began with several major projects along the False Creek North and Coal Harbour waterfronts following the World's Fair Expo '86. These new neighborhoods delivered substantial contributions to public infrastructure and overall livability of these two areas of the city, including: extensions of the seawall around False Creek; parks; new community centres; childcares; a mix of housing – including social housing sites; school sites; public art; as well as essential public works (engineering) infrastructure related to the developments. These benefits also made neighbourhood housing and retail more marketable by providing facilities and amenities that residents, workers and visitors from across the city and beyond could enjoy. Integrating community amenity contributions (CACs) into the development process, thus enabling the construction of important public infrastructure as the city grows, has become a signature part of "Vancouverism", an urban development process and style for which the city has become world famous.

In the early 1990s, new legislation allowed the City to introduce development cost levies (DCLs) on all new development to help fund new parks, childcare, replacement of affordable housing and expanded roads or water and sewer infrastructure.

Vancouverism is an urban planning and architectural phenomenon in Vancouver, British Columbia, Canada, that is unique to North America. It is characterized by a large residential population living in the city centre with mixed-use developments, typically with a medium-height, commercial base and narrow, high-rise residential towers, significant reliance on mass public transit, creation and maintenance of green park spaces, and preserving view corridors. Source: Wikipedia

Quick Fact: Vancouver is consistently ranked as one of the world's most livable cities.

(Source: Economist Intelligence Unit, Mercer Quality of Living Survey)

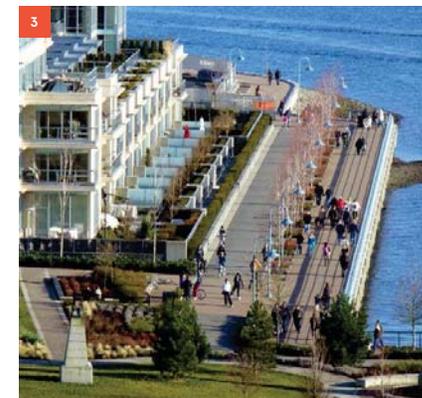


In 2003, after an extensive public process, Council approved a city-wide financing growth policy that established a comprehensive system of DCL areas across the city (DCLs are enabled through the Vancouver Charter) as well as established a new city-wide CAC system (CACs are enabled through City Council). CACs were established by Council to be incremental to DCLs and to be allocated to a wider range of community benefits. This policy provided a way to help address the cost of growth as well as a comprehensive guide for the collection and spending of DCLs and CACs.

As noted earlier, Vancouver's policy is based on the principle that new development should pay its fair share of growth-related costs. Financing growth principles and associated policies are reviewed and adapted over time to meet the changing needs of the city and, over time, new options for funding growth related amenities are established to provide more flexibility for the development community.

b) Development contributions today

Over the last few years the City has completed a number of community plans encompassing neighbourhoods across the city (e.g. Plans for the West End, Mount Pleasant, Norquay Village, Marpole, and the Downtown Eastside), all accompanied by specific plans for public amenities. These plans provide a clear outline of the role development contributions have in funding growth related amenities, all of which are now integrated into the City's Capital Plan and Budget. Along with the public input related to all development in the city, the comprehensive multi-year Capital Plans also involve extensive public consultation adding to the transparency to planning for public amenities.



In order to simplify and provide clarity and certainty for property owners and developers, the City has moved to establish, where appropriate, more areas of the city with fixed rate target CACs thus reducing the need for negotiation at the time of each rezoning. In addition, the City has recently moved to reduce the large number of small DCL areas in the city by integrating them into a single, city-wide DCL district.

Density bonus zoning has recently been introduced by the City as a new tool in the most recent Community Plans. This tool involves a form of zoning which allows the city to define a base and an upper density limit within a zoning by-law, thus allowing new development with the option to achieve the upper density in exchange for providing needed community amenities such as childcare, cultural facilities, and affordable housing, all of which were articulated in the Plan itself. This approach reduces the need for individual site rezoning which reduces the cost and time involved in new development.



Quick Fact: Between 30 and 40 rezoning applications result in CAC contributions each year.

A summary of the current tools used to provide growth related amenities through development is provided below:



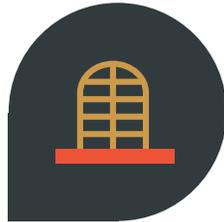
Development Cost Levies

APPLIES TO
All developments, in all zones – including those being rezoned.

DUE DATE
When the building permit is issued.

ALLOCATION & DELIVERY
DCLs partially fund parks, childcare facilities, replacement housing, and engineering infrastructure. Projects are delivered via the City's capital program.

CONTRIBUTION TYPE
A flat rate, per square foot of floor space to be built.



Community Amenity Contributions

APPLIES TO
Only developments that are being rezoned.

DUE DATE
Before rezoning enactment.

ALLOCATION & DELIVERY
CACs contribute to community centres, daycares, affordable housing, libraries, park improvements, neighbourhood houses, cultural facilities, and more. Projects can either be delivered as in-kind facilities, or as payments in lieu.

CONTRIBUTION TYPE
Various approaches are used, including fixed rate targets and site-specific negotiation.



Density Bonus Zoning

APPLIES TO
All development seeking the allowed additional density within certain zones.

DUE DATE
When the building permit is issued.

ALLOCATION & DELIVERY
Amenities and affordable housing are allocated in the public benefits strategies of community plans (e.g. parks, community facilities, daycare, etc.). Projects can either be delivered as in-kind facilities, or as payments in lieu.

CONTRIBUTION TYPE
A flat rate, per square foot of "bonus density" to be built.



Quick Fact: Over 1,500 building permits make DCL payments each year.

When the City considers a new development, especially one where a project proposes a new public facility or amenity on site, a number of factors come into play:

fit within the community, city-wide and regional plans

impacts on traffic, parking, water, drainage and sewage infrastructure

capacity of public facilities to accommodate increased demand

proposed on-site facility linkage to the City's capital plan program and priorities



ABOVE Arbutus Walk

Involving the Public

The public has a role at several different points in the approval process. Their involvement and input usually begins with participating in the local community planning process but may also involve input in other critical public policy plans which apply to all parts of the city – such as the Transportation 2040 Plan, the Housing and Homelessness Strategy (2011), the Healthy City Strategy (2014) and others. Recent community plans provided many opportunities for residents to share their thoughts on the content of public benefit strategies which detailed community priorities and the potential for development contributions.

For any development project seeking a change to existing zoning (i.e., rezoning), residents can: attend pre-application meetings with the developer; be notified of a formal application; attend public open houses; view web-based information which evolves over the course of the rezoning application; provide written or web-based feedback; and, when a rezoning report is finally considered at Public Hearing, speak directly to Council.

Quick Fact: On average, over 3,000 residents per year attend public open houses concerning rezoning applications.

For additional information please reference the Rezoning Process & CAC Process Chart located on pages 16 & 17.

Section 3 Examples of Development Contributions



New development creates demand for increased City services and facilities. In Vancouver, a wide array of community benefits are provided by development contributions including:

- Parks
- Libraries
- Childcare facilities
- Bikeways, greenways, streets and other transportation infrastructure
- Cultural facilities
- Community centres, rinks, and pools
- Social facilities (e.g. neighbourhood houses)
- Non-profit and social housing
- Police stations and fire halls
- Heritage preservation
- Basic infrastructure including water, sewer and drainage projects.



SYMPHONY MUSIC SCHOOL AND ORPHEUM THEATRE ANNEX
Downtown Vancouver

- Completed in 2011
- School for Musical Excellence, new rehearsal hall, and a 150 seat studio theatre
- Community benefits were in exchange for bonusing a mixed-use high-density development



TERRY TAYLOR CHILDCARE CENTRE Upper Kingsway

- Completed in 2012
- 37-space childcare centre
- Provided by developer as an in-kind CAC offering for mixed-use development at Kingsway and Nanaimo



SEASIDE GREENWAY AND YORK BIKEWAY PROJECTS

- Completed in 2014
- Bikeway with connections through northern Kitsilano between the Burrard Bridge, Kitsilano Beach Park, and Jericho Beach Park. The projects include a significantly traffic calmed Point Grey Road, expansion of Volunteer and Tatlow Parks, sections of protected bike lane and off-street bicycle paths, and new or wider sidewalks
- Funding sources included DCLs



JERICO BEACH RESTORATION Photo credit: Moffatt & Nichol

- Completed in 2013
- Park Board restored the historic beach around the former Jericho Marginal Wharf (a remnant of a former Royal Canadian Air Force station)
- The restored Jericho Beach site includes a lookout with viewing binoculars, walking trails, seating, and interpretive signs to reflect the area's rich and varied history from First Nations settlement to a public beach park
- Funding sources included DCLs



WOODWARDS SOCIAL HOUSING Downtown Vancouver

- Completed in 2010
- 200 units of non-market housing (75 units of family and 125 units for singles) incorporated into the Woodward's mixed-use redevelopment
- Funding sources included DCLs



DOUG STORY APARTMENTS Downtown Vancouver

- Completed in 2008
- 46 units of low cost housing
- Built alongside a mixed use residential/hotel development as an in-kind CAC offering



HORNBY SEPARATED BIKEWAY Downtown Vancouver

- Completed in 2010
- North/south bike connection through Downtown Vancouver connecting False Creek and Coal Harbour
- Funding sources included DCLs



CREEKSIDE COMMUNITY & CHILDCARE CENTRE Southeast False Creek

- Completed in 2010
- Full service community centre delivered as part of the new Olympic Village neighborhood
- 37-space childcare located on roof of building
- Built as an in-kind CAC offering with DCL funding



KENSINGTON LIBRARY East Vancouver

- Completed in 2009
- Space for a new Kensington Library provided as in-kind CAC offering from the development of a mixed-use development at the southeast corner of Kingsway, King Edward and Knight



EMERY BARNES PARK Downtown Vancouver

- Built over three phases, from 2003 to 2012
- 0.85 hectare park assembled over a 10 year period funded primarily from DCLs

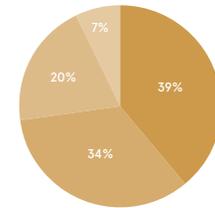
Quick Fact: CAC priorities are shaped by feedback during a community planning process. Over the last three years, the City undertook this planning process in four neighbourhoods, involving more than 15,000 residents.

Quick Fact: Since 2004, the City has exempted/waived over \$36 million in DCL payments which helped to create over 2,300 units of social housing, 1,000 units of for-profit affordable rental housing, and assisted in preserving 10 heritage buildings.

How have development contributions been allocated?

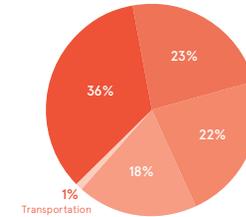
On an annual basis, detailed annual reports are brought forward to Council outlining the contribution of DCLs, CACs, and Density Bonusing toward new and expanded public facilities and infrastructure in our city.

DCLs ALLOCATED
1992-2013



- 39% Parks
- 34% Housing
- 20% Engineering
- 7% Childcare

CACs ALLOCATED
2010-2013



- 36% Affordable Housing + 2,405 market rental units
- 23% Heritage
- 22% Community Facilities (Childcare, Social, Cultural, Library)
- 18% Parks & Open Space (Includes Public Art)
- 1% Transportation

Quick Fact: In 1992, the City implemented its first DCL district in Downtown South.

Quick Fact: All major Metro Vancouver municipalities use Development Cost Charges to help fund amenities and infrastructure.

Section 4 Building the City of Tomorrow



A growing city brings both challenges and opportunities. Vancouver has set high expectations for maintaining its enviable quality of life and livability in the face of continued growth. The City has set goals and priorities so that it can be a prosperous, sustainable, affordable, and inclusive place to live, play, work, do business, and visit.

Vancouver's approach to development contributions is a key part of the city's successes to date. While new development has impacts on the city, it also delivers significant benefits that add to Vancouver's well-being.

By using an innovative mix of funding tools, applied under a common set of guiding principles, new development helps deliver the necessary community benefits, amenities and services to serve new residents, workers and visitors. Guided by community planning and city-wide policies, development contributions and tax-supported revenue combine to deliver on the City's priorities.

Quick Fact: Rezoning approvals represent about three percent of overall building permits issued. The vast majority of new development is approved within existing zoning.

Quick Fact: Both DCL and CAC cash payments are deposited into designated reserve accounts that can only be spent on public benefits authorized by City Council.



Appendix

How Public Input, CACs and Affordable Housing Combine in the Rezoning and Development Approval Process

Rezoning Steps	Public Consultation and Engagement	CAC & Affordable Housing Considerations
1 – WRITTEN REZONING ENQUIRY		
Submitted to City.		May include an in-kind public benefit including an affordable housing proposal.
2 – PRE-APPLICATION REVIEW		
Assess proposal for consistency with applicable city-wide and or area policy. A formal response is provided indicating support (or not) and any additional considerations.	If supportable based on policy review, the developer may be required to hold a public meeting/ open house to gauge community support and identify possible issues before making a formal application.	Applicable CAC and/or affordable housing policy is identified.
3 – REZONING APPLICATION SUBMITTED		
Rezoning fee is paid.	Rezoning application signage erected on site. Notification letters sent to surrounding properties. Application posted on City website.	
4 – TECHNICAL REVIEW OF APPLICATION		
Planning review for land use policy and urban design. Technical review for traffic, parking, sustainability, servicing, etc.	City-wide and area policies reflect earlier public processes as well as Council direction.	If applicable, CAC evaluation begins, i.e., negotiated rezoning projects.
5 – FORMAL PUBLIC INPUT		
	Public open house(s) organized/ hosted by city staff. Input from Council's advisory committees, Urban Design Panel, and stakeholder groups is sought. Written comments sought (website, mail).	Public comment is sought on the type of community benefits needed in neighbourhoods.



Rezoning Steps	Public Consultation and Engagement	CAC & Affordable Housing Considerations
6 – STAFF RECOMMENDATION		
Staff compile all technical and public input and make recommendations for support/non-support and conditions for approval.	Public input is a key consideration in staff recommendation.	If applicable, CAC negotiations are concluded and a CAC offer is made.
7 – COUNCIL REFERRAL		
Report to Council with a recommendation to refer the application to a public hearing. Council decides if application gets referred to public hearing.	Public notification provided by City to all interested parties. Report is posted on city website in advance of hearing.	CAC and/or affordable housing are clearly identified in referral report, including an estimate of value, where available.
8 – PUBLIC HEARING		
After hearing from public, applicant and staff, Council decides on rezoning and conditions of approval including CAC offering (if applicable).	Council hears from all interested members of the public. Applicant may also make a presentation. Staff respond to questions.	All information about community benefits and CACs (where applicable) is provided.
9 – REZONING CONDITIONS & BY-LAW ENACTMENT		
Rezoning conditions include: legal agreements, site servicing, and CAC (if applicable). When conditions are met, Council enacts by-law.	If Council approves a rezoning in principle, there is no more public input into a rezoning.	CAC payment in-lieu is due prior to rezoning enactment. On-site CACs and affordable housing are typically delivered at project completion.
10 – PROJECT DEVELOPMENT		
Applicant can apply for development permit to approve design. A building permit is then required to allow construction.	Development permit signage erected on site. Notification letters sent to surrounding properties. Public comment is sought on building design and function. Large projects are approved by Development Permit Board where public comments can be heard.	On-site CACs, such as a daycare, and affordable housing are incorporated into building design. Community facility details, such as leases and operators, are established.

**Comments and inquiries
concerning this publication
may be directed to:**

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Financing Growth, Citywide & Regional Division
Planning & Development Services
453 West 12th Avenue
Vancouver, BC V5Y 1V4
financegrowth@vancouver.ca**

Online at vancouver.ca/financegrowth





 Division Manager	 Deputy Director	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

INFORMATION REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Emilie Adin, Deputy Director

SUBJECT: HISTORY AND REGIONAL COMPARISON OF AFFORDABLE HOUSING RESERVE FUND

Date: February 1, 2017 File No: 10-5040-07-0001/2017

ATTACHMENTS:

1. Summary List of all City of North Vancouver Non-Market Housing Projects
(Doc#[1392559](#))
2. History of Housing Initiatives in the City (Doc#[1169289](#))

PURPOSE:

The purpose of this report is to provide results of research in relation to the City's Affordable Housing Reserve Fund (AHRF), including:

1. a study of varying municipal approaches to managing AHRFs across Metro Vancouver; and
2. a summary of contributions to and expenditures from the AHRF over time; and
3. a review of the City's Affordable Housing Project successes.

BACKGROUND:

On October 17, 2016, Council unanimously supported the following resolution:

PURSUANT to the report of the Planner 1, dated October 12, 2016, entitled "Endorsement of the City of North Vancouver Housing Action Plan":

THAT the City of North Vancouver Housing Action Plan, dated October 2016, be endorsed;

THAT staff be directed to explore the implementation of the actions outlined in the Housing Action Plan, with immediate focus on identifying a partnership to provide for an affordable housing project, and to leverage for senior government funding in 2017;

AND THAT staff bring forward bylaws in support of the implementation of the Housing Action Plan.

As discussed in the endorsed Housing Action Plan (HAP), the two first "big moves" of the HAP are inter-related:

- 1) Identification of "shovel-ready projects" to leverage senior government funding; and,
- 2) Maximization of the Affordable Housing Reserve Fund.

This report provides information that relates to the HAP goal of "Maximization of the Affordable Housing Reserve Fund."

DISCUSSION

Regional Comparison of Municipal Collections for Affordable Housing

Staff have completed research on how community amenity contributions (CACs) and density bonusing provisions have been managed in other Metro Vancouver municipalities, and in particular the extent to which affordable housing has been provided for in these revenue collections.

Fourteen Metro Vancouver municipalities collect CACs and density bonusing contributions. These fourteen local governments, which all have Affordable Housing Reserve Funds, are listed in Table 1 below. The percentage allocation to affordable housing among each of the municipalities is noted, where it is specified by policy rather than being negotiated on a case-by-case basis.

Of particular note in relation to the North Shore municipalities:

- a) The **District of North Vancouver (DNV)** has a newly adopted Rental and Affordable Housing Strategy (approved November 2016). While the DNV negotiates the percentage allocation of CACs to affordable housing on a case-by-case basis, it will be setting CAC targets for rental and affordable housing.
- b) The **District of West Vancouver (DWV)** adopted new housing strategies in July 2016 in response to a report from staff on "Housing Affordability and Diversity in West Vancouver." DWV has not set a percentage allocation of CACs for affordable housing. However, since the adoption of the new housing strategies, DWV has negotiated CACs for affordable housing for two developments as follows: \$4 million of approximately \$11 million for the Sewell's development (i.e., 36% to affordable housing); and approximately \$700,000 of \$1.1 million for the Hollyburn development (i.e., 64% to affordable housing).

Table 1. Percentage Allocation to Affordable Housing of CACs/Density Bonus Funds in Metro Vancouver Municipalities

Municipality	% Allocation to Affordable Housing
Bowen Island	15%
Burnaby	20%
Coquitlam	10%*
Maple Ridge	Determined at rezoning**
New Westminster	30%
City of North Vancouver	20%
District of North Vancouver	Determined at rezoning**
Port Coquitlam	50%
Port Moody	Policy creation in process

* 10% of density bonuses plus 1/3 of revenues from sale of City-owned lots

** These municipalities take cash-in-lieu affordable housing contributions at rezoning

Municipality	% Allocation to Affordable Housing
Richmond	30%
Surrey	Determined at rezoning**
Vancouver	56%
West Vancouver	Determined at rezoning**
White Rock	Determined at rezoning**

** These municipalities take cash-in-lieu affordable housing contributions at rezoning

The City of Vancouver has the highest allocation of developer contributions towards affordable housing, at 56%. Other municipalities have allocation percentages ranging from 15% (Bowen Island) to 50% (Port Coquitlam). Some municipalities have not set an allocation target to affordable housing for funds collected from CACs and/or density bonusing but most of these municipalities are in the process of so doing, or are soon to be in the process of setting allocation levels as part of their affordable housing strategy efforts. Municipal housing reserve funds are recommended in the endorsed Metro Vancouver Regional Housing Strategy.

Changes to the CNV Affordable Housing Reserve Fund Over Time

In 1989, when the Affordable Housing Reserve Fund (formerly the Social Housing Reserve Fund) was created, there was an expectation that the fund would grow over time. The expectation for the fund was that the interest from the accumulated endowment could fund affordable housing initiatives (i.e., housing studies, task forces, outreach efforts, etc.), while the main endowment accruing over time could be utilized on an occasional basis to leverage senior government funding, providing capital financing for affordable housing projects.

Contributions to the fund over time have included the four following components:

1. Deposits from General Revenue (envisioned by Council in 2003 as an annual 1% tax levy, but revised over time to represent a steady rate of transfer from General Revenue of \$260,000 per annum from 2003-2013);
2. Other City contributions (i.e., proceeds from the sale of a road right of way in 1998);
3. Non-City contributions (i.e., developer and land owner contributions to the fund over time); and
4. Interest earned on the Fund.

Table 2. Contributions and Expenditures, Affordable Housing Reserve Fund, 1989-2016

Year	General Revenue	Other City Contributions	Non-City Contributions	Interest Earned	Total Annual Contributions	Total Expenditures
1989	\$ 200,000	\$ -	\$ -	\$ 9,402	\$ 209,402	\$ -
1990	\$ 210,000	\$ -	\$ 6,000	\$ 45,495	\$ 261,495	\$ -
1991	\$ 210,000	\$ -	\$ -	\$ 45,829	\$ 255,829	\$ 292,000
1992	\$ 25,000	\$ -	\$ -	\$ 26,716	\$ 51,716	\$ -
1993	\$ -	\$ -	\$ -	\$ 24,893	\$ 24,893	\$ -
1994	\$ -	\$ -	\$ -	\$ 24,204	\$ 24,204	\$ -
1995	\$ -	\$ -	\$ -	\$ 42,236	\$ 42,236	\$ -
1996	\$ -	\$ -	\$ 8,000	\$ 38,027	\$ 46,027	\$ -
1997	\$ -	\$ -	\$ -	\$ 33,793	\$ 33,793	\$ 36,000
1998	\$ -	\$ 480,000	\$ -	\$ 44,213	\$ 524,213	\$ 32,034
1999	\$ -	\$ -	\$ 110,000	\$ 66,613	\$ 176,613	\$ -
2000	\$ -	\$ -	\$ -	\$ 77,570	\$ 77,570	\$ -
2001	\$ -	\$ -	\$ -	\$ 70,752	\$ 70,752	\$ 417,815
2002	\$ -	\$ -	\$ -	\$ 59,736	\$ 59,736	\$ -
2003	\$ 260,000	\$ -	\$ -	\$ 64,909	\$ 324,909	\$ 19,355
2004	\$ 260,000	\$ -	\$ 12,718	\$ 72,774	\$ 345,492	\$ -
2005	\$ 260,000	\$ -	\$ -	\$ 74,347	\$ 334,347	\$ 416,549
2006	\$ 260,000	\$ -	\$ 100,000	\$ 83,106	\$ 443,106	\$ 33,275
2007	\$ 260,000	\$ -	\$ -	\$ 78,554	\$ 338,554	\$ 968,073
2008	\$ 260,000	\$ -	\$ -	\$ 74,122	\$ 334,122	\$ 4,253
2009	\$ 260,000	\$ -	\$ -	\$ 77,742	\$ 337,742	\$ 710,747
2010	\$ 260,000	\$ -	\$ -	\$ 70,801	\$ 330,801	\$ 7,407
2011	\$ 260,000	\$ -	\$ 7,407	\$ 87,797	\$ 355,204	\$ -
2012	\$ 260,000	\$ -	\$ -	\$ 96,173	\$ 356,173	\$ 55,143
2013	\$ 260,000	\$ -	\$ 20,000	\$ 101,966	\$ 381,966	\$ 25,857
2014	\$ -	\$ -	\$ -	\$ 108,974	\$ 108,974	\$ 25,459
2015	\$ -	\$ -	\$ -	\$ 96,095	\$ 96,095	\$ 106,353
*2016	\$ -	\$ -	\$ -	\$ 96,095	\$ 96,095	\$ 20,189
Totals	\$3,505,000	\$ 480,000	\$ 264,125	\$1,792,934	\$ 6,042,059	\$ 3,170,509

* Interest earned is estimated in 2016. No other contributions to the fund have occurred in 2016.

The total contributions to the Affordable Housing Reserve Fund, including interest earned, has been over \$6 million over the course of time, from 1989 to 2016. The balance in the fund is currently just over \$2.8 million, while \$3.13 million has been expended over time.

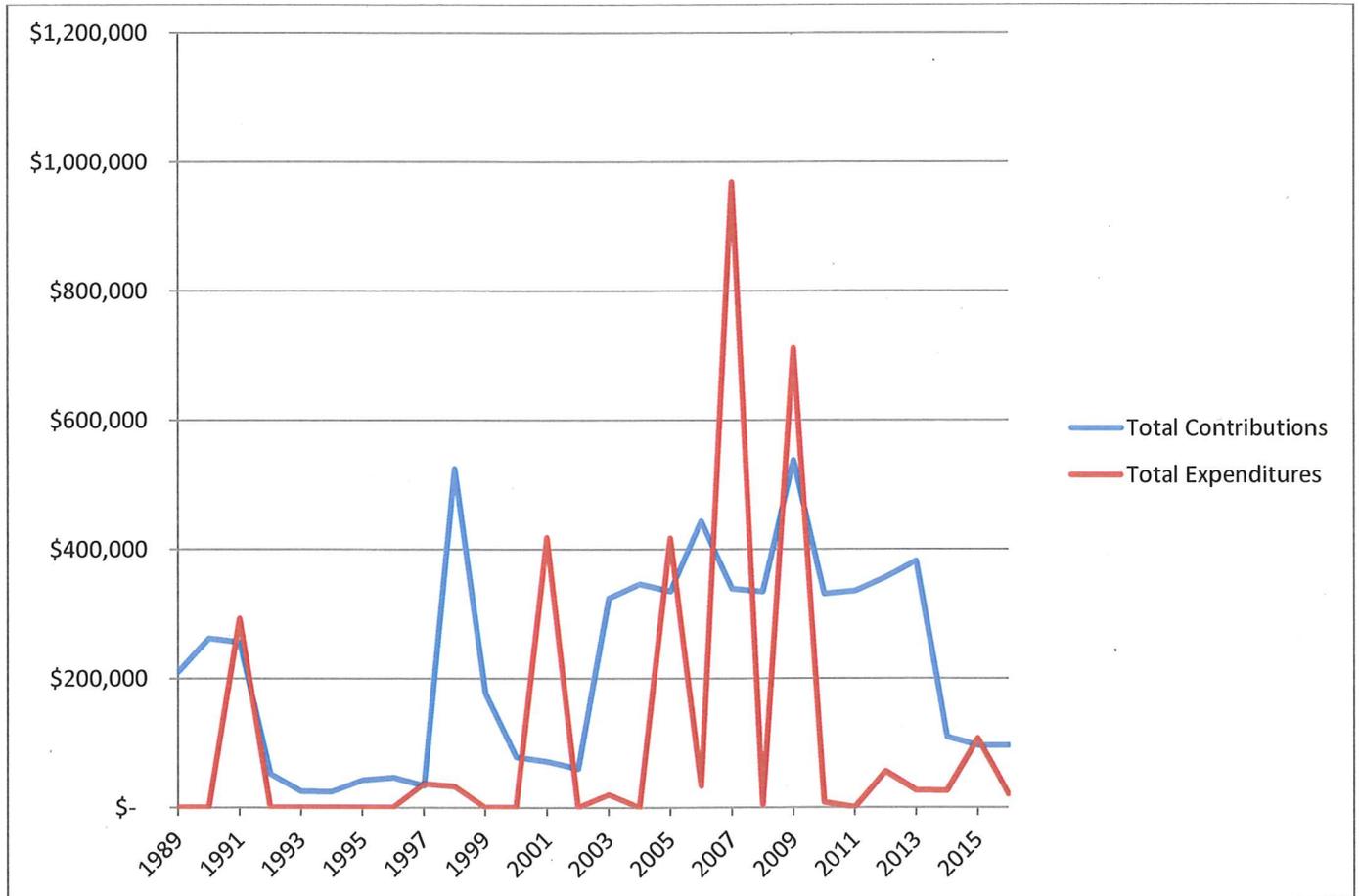
Expenditures are inclusive of:

1. Assistance on seven capital projects for a total of 223 units and 25 shelter beds (at a value of approximately \$2.94 million);
2. A number of housing initiatives, including the Affordable Housing Task Force in 1998 and the Housing Action Plan in 2015 (approx. \$76,000);

- Innovative programming and grants, such as “Innovations in Small Housing” tours and a Homeless Employment Initiative (approx. \$120,000).

What follows (Figure 2) is a summary of all annual contributions to and annual expenditures from the Affordable Housing Reserve Fund over the period 1989 to 2016.

Figure 2. Summary of Contributions to and Expenditures from the Affordable Housing Reserve Fund*, 1989 – 2016



* From 1989 – 1996, this was the Social Housing Reserve Fund

Rationale for Affordable Housing Reserve Fund

Housing is expensive to build, and expensive to rehabilitate. Affordable housing (defined as costing no more than 30% of gross household income) is more expensive still. There is an opportunity cost to setting aside general revenues for the Affordable Housing Reserve Fund. There had been a practice of setting aside \$260,000 per annum that occurred over a 10 year period, from 2003-2013. That practice has been discontinued, at the Finance Department’s recommendation, due to the fact that the fund has exceeded \$2.5 million, and in the context of Financial Plan priorities.

What replaced the practice of transfers from General Revenue, in 2013, was the draft Density Bonus and Community Benefits Policy (finalized and endorsed by Council in May 2015) to set aside 20% of community benefit contributions (also known as CACs or density bonusing contributions) to the Affordable Housing Reserve Fund. These contributions have started to be received in the past two months as projects that are subject to these contributions (i.e., those projects not grandfathered) have begun to apply for Building Permit.

These community benefit contributions are new revenue for the City, not contributions that the City had formerly been collecting (except on a rare case-by-case basis). This new stream of contributions is expected to generate significantly more revenue for public amenities, in the range of \$19.2 million to \$32.6 million over the next 10 years.

Community benefit contributions, for amenities and for housing, are provided for in the density bonus provisions of the Local Government Act, under Section 482. Cash contributions towards the provision of amenities or affordable housing are generally considered to meet the dictates of the Act, but the provincial government has provided workshops and training sessions for planners, advising municipal staff of the expectation that for these contributions to be legally permitted, they must be targeted to local community amenities and affordable housing initiatives that are in proximity to or in service to the people who are being impacted by the new development; this has become known as the principle of “nexus”. This reading of the law, on the part of the development community and the province, is expected to be tested in court in the coming years.

City of North Vancouver Affordable Housing Project Successes

The City has used a number of means and tools to enable projects over the years. What follows is a breakdown of the seven projects that were enabled by the Affordable Housing Reserve Fund, and then a summary of other non-market projects that were enabled using other municipal tools. In accounting for the total number of units that were enabled using one or more municipal tools, the City helped to contribute to the construction of 813 non-market units and 25 shelter beds since 1968.

Non-Market Capital Projects Enabled with the Affordable Housing Reserve Fund (AHRF)

**1. Margaret Heights Family project (1991)
– 19 units**

The City leased a City-owned site in the Cedar Village neighbourhood to Entre Nous Femmes Housing Society to develop a housing project for low-income families. The housing complex consists of 19 townhouse units with at-grade parking – nine 2-bedroom units, six 3-bedroom units, and four 4-



bedroom units. Additionally, there is an on-site 25 space child care facility for resident and neighbourhood families.

The AHRF provided \$276,000 to offset the land lease cost from market value. An additional \$16,000 from the AHRF was also utilized, in partnership with BC Housing funding, to enhance landscaping and outdoor areas.

2. Quay View Apartments project (2001) – 42 units

Developed by the North Shore Association for the Mentally Handicapped (now known as North Shore Connexions), this project provides 1- and 2-bedroom units for single and family households of various disabilities.



In addition to providing the City-owned site, the City allocated \$330,000 from the AHRF to offer a discounted lease. The project was also provided \$87,815 from the AHRF to enhance the exterior finishes and accessibility fixtures of the complex, as well as to cover City legal costs. Council further agreed to limit the paid portion of City Development Cost Charges (DCCs), with the majority of value of DCCs used to incorporate accessibility features in the suites and common areas. Approximately 80 percent of units meet Adaptable Design Level 2 in this project.

3. North Shore Shelter and Transition Housing (2005) – 25 beds and 25 units

The AHRF contributed \$263,296 to provide a discounted land lease to Lookout Emergency Aid Society, the operator of the temporary shelter beds and transitional housing units. The AHRF also contributed \$210,000 to assist with various site-related costs. In total, counting all costs to the City, North Vancouver contributed close to \$2 million towards capital-related costs.



4. Kiwanis St. Andrews Place (2006) – 27 units

Providing housing for low-income seniors, the City provided approximately \$140,000 from the AHRF to facilitate the waiver of fees and development costs and to reimburse costs to increase the affordability of the project. The \$1.1 million site on which this project is located was created by the City permitting increased density on the redevelopment site and transfer of the density to one corner of the site for the seniors' project.



5. Chesterfield House (2007-2009) – 24 units

In an effort to retain an existing rental building and to provide supportive housing for individuals with mental illness, \$950,000 from the AHRF was utilized in 2007 to jointly purchase an existing 16-unit apartment building with BC Housing and Marineview Housing Society. An additional \$18,073 was contributed to pay for legal fees.

In 2009-2010, the City further allocated \$735,000 from the AHRF to help construct a 9-unit infill building at the rear of the building to provide common space and additional units, as well as to renovate the existing building. \$40,000 was further spent to connect Chesterfield House to the City's district energy system, making this the first existing residential building to connect to Lonsdale Energy Corporation.



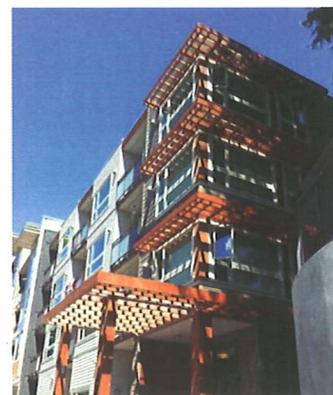
6. ANAVETS Senior Citizens Housing (2010) – 72 units

The City provided \$7,407 from the AHRF to pay for the City's legal costs incurred for the preparation, execution, and registration of the Housing Agreement related to the redevelopment of ANAVetS, which provides low-income seniors accommodations. Density bonusing also made this project financially feasible. The City had sold ANAVetS the original site at a deeply discounted rate, in 1968 (see below)



7. HYAD Place (2013) – 14 units

This project was enabled through density bonusing. The City also assisted the project through a creative use of its Affordable Housing Reserve Fund. The City received a donation of \$20,000 from the Windsor Plywood Foundation Endowment Fund held at the Vancouver Foundation with a request that Council consider using these funds to support HYAD, although this was not a requirement of the donation. To fulfill the wish of the donor, Council agreed to grant the \$20,000, which was deposited to the AHRF, to HYAD towards the purchase of accessibility features for the building. HYAD provides housing for young adults with disabilities.



Non-Market Housing Projects Enabled with Other Municipal Tools

In addition to the Affordable Housing Reserve Fund, the City has used a number of other tools to enable non-market housing projects in the City. This includes primarily Discounted City Land Sales, Discounted City Land Leases, and Density Bonusing and Density Transfers. Other impactful tools have included a policy for waiving Development Cost Charges, discounted connection fees for Lonsdale Energy Corporation, etc.

An effort to quantify the value of non-cash City contributions towards affordable housing projects will be included in a forthcoming staff report in review of the City's Density Bonus and Community Benefits Policy.

1. Discounted City Land Sales – 516 units

Primarily in the 1970s and 1980s, the City sold various City-owned sites at discounted rates to leverage senior government funding to facilitate affordable housing:

- ANAVETS Senior Citizens Housing (1968) – 88 units for seniors (redeveloped in 2012 to 72 units)
- Kiwanis Towers (1970) – 99 units for seniors
- Twin Towers (1976) – 212 units for seniors
- Pinewood Place (1985) – 50 units for families
- Mosquito Creek Cooperative (1986) – 67 units

2. Discounted City Land Leases – 55 units

The lease of City-owned properties at discounted rates (often discounted by the use of the AHRF) has helped to facilitate multiple non-market projects in the City. In addition to the Margaret Heights Family project (1991), the Quay View Apartments (2001), and the North Shore Shelter and Transition Housing (2005) described above, the following projects were assisted:

- Walnut Gardens (1985) – 26 units for families
- Creekside Housing Cooperative (1987) – 29 units

3. Density Bonusing and Transfers – 25 units

Local governments were given new planning powers following the BC Government's 1992 Commission on Housing Options to enable municipalities to better facilitate the development of affordable housing. The new planning powers included the ability to negotiate density bonuses and to transfer density rights. At the same time, the provincial government also mandated a new requirement that municipalities include strategies on affordable housing in Official Community Plans.

The City has successfully utilized density bonusing and density transfers to create new non-market housing in a period of limited senior government funding for affordable housing. While the number of units is often limited in each development, the cumulative impact has enabled vulnerable residents to remain the City.

In addition to Kiwanis St. Andrews Place, ANAVETS Senior Citizens Housing, and HYAD, all described above, the following non-market projects were also enabled through density bonusing:

- The Kimpton (2008) – 6 seniors housing units for low income seniors who require social supports to maintain their independence
- 15 West (2014) – 5 units for individuals with physical disabilities
- Wallace & McDowell (2016) – 5 units for individuals with physical disabilities
- Centreview (under construction) – 9 units for single mothers with children

FINANCIAL IMPLICATIONS:

As a result of social housing research undertaken in 1988, City Council set up an Affordable Housing Reserve Fund (formerly the Social Housing Reserve Fund) in 1989. At that time and over the past 30 years, housing affordability has consistently been the top priority of residents. The AHRF was created as a tool for the municipality to utilize in addressing that concern.

While the City of North Vancouver was one of the first municipalities to set aside funds for affordable housing, it has now become common practice in Metro Vancouver.

From its inception until now, the City's AHRF has enabled seven affordable housing capital projects, totaling 227 units and 25 shelter beds. The AHRF has also enabled the policy work (the Affordable Housing Task Force in 1998 and the Housing Action Plan in 2015) that laid the foundation for additional affordable housing efforts and mechanisms, many of which have enabled additional affordable housing units at no direct cost to the municipality.

INTER-DEPARTMENTAL IMPLICATIONS:

This report was jointly reviewed and endorsed by the Major Projects Committee on January 24, 2017.

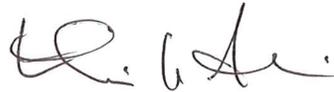
SUSTAINABILITY COMMENTS:

Providing accessible, affordable and appropriate housing in a variety of housing types and tenures is essential to meeting the City's sustainability goals. The Affordable Housing Reserve Fund is a tool that has produced positive although limited results in increasing the number of affordable housing units available in the City.

CORPORATE PLAN AND/OR POLICY IMPLICATIONS:

The Affordable Housing Reserve Fund supports the policy goals and objectives of the 2014 Official Community Plan, the Social Plan and the Housing Action Plan.

RESPECTFULLY SUBMITTED:



Emilie K. Adin
Deputy Director, Community
Development

EKA/eb/skj

**City of North Vancouver
Non-Market Housing Projects**

Project Name/Operator	Address	Year Occupied	# Units
NON-PROFIT			
Family Projects:			
Grant McNeil Place, BC Housing	224 West 1 st Street	1976	112
+ Manor House, GVHC	145 West 5 th Street	1998 (purchased)	50
** Margaret Heights, Entre Nous Femmes	1815 Rufus Drive	1991	19
* Pinewood Place, GVHC	850 West 17 th Street	1985	50
St. Andrew's Place, GVHC	95 St. Andrews Avenue	1976	15
** Walnut Gardens, GVHC	601 Keith Road	1985	26
*** Centreview, YWCA	1308 Lonsdale Avenue	under construction	9
	Family Sub-total		272
Mixed Projects:			
** Quay View, NS Assoc. Mentally Handicapped	150 West 2 nd Street	2001	42
+ Quayside Village Cohousing, Quayside Village Co-Housing Community	510 Chesterfield Avenue	1999	1
	Mixed Sub-total		43
Seniors' Projects:			
* Anavets, Anavets Senior Citizens Housing Society (*formerly 88 units)	245 East 3rd Street (2012 redeveloped)	2012	72
* Kiwanis Towers, Kiwanis Senior Citizens Homes Ltd.	170 West 2 nd Street	1970	99
+ Kiwanis Carnaby Place, Kiwanis Senior Citizens Homes Ltd.	1215 St. Georges Avenue	2001	27
Legion Towers, Legion 118 Housing Society	123 West 15 th Street	2000	33
* Twin Towers, Affordable Housing Advisory Association	172 East 2 nd Street	1976	212
*** St. Andrews, Kiwanis Senior Citizens Homes Ltd.	1480 St. Andrews Avenue	2007	27
	Seniors Sub-total		470
Emergency Shelter/Transition Housing:			
** North Shore Adult Emergency Shelter, Lookout Emergency Aid Society (15 Cold, Wet Weather Beds - Winter Season only)	705 West 2nd Street	2005	25
Second-stage Housing Units			25
*** Hollyburn Family Housing (1 senior emergency bed)			1
	Emergency/Transition Sub-total		51
Supportive Housing:			
Hope's Place, NS Crisis Services Society		2006	2
*** Chesterfield House, Marineview Housing Society	1415 Chesterfield Avenue (2011 addition)	2007/2011	24
^ Kimpton, Hollyburn Family Services	210 West 13th Street	2012	6
*** HYAD, Housing for Young Adults with Disabilities	2130 Chesterfield Avenue	2013	16
*** 15 West, Vancouver Resource Society	150 West 15th Street	2014	5
*** Wallace & McDowell, Vancouver Resource Society	101-149 Lonsdale Avenue	2016	5
	Supportive Sub-total		58
	TOTAL NON-PROFIT		894
HOUSING COOPERATIVES			
Capilano Housing Coop	807 West 17 th Street	1987	29
** Creekside Housing Coop	710 West 15 th Street	1985	43
* Mosquito Creek Housing Coop	1745 Fell Avenue	1986	67
North Shore Housing Coop	875 West 16 th Street	1987	38
	TOTAL HOUSING COOPERATIVES		177
	TOTAL NON-MARKET UNITS		1,071
			(does not include units under construction)
* City Land Sale	** City Land Lease	*** Partnership with City	+ Non-Government Funded
			^ City Strata Lease

Housing is a key factor to the social and economic sustainability of the City of North Vancouver and to achieving the City's vision of being a healthy, livable and complete community.

As a community with strong working class origins, the City has long been involved in responding to a broad range of issues affecting its residents, including housing affordability. The City works to maintain and improve the existing housing stock, as well as to find opportunities to increase the number of affordable units in the community. Providing a diversity of affordable, accessible, and appropriate housing opportunities ensures that an inclusive range of residents call the City 'home'.

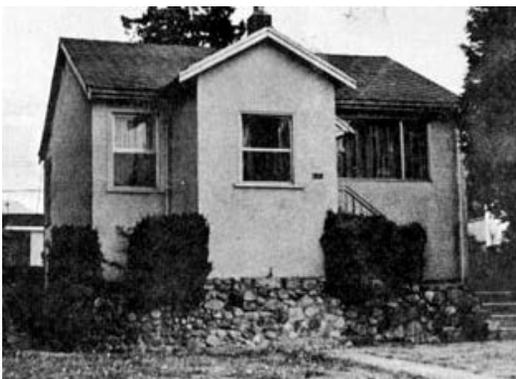
Over the past 70 years, housing policies, practices and initiatives in the City have evolved significantly within the context of the ebb and flow of senior government housing programs and market forces. This document provides a decade by decade snapshot of the City's responses to housing affordability since 1940.



1940s to 1960s

- **Booming shipyards and return of war veterans precipitated housing crisis in the City**

Federal Wartime Housing program and sale of vacant lots at reduced value by the City helped construct over 600 small standardized homes in the City

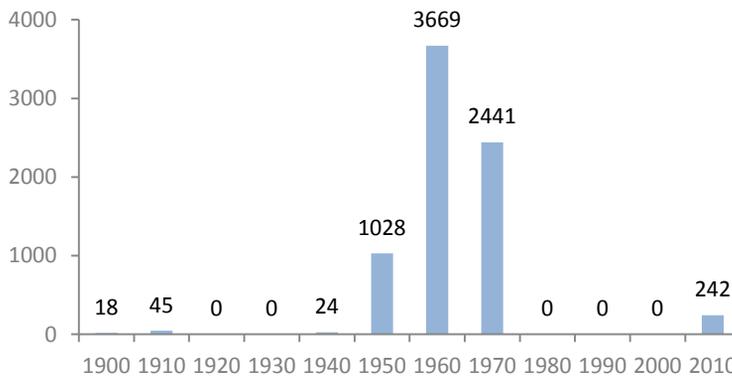


- **City properties used to leverage senior government funding to construct non-market rental housing for seniors through partnerships**

- Kiwanis Apartments (1950s) – 88 units
- ANAVETS Apartments (1960s) – 88 units

Proliferation of senior government housing programs facilitated housing boom

- Assisted Home Ownership Program helped lower income households attain homeownership
- Limited Dividend Program, Multiple Unit Residential Building (MURB) tax shelter, Assisted Rental Program, and Canada Rental Housing Supply Program provided rental housing support for modest income renters, single people, and urban dwellers
- Support for non-profit and co-operative housing



Number of Purpose-Built Rental Units Constructed in the City by Decade

Almost all of the City's purpose-built rental units were constructed prior to 1980

1970s

City Standards of Maintenance Bylaw adopted in 1978

Protect existing housing stock by establishing minimum standards for the maintenance of the physical condition of residential property



Strata conversion controls adopted in 1979 to mitigate loss of rental units

Stratification of purpose-built rental units prohibited unless vacancy rate in the City exceeds 3%

2 new seniors' housing projects and 2 new family housing projects completed

- Kiwanis Towers (1970) – 99 units
- Grant McNeil Place (1976) – 110 units
- St. Andrew's Place (1976) – 15 units
- Twin Towers (1976) – 212 units



According to the 1981 Canadian Census, the cost of housing in the City was approximately 7 times greater than the average household income in the City, although by the late 1980s, an economic recession reduced the cost of housing to roughly 4 times the average household income

Federal government began funding cuts for non-profit housing in 1984

Eligibility for Residential Rehabilitation Assistance Program (RRAP) restricted in 1989 to only people of low income or with disabilities

Over 1,000 households in the City on wait lists for non-profit housing by late 1980s

Four housing co-ops and two non-market housing projects constructed

- Creekside Housing Co-op (1985) – 43 units
- Pinewood Place (1985) - 50 units
- Walnut Gardens (1985) – 26 units
- Mosquito Creek Housing Co-op (1986) – 67 units
- Capilano Housing Co-op (1987) – 29 units
- North Shore Housing Co-op (1987) – 38 units



Social Housing Reserve Fund established in 1989

Initial contribution of \$200,000 from City's general revenue to support implementation of City social housing objectives

1980s

Social Housing Policy adopted in January 1989

Strengthened City's role in supporting initiatives that enabled affordable and adequate housing for lower income households

- Small lot sizes permitted (1983)
- Condominium conversion policy (1979)
- Family suites policy (1967)
- Policy to lease City-owned property where appropriate for non-profit housing

City's first Social Planner hired to respond to diminishing federal housing resources

8 of the 12 non-profit housing projects in the City at this time were on land either leased or sold by the City

Demolition Moratorium (Nov. 1989 – Jul. 1990)

Loss of 38 units in three rental building in 1988 prompted Council to utilize its emergency powers to declare a rental housing crisis in the City and issue a Demolition Moratorium on all rental accommodations in multi-family zoned areas



Affordable Housing Action Plan (1990)

- Support for affordable housing projects in Official Community Plan (OCP)
- Improved processing times for affordable projects

Margaret Heights Family Project (1991)

- Operated by Entre Nous Femmes Housing Society
- 19 townhouse units with at-grade parking
- Nine 2-bedroom units, six 3-bedroom units, and four 4-bedroom units
- On-site child care facility with 25 spaces
- City leased property at 75% of market value
- \$2.35 million capital funding from BC Housing
- \$16,000 from the City's Social Housing Reserve Fund
- City staff provided support for inclusion of on-site child care facility and later upgrades to the outdoor play area in 1995



Updated Strata Conversion Policy and Demolition Notification Policy (1993)

- Strata Conversion Policy raised from 3 to 4 percent to meet eligibility for municipal grants under the provincial Rent Supply Program
- Landlords intending to demolish any building with three or more units required to provide minimum 6 months notice prior to eviction

Demolition Notification Bylaw repealed in 2011 for consistency with Residential Tenancy Act, but owners still being asked to voluntarily comply with City policy

1990s

BC Government's 1992 Commission on Housing Options enhanced role of province and local government

- Municipalities required to include strategies on affordable housing in OCP
- New planning powers given to local government, including inclusionary zoning, negotiated density bonuses and transfer of density rights



In 1993, the federal government canceled all support for new non-profit and co-op housing

Budget for national social housing portfolio capped at \$2 billion annually; management and ongoing subsidies for social housing devolves to provinces

Loss of federal housing programs and the limited focus of provincial housing initiatives continued to hinder the development of affordable housing in the City for over two decades



Legalization of Secondary suites in single family dwellings (1993)

Secondary suites recognized to provide important source of affordable rental housing in the City, as well as supplementary income for homeowners

- Moratorium on Enforcement against Illegal Suites in February 1990
- Secondary Suites Working Committee convened in 1991

The majority of new single family homes are designed and constructed with secondary suites

Residential unit sizes reduced in response to growing affordability challenges and changing demographics in City

- Smaller minimum unit sizes permitted to comply with new federal and provincial standards (1990)
- Unit per hectare residential density control eliminated in 1992 Official Community Plan to facilitate smaller, more affordable units



City conducted Townhouse Satisfaction Survey in 1999 to understand profile of townhouse residents, assess their satisfaction, and identify improvements; survey found overwhelming satisfaction from residents living in townhouses

1990s

Multiple Unit Building (MUB) Policy (1996)

Supports creation and legalization of additional rental units in unused or underused areas of existing apartment buildings

28 units have been added to the rental stock through the MUB Policy since 2007



Rental Premises Standards of Maintenance Bylaw (1998)

Ensure owners of rental accommodation required to maintain their property to an acceptable level of livability and life safety standards for tenants

As the scope of needs has grown in the community, facilitating accessible and appropriate housing for people of all ages and abilities became a focus of City housing policy

Strategies to Support Seniors Housing (1994)

- Promote housing designs that enable aging in place
- Strategies developed through partnerships with outside agencies



Sites Suitable for Seniors Housing Policy (1995)

- Partnership with seniors organizations to determine criteria for location of seniors housing
- Central Lonsdale and Lower Lonsdale deemed ideal location for seniors housing due to proximity to shops and services, good transit service, and smaller residential units that are easier to maintain and more affordable



Adaptable Design Policy (1998)

Residential units accessible to a wider range of persons through the consideration of adaptations that could be easily and inexpensively incorporated to facilitate independent living and support aging in place

- Revised in 2003 and 2013
- 25 percent of all applicable units currently are required to meet Adaptable Design Level 2, with specified floor area exclusions permitted



Over 2,500 Adaptable Design units currently in the housing stock

1990s

Social Housing Reserve Fund renamed Affordable Housing Reserve Fund (1995)

Broadened use of the Fund to respond to senior government housing programs shifting away from housing core-need households to mixed income projects

Housing Initiatives Grant Program established in 1996 to support non-capital initiatives related to affordable housing

Affordable Housing Task Force (1997-1998)

- City reconfirmed a facilitative and supportive role in responding to housing needs of residents
- Task Force presented recommendations to protect and enhance affordable housing in the City

Social Plan (1998)

- Framework to focus social planning programs and initiatives in the City
- Recommendations from the Affordable Housing Task Force incorporated into the Social Plan in recognition of the importance of accessible and appropriate housing in fostering a healthy and complete community

● Quayside Village Co-Housing Project (1999)

- First urban co-housing project in Metro Vancouver
- Density increased from 1.2 Floor Space Ratio (FSR) to 1.6 FSR, with density bonus for affordable rental
- Agreements between City and Quayside Village designated two townhouses and two apartments at 20 percent below market and one apartment as affordable family rental unit with rent set at core need income rates
 - Re-use of building materials, incorporation of grey water system and energy efficiency



● Summerhill Residences (1999)

- 107 units of supportive rental housing for seniors, with 1 unit dedicated to respite care
- Density increased from 2.6 FSR to 5.27 FSR, with density bonus and exclusion for rental housing and supportive amenities and a density transfer from neighbouring site
- Relaxation of parking requirements gave developer savings of over \$1.7 million
- All units designed to Adaptable Design Level 3
- Residents integrated into community through events, programming and opportunities for socializing

1990s

● Royal Canadian Legion Branch #125 (1999)

- Five floors of non-profit housing in the 15 storey high rise, for a total of 33 one-bedroom units
- Density increased from 2.6 FSR to 4.57 FSR, with bonus provided for affordable rental
- Capital costs (\$4.14 million) provided by BC Housing under HOMES BC program; 35-year Operating Agreement with BC Housing
 - Original development required strata units to be sold or resold at 85 percent below market value; rescinded in 2004 after development went into receivership
 - All units built to Adaptable Design Level 2



North Shore Adult Emergency Shelter (2001)

- Ad hoc task force of service providers, health region and municipal social planning staff secured \$80,611 of federal Supporting Communities Partnership Initiative (SCPI) funding
- City provided shelter location in City-owned building and forgave lease revenue of \$25,000 during operation



Word to Your Motherland, title of the mural completed in 2013 on the west side of the shelter, is a community showpiece produced by local and international artists and organizations to celebrate multiculturalism and to explore the importance of respecting our cultural roots



2000s

HOMES BC funding cut in 2001

HOMES BC funding had successfully created almost 7,000 units of subsidized housing in BC, including Quayview Community Housing, a 42-unit complex for single and family households of various disabilities and income levels, in the City

New federal funding program, the Affordable Housing Initiative, established in 2001

- Up-front capital contributions, rather than ongoing subsidies
- Requirement for provincial matching of federal investment funds and for units to be provided at prices at or below market value
- First phase, BC government received \$88.7 million to fund Independent Living BC Program, supportive housing for frail seniors and people with disabilities
- Additional \$41.7 million received 2004, which went towards Provincial Homelessness Initiative to provide supportive housing for homeless and people with mental illness and addictions

Rental Housing Study (2000-2001)

- City investigated ways to maintain and encourage affordability in the existing rental stock
- Study found purpose-built rental housing provided approximately 60 percent of the City's rental accommodations and that rents tended to be more affordable due to age of the buildings and limited amenities



In 2007, a Rental Housing Working Group was established to dialogue with owners and investors of rental housing. The main concerns identified included punitive federal fiscal policy, escalating energy costs, rising property taxes, and rents inadequate to cover escalating operating costs. This feedback, along with the Rental Housing Study, informed the City's Rental Housing Strategies (2007) to support retention and enhancement of rental housing in the City



2001 – First purpose-built rental building constructed in the City since 1970s

2000s



Affordable Housing Workshop in 2004

Explored approaches to affordability in home ownership, as well as the City's role in facilitating diverse housing options

- Subsequent workshops in 2009 and 2010

Housing Affordability Strategies developed in 2006

Developed with guidance from Affordable Housing Action Forum, which discussed full spectrum of affordable housing, from emergency and homeless shelters to assisted and independent social housing programs, to rental assistance and affordable homeownership

Staff report annually to Council on efforts related to affordable and rental housing and more specifically regarding the implementation of the Housing Affordability Strategies and Rental Housing Strategies





North Shore Adult Shelter and Transition Housing Facility (2005)

- City lobbied senior governments for sufficient capital and operating funding to make temporary shelter a permanent facility
- In November 2001, Council authorized \$1.053 million to purchase the site of the permanent facility, provided a 50 percent discount lease, forgave approximately \$435,000 for utility and site requirements, and waived various development-related City fees
- Total of 25 bed emergency shelter, 15 to 20 dorm style beds available during cold, wet weather season, and 25 transition studios where residents can stay up to 2 years
- Started as an overnight shelter, but became a 24-hour, year round operation in 2007 with senior government funding

Addition of two second stage family housing units in 2006

The North Shore Crisis Services Society accessed federal funding to purchase a Lower Lonsdale duplex to provide second stage family housing for those moving beyond transitional housing

2000s

Chesterfield House was the first existing residential building in the City to connect to Lonsdale Energy Corporation

Chesterfield House (2007)

- City used funds from Affordable Housing Reserve Fund to jointly purchase existing apartment building with BC Housing and Marineview Housing Society
- 'Chesterfield House' provides 16 units of supportive housing for individuals with mental health issues
- Rezoned in 2008 to permit an additional building to provide 9 new units built to Adaptable Design Level 2 standards



Despite the availability of senior government funding programs during the 2000s, the need for affordable housing in the City continued to outpace available funds.

Given that affordability is an issue of both housing prices and personal income, the 30 percent household income threshold established by Canada Mortgage and Housing Corporation as 'affordable' is a challenge for many City residents to meet.

● **The Kimpton (2008)**

- Partnership between the developer and the City led to density bonus and density exclusion for The Kimpton to secure six affordable rental units, under City ownership
- All 6 City units are Adaptable Design Level 2, as well as 4 additional units in the development
- City and Metro Vancouver Development Cost Charges were waived, totaling \$38,449
- In August 2012, the 6 affordable rent units were leased by the City to Hollyburn Family Services Society for operation as supportive seniors housing for low income seniors who require social supports to maintain their independence



2000s

● **Kiwanis St. Andrew's (2007)**

- Partnership between developer, BC Housing (federal and provincial funds), Kiwanis, and City
- Achieved through density bonusing, density transfer and exclusion of floor area
- City waived approximately \$140,000 in fees and development cost charges, as well as reimbursed costs to increase affordability of project
- 26 one-bedroom units and 1 two-bedroom unit, of which 21 units built to Level 2 Adaptable Design and 6 units at Level 3





● Coach House Policy (2010)

- Unique housing option to provide residents with greater housing choice
- Supports extended families
- Offers a more livable secondary suite option

A total of 65 Coach Houses were approved by the end of 2016

● Development Cost Charges Waiver Bylaw (2010)

- 100% waiver of Development Cost Charges for non-market housing
- 50% waiver of Development Cost Charges for market rental projects

● Second mortgage to Vancouver Resource Society (2010)

The City facilitated purchase of existing 28-unit apartment in Central Lonsdale with the purpose of the investment being to eventually accommodate persons with disabilities on ground floor and provide non-market rental units above

Vancouver Resource Society fully repaid the second mortgage in 2016

● Five non-market supportive housing units (2011)

- Partnership between the City, Vancouver Resource Society and a developer to provide for a density bonus of 0.5 FSR to achieve five non-market housing units for persons with disabilities
- Each unit is approximately 625 square feet, plus 230 square feet office space
- Each unit is fully accessible (Level 3 Adaptable Design)



2010s

● Apartment building for Housing for Young Adults with Disabilities (HYAD) (2010)

- Partnership between developer, North Vancouver School District and HYAD to create a lot through rezoning for non-profit housing
- 16 dwelling units, including live-in manager support and additional common space built for young adults with disabilities
- All units built to Level 2 Adaptable Design
- Parking requirement reduced since most residents do not drive
- HYAD formed by parent group whose objective is to provide semi-independent living for their children to ensure their future security and well-being, allow them to remain in the community, and reduce the future amount of government assistance



● **New Army, Navy and Air Force Veterans Society (ANAVETS) apartment building (2011)**

- Partnership between developer and ANAVETS to redevelop site for a replacement ANAVETS building and new market residential building
- 72 units of below-market seniors housing – 22 studios and 54 one-bedroom units
- Net loss of 16 below-market rental units, but replaced with newer, larger units
- 60 new units designed to Adaptable Design Level 2, and 3 units meet Level 3
- Rents set at no more than 30 percent of total income, secured by Housing Agreement
- City excluded floor area of ANAVETS building, which provided developer with more floor area for market residential building
- City waived Development Cost Charges (\$211,000), and Metro Vancouver Development Cost Charges waived as well (\$61,332)
- Parking requirement reduced by half; provision of bike and scooter stalls



2010s

● **Federal government continued to divest itself of housing matters**

- 2011 – federal government cut national housing and homelessness investments
- Overall spending at Canada Mortgage and Housing Corporation (CMHC) reduced from \$3.1 billion in 2010 to \$1.9 billion in 2011
- Funding for national homelessness plan cut by 11 percent from \$124 million to \$110 million
- Federal affordable housing initiative eliminated by 2014
- Number of subsidized homes expected to decrease by 50,200 by 2014
- Number of homes renovated under national projects funding fewer than 745 in all of Canada
- Sharp cuts to housing and homelessness spending happening in spite of CMHC reporting that its net income would more than double from \$911 million in 2010 to \$2 billion in 2014

Senior government housing funding cuts occurring despite ongoing lobbying for a national housing strategy from many different stakeholders, including the City and other local governments

Seniors Emergency Housing Unit (2012)

Hollyburn Family Services Society accessed federal and provincial homelessness-related funding to secure a unit in the Vancouver Resource Society apartment building as an emergency unit for seniors at risk of homelessness

Accessory Dwelling Units in Duplexes (2013)

Supported as an option to increase the availability of affordable rental housing in the City

The Planning Institute of BC selected the City's "Accessory Dwelling Units in Duplexes" as an Honourable Mention in the Excellence in Planning Practice (City & Urban Areas) category in 2014

Centreview Non-Market Housing (2013)

- City provided density bonus to developer to secure 10,000 square foot space for affordable housing use
- Affordable housing space sold to YWCA following a Request for Expression of Interest
- 9 units for low-income, single mother-led families with one or more children in the mother's full-time care – 6 two-bedrooms and 3 three-bedroom units – plus, common area and small office for YWCA staff person



2010s

Avesta Apartments (2012)

- Rezoning and density bonus by the City to add 2 storeys of 11 units to older rental building
- 8 units built to Adaptable Design Level 2 standards



Increase in purpose-built rental units

- Approval of several market rental developments adds to and renews City rental housing stock for the first time since the 1970s
- City approves density bonuses, permits lower parking requirements and partial waiver of Development Cost Charges to facilitate rental projects



Homelessness Employment Initiative (2013-2015)

- City allocated \$35,000 per year between 2013 and 2015 to fund a Homelessness Employment Initiative Worker to work with community agencies, businesses, and Shelter residents to develop a pilot employment program for people who are homeless, at-risk of homelessness, and low income.
- Two successful businesses were facilitated by this funding, providing low-barrier, yet stable employment.

Providing low-barrier employment programs addresses one of the root causes of homelessness - poverty - and helps those employed develop job skills

Active Design Guidelines (2015)

Council endorsed Active Design Guidelines to facilitate building designs that promote daily physical fitness and social interaction among neighbours through six considerations:

- Primary Stairs
- Secondary Stairs
- Outdoor Circulation
- Indoor Amenity
- Outdoor Recreation
- Community Gardens



The City's Active Design Guidelines was awarded silver in PIBC's Excellence in Planning Practice (City & Urban Areas) category in 2016

2010s

Wallace & McDowell Non-Market Housing (2014)

- Partnership between developer and Vancouver Resource Society to provide five units of below-market independent living housing units for individuals with disabilities in mixed-use development
- City provided a density bonus and waived Development Cost Charges
- Units constructed to Level 3 Adaptable Design standard



Most of the new non-profit and market rental projects in the City are connected to Lonsdale Energy Corporation, the City's award-winning district energy system.

● **Density Bonus and Community Benefits Policy (2015)**

Council endorsed new policy to provide a greater degree of certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications, with specific emphasis on supports for market and below-market rental housing

20 percent of Community Benefit Contributions are directed towards the Affordable Housing Reserve Fund

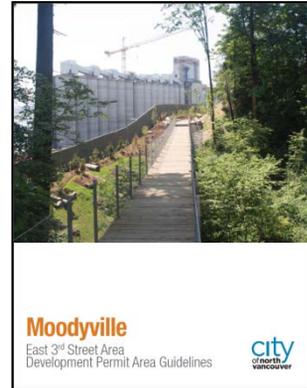
● **Residential Tenant Displacement Policy (2015)**

Developers seeking Council approval to redevelop existing purpose-built rental apartments required to provide enhanced notice and assistance to displaced tenants

● **Moodyville Neighbourhood Rezoning (2016)**

Moodyville area rezoned to provide:

- New ground-oriented housing options appropriate for families (2,000 dwelling units)
- Pedestrian-friendly streetscapes
- Guidelines for form and character
- Utility upgrades
- Amenity contributions
- High standards for energy efficiency

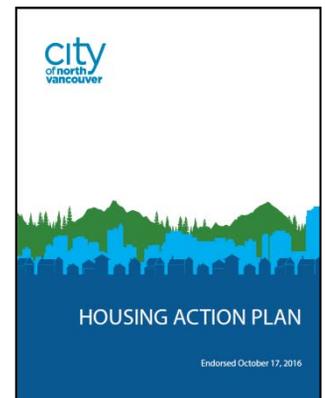


The City received a UBCM Award, a Climate and Energy Action Award from the Community Energy Association and the Smart Energy Communities Award from QUEST for the innovative and sustainable approach to the area-wide rezoning of the Moodyville neighbourhood

2010s

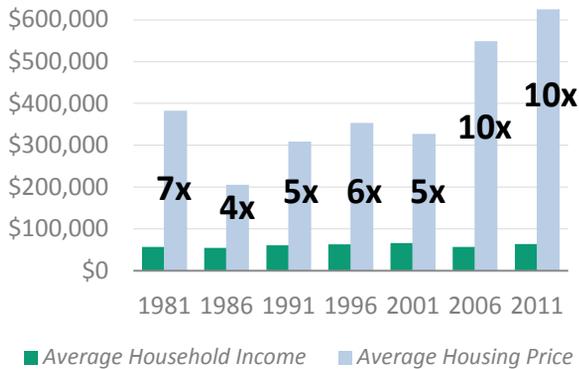
● **Housing Action Plan (2016)**

- Strategies and tools created to address housing challenges and gaps in the City
- 6 goals, 11 “big moves,” and over 30 specific actions for implementation
- Actions span the entire housing continuum, with specific focus on groups identified as having the greatest housing challenges
- Innovative strategies include new below-market rent requirement in market rental projects, family-friendly housing considerations, and maximizing the Affordable Housing Reserve Fund to facilitate affordable housing projects



Gap between cost of housing and household income

- 2011 census revealed that the cost of housing in the City is 10 times greater than average household income
- Upcoming release of 2016 census data will reveal how the gap between the cost of housing and household income has changed in the City



New senior government support and funding may help to alleviate Housing Crisis

- In 2016, both provincial and federal governments made funding commitments to create affordable housing
- Federal government announced creation of a National Housing Strategy to be completed in 2017
- Provincial government committed \$855 million to create affordable rental housing

The City continues to advocate to senior levels of government on issues of increased protection for renters, more effective zoning powers for municipalities to create affordable housing, and better supports for vulnerable residents

Looking forward

Expiration of operating agreements between non-market housing operators and federal government major concern

- Subsidy agreements linked to 811 units/beds located in the City will expire between 2017 and 2029
- Anticipated that loss of federal support will lead to increased numbers of people who need affordable housing

2005 Canadian Housing and Renewal Association study concludes that most social housing projects implemented after 1986 would most likely be non-viable once their agreements expire due to inflation of operating expenses

Protection and gradual renewal of City's aging rental housing stock

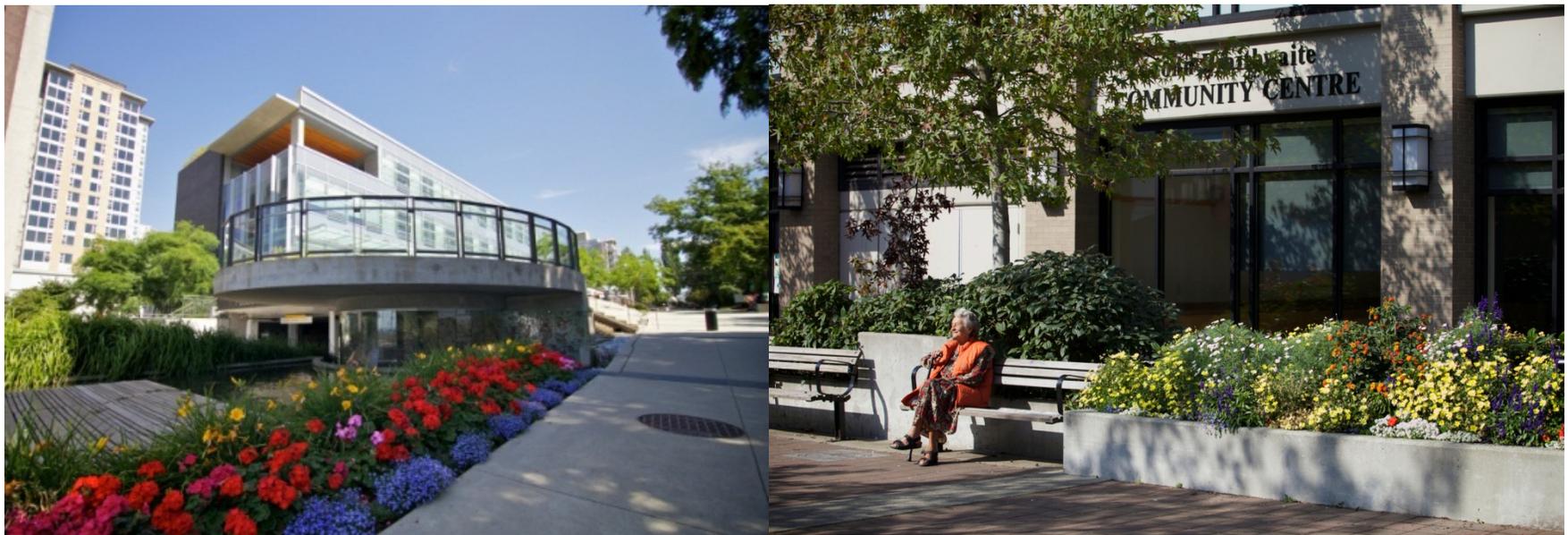
A 2012 study conducted by Metro Vancouver estimates that 23 percent of the City's rental housing stock is at moderate or high risk of redevelopment

As a condition of a density bonus, the City requires 10% affordable rental units to be provided in new rental developments

Affordable Homeownership

The City continues to explore ways of creating more affordable homeownership options for City residents, including reducing the minimum lot size to allow for smaller lots and allowing secondary suites and coach houses on single family lots to serve as mortgage helpers

Draft Amended Density Bonus and Community Benefits Policy



Endorsed: May 25, 2015

Endorsed: [date] Enactment: [date]

1. Introduction

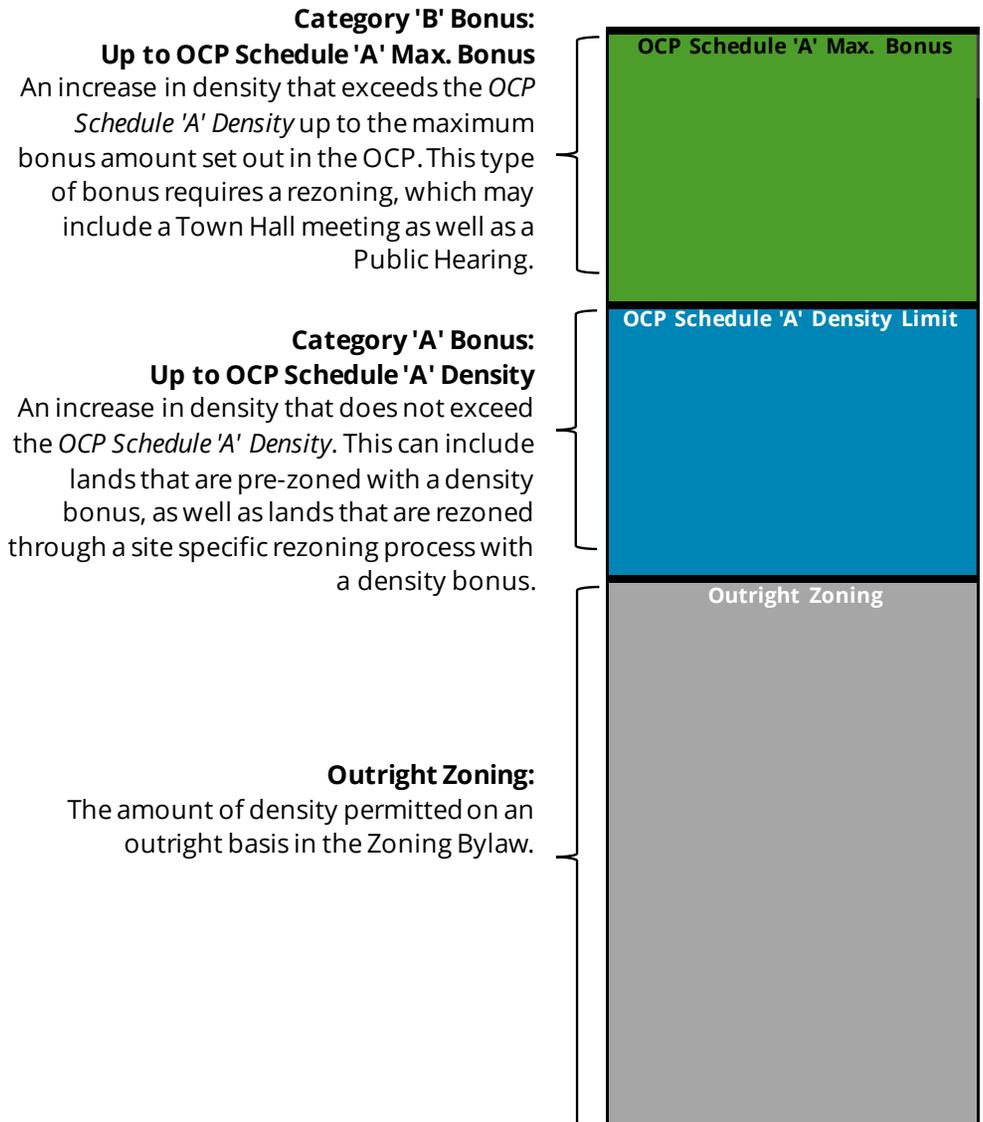
This document serves as a guide for the consideration of density bonuses and density transfers within the framework of the Official Community Plan (OCP) and Local Government Act. This document should be read in conjunction with the OCP and, in particular, Section 2.2 Density Bonusing, Section 2.3 Density Transfer, and the Schedule 'A' Land Use Map.

This guide is intended to provide a greater degree of certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications. Contributions of this nature help ensure that the City is able to provide amenities to meet the needs of our growing community.

Owners and applicants are reminded that OCP and rezoning applications are at Council's absolute discretion. While these guidelines provide a framework for determining Community Benefits related to rezoning applications, Council may reduce, increase or reject any application.

2. Density Bonus Categories

The graphic to the right describes two types of density bonuses. Community Benefit options applicable to each of these bonus categories are outlined in Section 3 of this policy.



3. Community Benefit Options (AMENDED)

Choose one path or combine from the following options outlined below in order to achieve additional density beyond outright zoning:

	i) Community Benefit Cash Contributions	ii) Secured Rental Housing*	iii) Employment Generating Use*	iv) Heritage Conservation*
Category 'B' Bonus Up to Schedule 'A' Max. Bonus	<p>\$190 per sq. ft. of Residential Floor Area increase between Schedule 'A' density and Schedule A maximum bonus</p> <p><i>Conditions:</i></p> <ul style="list-style-type: none"> Sites with existing rental units are not eligible for a bonus except for Secured Rental Housing Cash Contributions may be negotiated only in unique circumstances In-Lieu Contributions may be negotiated in unique circumstances 	<p>A) 100% Rental Housing</p> <p><i>Conditions:</i></p> <ul style="list-style-type: none"> 10% of rental units must be Mid Market Rental Units (see definition) <p>B) Non-Market Rental Housing</p> <p>30% of Increment/Bonused Amount Provided As Non-Market Rental Housing (see definition)</p> <p><i>Conditions:</i></p> <ul style="list-style-type: none"> Not applicable for existing rental sites <p>C) Rental Retention</p> <p>Maintaining Existing Rental Building with Bonus Density Transfer to Another Site</p> <p><i>Conditions:</i></p> <ul style="list-style-type: none"> A recipient site for the density transfer must be determined in advance at the City's discretion A business plan must outline how the existing building will be repaired and upgraded. 	<p>Additional Commercial Floor Area</p> <p>1 sq. ft. Residential Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond the first 1.0 FSR of Commercial Area</p> <p><i>Clarifications:</i></p> <ul style="list-style-type: none"> Can be combined with a cash contribution to reach 100% of Maximum Bonus 100% Commercial Use buildings are encouraged and can also receive the Maximum Bonus Both the Residential Bonus and the Commercial Floor Area are exempt from Amenity Fund Contributions 	<p>Bonus for Restoration and Preservation Determined through Rezoning</p>
Category 'A' Bonus Up to Schedule 'A' Density	<p>\$25 per sq. ft. of Residential Floor Area increase beyond existing zoning to full Schedule 'A' density</p> <p><i>Conditions:</i></p> <ul style="list-style-type: none"> Sites with existing rental units are not eligible for a bonus except for Secured Rental Housing Contributions can be negotiated only in unique circumstance 	<p>No Amenity Fund Contribution is suggested for Secured Rental Housing projects</p>	<p>Additional Commercial Floor Area</p> <p>1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR</p>	<p>Bonus for Restoration and Preservation Determined through Rezoning</p>
OUTRIGHT ZONING				

* In cases that Community Benefit Cash Contributions are waived, off-site improvements relating to safety improvements to accommodate the density of development proposed may still be required as a condition of rezoning.

4. Density Transfers

A transfer of density is the relocation of anticipated density from one parcel of land to another. To achieve the goals and objectives outlined in this Plan and/or achieve a preferable form of development, City Council may authorize transfers of density between properties. Such transfers do not involve an increase in the total development potential, but rather the relocation of a density allowance. Density transfers require a rezoning with Public Hearing and, if approved, require that a Land Title Act covenant be registered on all affected properties confirming that the transfer has occurred.

Density Transfers are appropriate in the following two scenarios:

1. Density Transfer donor site is adjacent or in close proximity (i.e., same block) as the receiving site and transfer will result in a preferable built form;
2. Significant civic or public benefit will accrue from the Density Transfer (e.g., secured protection of a valued heritage site).

5. Applying the Density Bonus and Community Benefits Policy

This policy should be read in conjunction with other City policies. Please note that:

- The Community Benefit Options outlined in Section 3 are intended as guidelines. Alternatives may be considered by Council in unique circumstances. This could include the provision of on-site Community Amenities rather than a contribution to an amenity fund, for example. On-site Community Amenities would be determined based on community needs and must match the value of the bonus density.
- Infrastructure upgrades needed to accommodate a development or mitigate development impacts may be required in addition to Amenity Fund Contributions or other Community Benefits.
- All development applications must provide bylaw-required infrastructure upgrades and contributions, Development Cost Charges, and other applicable municipal fees. **Density bonus and community benefit contributions are not in lieu of what is otherwise due to the City.**
- **Public art is not funded by Amenity Fund Contributions and will be negotiated separately, in addition to the Community Benefit Options described above.**

- Community Benefits for OCP amendments are negotiated on a case by case basis considering the nature and extent of the change and community needs.
- Any application which involves the displacement of existing tenants must **comply with Council Policy No. H18: Residential Tenant Displacement Policy**.
- **This policy does not apply to properties currently** designated Residential Level 1 or Residential Level 2 in the Official Community Plan, **except in relation to the opportunity to receive a density bonus in exchange for heritage conservation.**
- **Development proposals that are inconsistent with the Density Bonus and Community Benefits Policy will be reviewed by Council prior to processing of the application, and the proponent will be required to demonstrate:**
 - **That the requested deviation from the policy is warranted by unique circumstances; and**
 - **That other public benefits of equivalent value will be accrued (for example, a secured commitment to exceed the minimum term of affordability for Mid-Market Rental Units or to meet another Community Benefit priority)**

6. Allocating Cash Community Benefit Contributions

Cash contributions for Community Benefits are to be applied to the Community Amenity Reserve Fund and Affordable Housing Reserve Fund. These funds are used to ensure a high quality of life as the community grows. These Funds specifically provide for the following Community Benefits:

Community Amenity Reserve Fund

Contributions to this fund will be used to provide City-serving amenities, **as per Bylaw No. 6967 (Civic Amenity Reserve Fund)**.

This includes, but is not limited to:

- Harry Jerome Community Recreation Centre;
- Waterfront Amenity Spaces;
- Park and public open space improvement;
- Child Care Facilities;
- Museum;
- **Greenways construction and improvements;**

- Active transportation projects;
- Traffic safety improvements; and
- Other Civic Amenities.

Affordable Housing Reserve Fund

Contributions to this fund will be used for the provision of new nonmarket and special needs housing units, as per Bylaw No. 6757 (Affordable Housing Reserve Fund).

Community Benefit Cash Contributions shall generally be allocated as indicated in the table below. These funds shall be spent at Council’s discretion as per the terms of the Bylaws establishing these funds, as amended from time to time. These funds shall be allocated to future projects based on identified community needs.

Percentage	Public Benefits	Fund
80%	Civic Facilities / Community Amenity Space	Community Amenity Reserve Fund
20%	Affordable and Rental Housing	Affordable Housing Reserve Fund

In-lieu contributions will be accepted, at the discretion of the City, in order to assure timely mitigation of additional density in a neighbourhood, when deemed appropriate.

7. Monitoring

The *Amenity Fund Contribution* amounts shall be updated periodically to reflect community needs and changing market conditions. The allocation of Amenity Fund Contribution amounts to individual reserve funds will be reviewed annually in conjunction with the City’s Financial Plan in order to ensure alignment with Council priorities.

A summary of *Amenity Fund Contributions* received will be prepared and presented annually.

Appendix 1: Definitions

Amenity Fund Contribution means a cash or in-kind contribution toward Community Benefits provided in return for a rezoning or OCP Amendment.

Commercial Floor Area means the square-footage measurement of commercial office or retail space in a building.

Community Amenity is a defined physical space that provides direct or indirect Community Benefits to the community and includes, but is not limited to, recreation facilities, child care facilities, museum, library, offices for non-profit organizations, cultural facilities, heritage conservation, civic and institutional uses, district heating utility, community meeting space and employment-generating offices.

Community Benefits are the wide range of benefits achieved in the public interest to support the Goals and Objectives of the OCP and realized in part through Amenity Fund Contributions and Community Amenities achieved through rezoning or density bonusing.

Density is the Floor Space Ratio that can be achieved on a parcel, as a calculation of gross floor area over site area.

Density Bonus is additional density provided in return for Community Benefits.

Density Transfer is the relocation of anticipated density from a donor site to a recipient site.

Floor Space Ratio (FSR) is a method of calculating density and controlling the size of building that can be built on a property. The FSR multiplied by the lot area determines the maximum size of building.

Land Use Designation means the permitted uses and densities as outlined in Schedule 'A' of the Official Community Plan.

Mid-Market Rental Units means dwelling units:

- (a) that are occupied by households that are low and moderate income renters, including the City's workforce;
- (b) that are set at 10% below Canada Mortgage and Housing Corporation average market rents for the City, based on unit type, and secured for a minimum period of 10 years; and
- (c) in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situate has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require;

Non-Market Rental Housing means dwelling units:

(a) that are occupied by households with incomes below housing income limits, as set out in the current “Housing Income Limits” table published by the British Columbia Housing Management Commission, or equivalent publication;

(b) that are owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the city, the Province of British Columbia, or Canada; and

(c) in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situate has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require;

Official Community Plan (OCP) is Bylaw No. 8400, one of the City's most significant guiding policy documents. The OCP sets a long-term vision for the City. All other municipal bylaws and works undertaken by the City must be consistent with the OCP.

OCP Maximum Bonus means the highest *Floor Space Ratio* increase that can be achieved on a site (excluding density transfers) through a *Category 'B' Bonus*, as per the OCP. All such density bonuses are subject to a rezoning and enhanced public process.

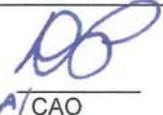
OCP Schedule 'A' Density means the density permitted for a given Land Use Designation in the OCP, under the Schedule 'A' Land Use Map. **The Density Bonus and Community Benefits Policy needs to be read in conjunction with the Schedule 'A' Land Use Map to determine permitted maximum densities.**

Outright Zoning means the maximum *Floor Space Ratio* that can be realized on a site under existing zoning through a Building Permit without any density bonus **or any rezoning of the lands for additional density.**

Rental Housing means dedicated purpose-built rental tenure residential units.

Residential Floor Area means the total of market and non-market residential gross floor area.



 Division Manager	 Deputy Director	 Director	 AT/CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
COMMUNITY DEVELOPMENT DEPARTMENT

INFORMATION REPORT

To: Mayor Darrell R. Mussatto and Members of Council

From: Michael D. Epp, City Planner

SUBJECT: SOURCES OF TRANSFERRABLE DENSITY

Date: May 31, 2017 File No: 13-6430-04-0001/1

ATTACHMENTS

1. Sites with Residual Transferrable Density Available (Doc #1530204)

DISCUSSION

At the regular Council meeting held April 24th, 2017, it was requested that information be made available on the City's website regarding sources of transferrable density. This information, which is also available within the Zoning Bylaws, has been compiled for convenience and posted to the City's website here:

<http://www.cnv.org/city-services/planning-and-policies/land-use/density-bonusing>

The summary of sites within the City which have been rezoned to allow transferrable density is included as Attachment #1 to this report.

Transfer of density is permitted through the City's Official Community Plan as a tool to enable preferable forms of development or to facilitate other community objectives. Density can only be transferred at the discretion of Council and through the rezoning of both the 'donor' site and the 'recipient' site.

RESPECTFULLY SUBMITTED:


Michael D. Epp, MCIP, RPP
City Planner

ME/rf



Sites with Residual Transferrable Density Available

Transfer Density Source	Zone	Address	Density Transferred sq.ft.	Transfer Density Available sq.ft.
Civic Centre	CD-505	120-144 W 14th	22,186	43,836
Foot of Lonsdale	CD-642	105/120 Carrie Cates Court	18,553	107,000
Queen Mary	CD-558	721 Chesterfield	13,433	147,807
School District Offices	CD-578	2151 Lonsdale Avenue	60,500	11,617
Presentation House	CD-456	333 Chesterfield	59,600	38,720
Avesta Rental Apartment	CD-603	1629 St. Georges	6,652	4,184
TOTAL			180,924	353,164

Updated May, 2017

The list above includes sites where transferrable density has been created through rezoning of the properties. Details of the transferrable density available for each site listed above are included within the Zoning Bylaw.

Meeting Notes, Meeting of City staff with members of UDI

April 5, 2017

City of North Vancouver City Hall, Atrium/Community Meeting Room, 2-4pm

City staff: Emilie Adin, Michael Epp, Wendy Tse
UDI staff: Jeff Fisher, Patrick Santoro
UDI members: Matt Fawsitt, Colliers International
Brad Jones, Wesgroup
Veronique Turner, Darwin Properties
Milan Bodriga, DR Holdings
Diana Wang, DR Holdings
Kristi Neumeyer, Aquilini Development
Beau Jarvis, Wesgroup
Cyrus Navabi, Qualex-Landmark
Narjes Miri, M+ Architecture
Michael Reed, GWL Realty Advisors
Norm Couttie, Adera
Stuart Mahon, Adera
Rocky Sethi, Anthem Properties

Questions

In no order of priority, the following in point form are a list of questions posed by staff and members of the Urban Development Institute who attended the input session, as well as the responses from staff:

1. Will the City allow in-lieu contributions to a greater extent, in order to be able to provide amenities to the immediate neighbours impacted by development?

A1: These opportunities to provide in-lieu contributions are proposed to be re-introduced in unique circumstances and to a limited extent in the amended policy. Staff are working on the criteria.

2. Does the City have a Community Amenity Allocation Plan or a Community Amenities Strategy?

A2: Staff will bring this forward to Council for their consideration. Similar work is being done already within the Density Bonus and Community Benefits Policy and the Financial Plan.

3. There is interest in the City allowing mixed-tenure rental/strata buildings as a pathway for density bonusing. Will that be provided for?

A3: Council has directed staff to take another look at this issue. No changes are being proposed at this time, but a separate policy analysis will occur specifically on this topic.

4. Could we have more clarity on density transfer criteria?

A4: [Criteria provided] This issue will be addressed in the amended policy.

5. Could we have more information on how amended contributions were calculated?

A5: The Density Bonus and Community Benefits Policy was built comprehensively during the five year period of 2010 to 2015. In this more limited annual review, analysis of all recent sales data in the City was done internally, and verified by a third party (G.P. Rollo and Associates), in order to calculate appropriate Community Benefit contribution rates. A formal report for distribution was not created.

6. Will contributions requested always go up? Can the contributions requested go down if there is an economic downturn?

A6: Contributions can be reduced.

7. Will CNV reconsider supporting a formal UDI-City Liaison Committee?

A7: Staff will not recommend to Council the creation of a formal Liaison Committee. Staff will continue to meet with UDI on a consultative basis, as issues arise.

8. Concerns about reducing 2 fees (1 inside of City Centre; a lower rate outside of City Centre) to 1 higher fee. Could you provide a less pronounced transition to one rate?

A8: Staff will consider recommending a phased approach to merging the two categories of Category B bonuses.

9. How often will the City conduct a review of the policy and contribution rates?

A9: The City is intending an annual review.

10. Is it possible to choose multiple pathways to achieving the full potential density bonus? Is a hybrid approach to providing Community Benefits possible?

A10: This is possible, except in the category "100% Market Rental". The amended policy will make this clearer.

11. The Density Bonus and Community Benefits Policy includes a list of potential amenities. Is this an exhaustive list?

A11: No.

12. Do Affordable Housing contributions go into general revenues?

A12: For large rezoning initiatives with a longer build-out (such as Moodyville), contributions in exchange for density bonuses may be deposited into the general revenue account and then indexed to either community amenities or affordable housing, given the policy requirements at the time of contribution. This offers Council the opportunity to change the ratio of contributions towards general community amenities and affordable housing over time, should that be desired. For smaller rezonings, contributions are placed directly into the Civic Amenities Reserve Fund (80%) or the Affordable Housing Reserve Fund (20%) to reflect the requirements of policy at the time of rezoning.

13. Will the City undertake more pre-zoning of areas?

A13: The City is currently exploring area-wide rezoning in the Duplex Special Study area.

14. In terms of what is required by the developer outside of Community Benefit contributions, we are concerned about rising fees, bylaw requirements and off-site improvements over time. Could these be tracked and reported on by the City over time?

A14: That is our intention, going forward. We are developing a new permitting database that will assist us in tracking development-related costs and requirements.

15. Are you aware of any additional cost items coming up, from the City, that would affect developers?

A15: No.

16. If the City added additional fees and requirements in the future, would density bonus contributions go down?

A16: Amenity contributions are considered in the context of other costs to the developer and in relation to affordability of housing. Council can set contributions at higher or lower rates in consideration of this larger context.

Comments

In no order of priority, the following in point form are a list of comments made by staff and members of the Urban Development Institute who attended the input session.

1. CNV is ahead of the two North Shore districts in terms of offering clarity;
2. In order to ensure development contributes to a neighbourhood, we would like to ensure a portion of the amenities are constructed in the immediate vicinity;
3. \$190 per square foot seems a little high;
4. Developers should get a full report on how new contribution rates were arrived at, for full transparency and so that developers could review;
5. Construction costs for wood frame have gone up more steeply than concrete construction costs;
6. BC Climate Action Plan encourages wood frame construction so you should not discourage density bonusing outside of City Centre (where wood frame is more likely to be built);
7. When cash contributions for strata bonus density go up, it's easier for rental projects to win a bid for a site;
8. We appreciate the opportunity to be consulted with.



WELCOME

DENSITY BONUS AND COMMUNITY BENEFITS POLICY UPDATE

OPEN HOUSE



DID YOU KNOW?
All of the amenities seen here were made possible through density bonusing



INTRODUCTION

THE CITY IS UPDATING ITS POLICY ON DENSITY BONUSING AND COMMUNITY BENEFITS

The City of North Vancouver's Density Bonus and Community Benefits Policy, adopted by Council in May 2015, is currently under review following its first full year of implementation.

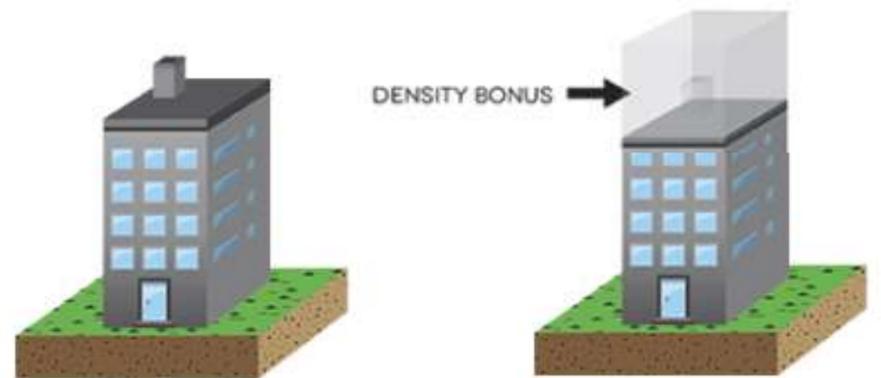
This policy guides the City on how to achieve public benefits and amenities through development.

WHAT IS DENSITY BONUSING?

Additional density in exchange for amenities needed by the community

Density bonusing – the ability to establish conditions to achieve additional density within a development – is a tool provided to municipalities in British Columbia through the Local Government Act. Municipalities are able to provide the incentive of additional floor area in exchange for needed community benefits and amenities.

To date, the City has secured significant community benefits from density bonusing, ranging from public facilities, such as the City Library and John Braithwaite Community Centre, to affordable housing. Density bonusing has also been successfully utilized to retain buildings with significant heritage value, create new parks and green space, as well as secure as new public art throughout the City.



WHAT IS DENSITY?

Density is the calculation of the total floor area of buildings divided by the land area upon which the buildings are built.

WHAT ARE COMMUNITY BENEFITS?

Amenities that offset the impacts of development and improve livability

Community benefits are negotiated amenities that address the new or expanded demand for community facilities, services, and infrastructure associated with development.

The Official Community Plan establishes the provision for density bonusing in support of achieving public benefits and amenities including:

- Community amenity space;
- Employment generating uses;
- Heritage conservation; and,
- Non-market and market rental housing.

The amount of a density bonus is to be commensurate with the value of the public benefit achieved. Provincial guidelines on achieving community benefits through density bonusing focus on the concept of “nexus,” whereby the community amenities that are collected can be shown to be of primary benefit to the immediate neighbourhood of the new development, as a mitigation of the impacts of development. Given the City's small land mass, contributions to larger facilities that serve the whole City are considered to meet the “nexus” criteria.



2016 ACHIEVEMENTS

SUMMARY OF COMMUNITY BENEFITS SECURED

In the first full year of implementation of the Density Bonus and Community Benefits Policy, the City approved six projects which received additional density in exchange for delivering community benefits. In 2016, there was 184,800 square feet of additional density provided in exchange for the following benefits:



HOUSING

275 New Market Rental Units
15 Lower Income Rental Units



COMMUNITY FACILITIES

New location for North Vancouver Museum and Archive Society (value of \$11 million)



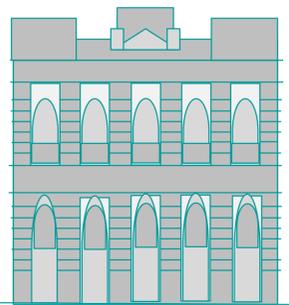
GREEN BUILDING

Most new buildings built more efficient than Building Code by 10-20 percent



CONTRIBUTIONS

\$3.85 million in cash to City amenity funds
~\$2 million of in-kind amenities



HERITAGE

Restoration of Eades Residence heritage building



PUBLIC ART

\$426,000 in public art delivered

WHAT ABOUT INFRASTRUCTURE UPGRADES?

Infrastructure upgrades are required for all development projects, big and small, as per City Bylaws. Local governments are further enabled by the Local Government Act to collect Development Cost Charges (DCCs) to assist in financing the costs of infrastructure and parks expenditures required to service new growth. The Greater Vancouver Sewerage and Drainage District has further implemented a regional sewerage DCC to help finance various sewerage projects within Metro Vancouver.

For projects seeking a density bonus, amenity contributions are secured in addition to the infrastructure upgrade costs required for the project. In the case that Community Benefit Cash Contributions are waived, off-site improvements relating to safety improvements to accommodate the density of development proposed may still be required as a condition of rezoning.



DID YOU KNOW?

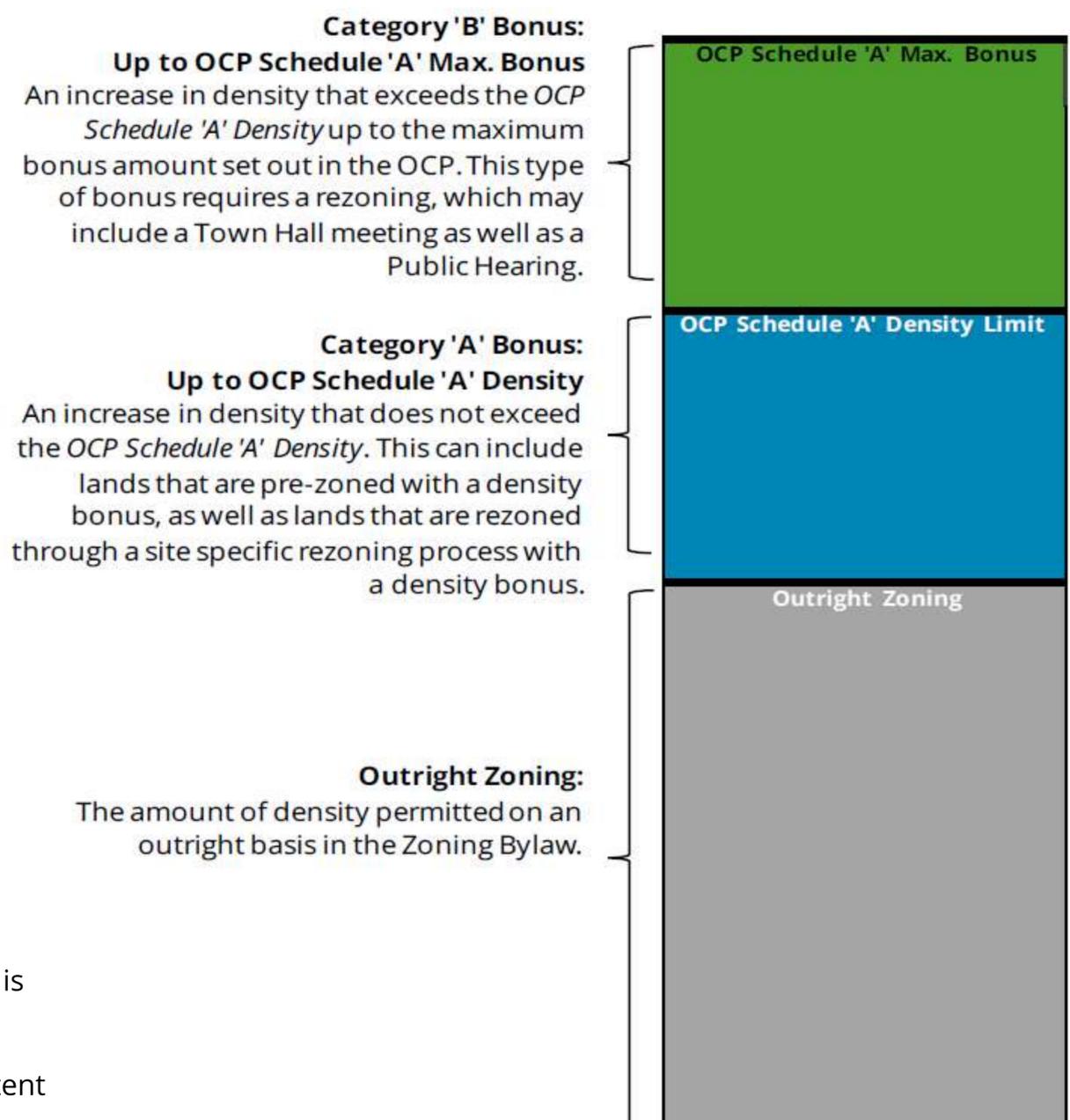
The City provides a DCC waiver of 50% for market rental projects and a 100% waiver for non-market rental projects to help support the provision of rental housing.

DENSITY BONUS CATEGORIES

TWO TYPES OF BONUSES

The graphic to the right describes the two types of density bonuses available under the Density Bonus and Community Benefits Policy. Depending on the category, the options for community benefits will differ.

As described in the graphic, a density bonus is in addition to the amount of density permitted on an outright basis in the Zoning Bylaw. A Category 'A' Bonus is a bonus above outright zoning, but does not exceed the Schedule 'A' Density set in the Official Community Plan. If a development is seeking an increase in density that exceeds the Schedule 'A' Density, but up to the maximum bonus amount set in the OCP, this is classified as a Category 'B' Bonus. A Category 'B' Bonus requires a rezoning and is subject to Council approval, while a Category 'A' Bonus may require a rezoning, but may also include lands that are pre-zoned with a density bonus.



DID YOU KNOW?

The Official Community Plan (OCP) is the most significant guiding policy document in the City and all other bylaws and policies must be consistent with it.

DENSITY BONUS VS. DENSITY TRANSFER

While a density bonus is additional density granted to a development site, a density transfer is the relocation of anticipated density from one parcel of land to another. To achieve the goals and objectives of the Official Community Plan and/or achieve a preferable form of development, Council may authorize transfers of density between properties. Density transfers require a rezoning with Public Hearing and, if approved by Council, require that a Land Title Act covenant be registered on all affected properties confirming that the transfer has occurred.

The updated Density Bonus and Community Benefits Policy establishes two criteria that describe circumstances for which density transfers may be appropriate:

1. Density transfer donor site is adjacent or in close proximity (i.e. same block) as the receiving site and the transfer will result in a preferable built form; and,
2. Significant civic or public benefit will accrue from the density transfer (e.g. secured protection of a valued heritage site).

COMMUNITY BENEFIT OPTIONS

FOUR PATHWAYS TO PROVIDE COMMUNITY BENEFITS

1 COMMUNITY BENEFIT CASH CONTRIBUTIONS

Achieving cash contributions to the City's amenity funds, which can then be expended at Council's discretion on the housing projects, civic facilities and community services that best meet the community's amenity needs.



2 SECURED RENTAL HOUSING

Securing new mixed income market rental buildings and non-market rental units to support the long term sustainability of the City's rental housing stock, in addition to increasing the range of affordable housing options for residents.



3 EMPLOYMENT GENERATING USE

Incentivizing the creation of employment space to help facilitate the City's goal of creating a "complete community" with a healthy balance of employment and residential opportunities within the City.



4 HERITAGE CONSERVATION

Legally protecting heritage buildings to preserve the City's cultural history and retaining its unique sense of place and character.

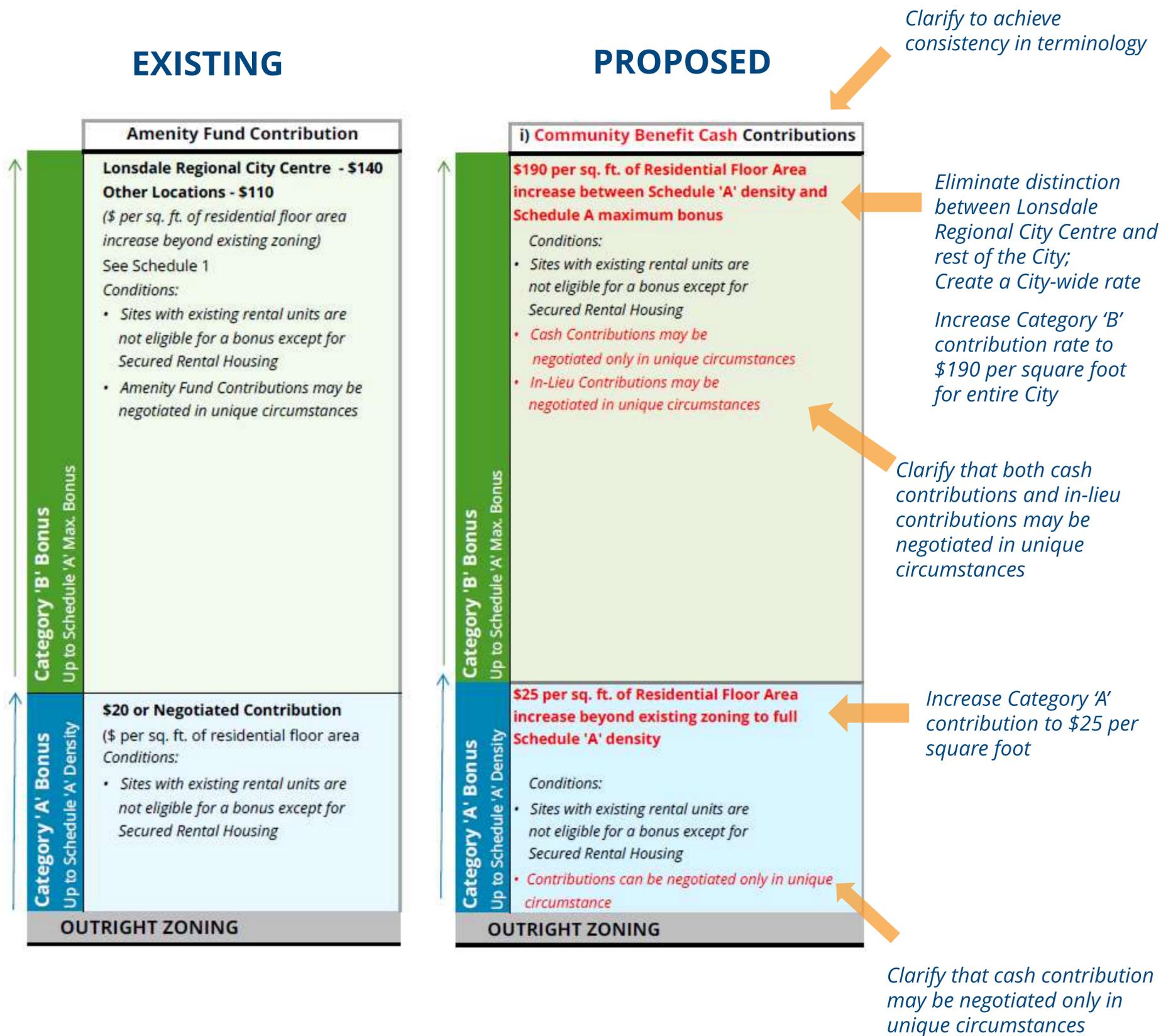


PROPOSED AMENDMENTS

1

COMMUNITY BENEFIT CASH CONTRIBUTIONS

A review of the reserve fund cash contributions is prudent to ensure alignment with current market conditions. Aided by a third party consultant, Rollo and Associates, the following amendments to the Density Bonus and Community Benefits Policy are proposed:



WHERE DOES THE MONEY GO?

The current Density Bonus and Community Benefits Policy directs cash contributions received through density bonusing to be distributed as follows:

- 80 percent to the Civic Amenity Reserve Fund;
- 20 percent to the Affordable Housing Reserve Fund

The majority of community benefit contributions are allocated to the Civic Amenity Reserve Fund due to the high cost the City incurs to renew or build new community amenities.

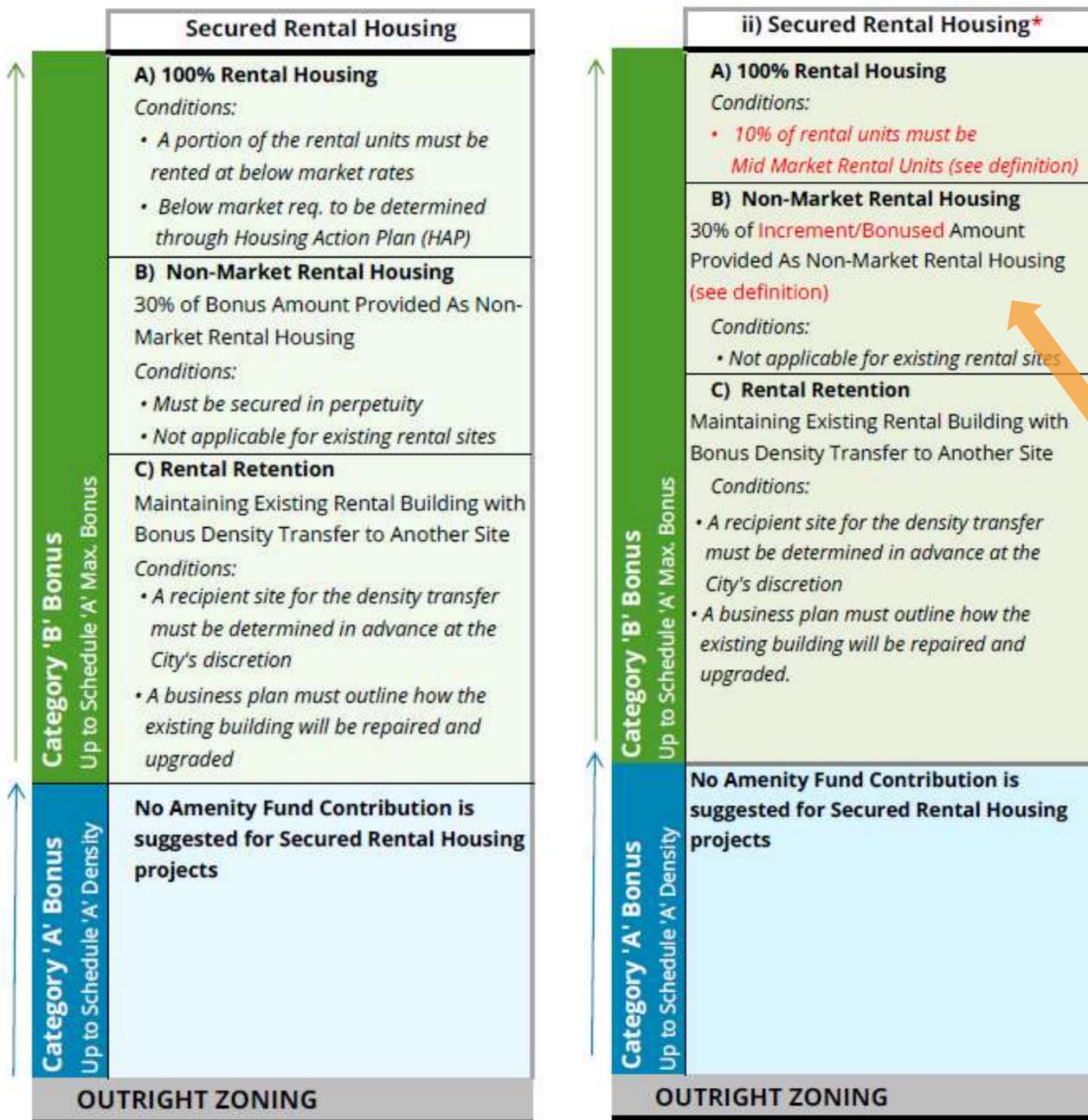
EXAMPLES OF WHAT THE CIVIC AMENITY RESERVE FUND CAN SUPPORT:

- Harry Jerome Community Recreation Centre
 - Waterfront Amenity Space
- Park and public open space improvement
 - Child care facilities
 - Museum
- Greenways construction and improvements
 - Active transportation projects
 - Traffic safety improvements
 - Other civic amenities

PROPOSED AMENDMENTS

2 SECURED RENTAL HOUSING

A review of this pathway to create community benefit is particularly important, given the recent endorsement of the City's Housing Action Plan, and the region's current housing crisis.



Clarify that in cases where Community Benefit Cash Contributions are waived, off-site improvements may still be required

As per the Housing Action Plan (adopted by Council in October 2016) new requirement for 10 percent of units to be secured as Mid-Market Rental Units (see below)

Clarify that the provision of non-market rental units represents 30% of the bonused amount, not 30% of the overall density proposed

DID YOU KNOW?

Any development application that involves the displacement of existing tenants from purpose-built rental buildings are required to comply with the City's Residential Tenant Displacement Policy

MID-MARKET RENTAL UNITS

Mid-Market Rental Units are a new category of housing created through the City's Housing Action Plan to help facilitate the creation of more affordable rental units in new market rental developments. These units are targeted to low and moderate income renters, including the City's workforce.

Mid-Market Rental Units are required to be set at 10 percent below Canada Mortgage and Housing Corporation (CMHC) average market rents for the City, based on unit type, and secured for a minimum period of 10 years. Once tenanted, the rent for Mid-Market Rental Units may only increase at the annual percentage set by the Residential Tenancy Act.

To ensure the commitment, the City requires a section 219 covenant, housing agreement, or other security to be registered against the freehold or leasehold title.



PROPOSED AMENDMENTS

3 EMPLOYMENT GENERATING USE

Much of the City is identified as a Regional City Centre in Metro Vancouver's Regional Growth Strategy. The City works diligently to attract businesses and workers to the City. To facilitate the development of employment spaces, such as offices, the City utilizes density bonusing to incentivize this community benefit. Amendments to this category of the Density Bonus and Community Benefits Policy are proposed as follows:

Employment Generating Use	
Category 'B' Bonus Up to Schedule 'A' Max. Bonus	Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR <i>Conditions:</i> <ul style="list-style-type: none"> • Can be combined with a cash contribution to reach 100% of Maximum Bonus
Category 'A' Bonus Up to Schedule 'A' Density	Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR
OUTRIGHT ZONING	

iii) Employment Generating Use*	
Category 'B' Bonus Up to Schedule 'A' Max. Bonus	Additional Commercial Floor Area 1 sq. ft. Residential Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond the first 1.0 FSR of Commercial Area <i>Clarifications:</i> <ul style="list-style-type: none"> • Can be combined with a cash contribution to reach 100% of Maximum Bonus • 100% Commercial Use buildings are encouraged and can also receive the Maximum Bonus • Both the Residential Bonus and the Commercial Floor Area are exempt from Amenity Fund Contributions
Category 'A' Bonus Up to Schedule 'A' Density	Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond 1.0 FSR
OUTRIGHT ZONING	

Clarify that in cases where Community Benefit Cash Contributions are waived, off-site improvements may still be required

Propose 1 sq. ft. bonus of Residential floor area for every 1 sq. ft. of Commercial Floor Area above 1.0 FSR

Include additional points of clarification

A COMPLETE COMMUNITY

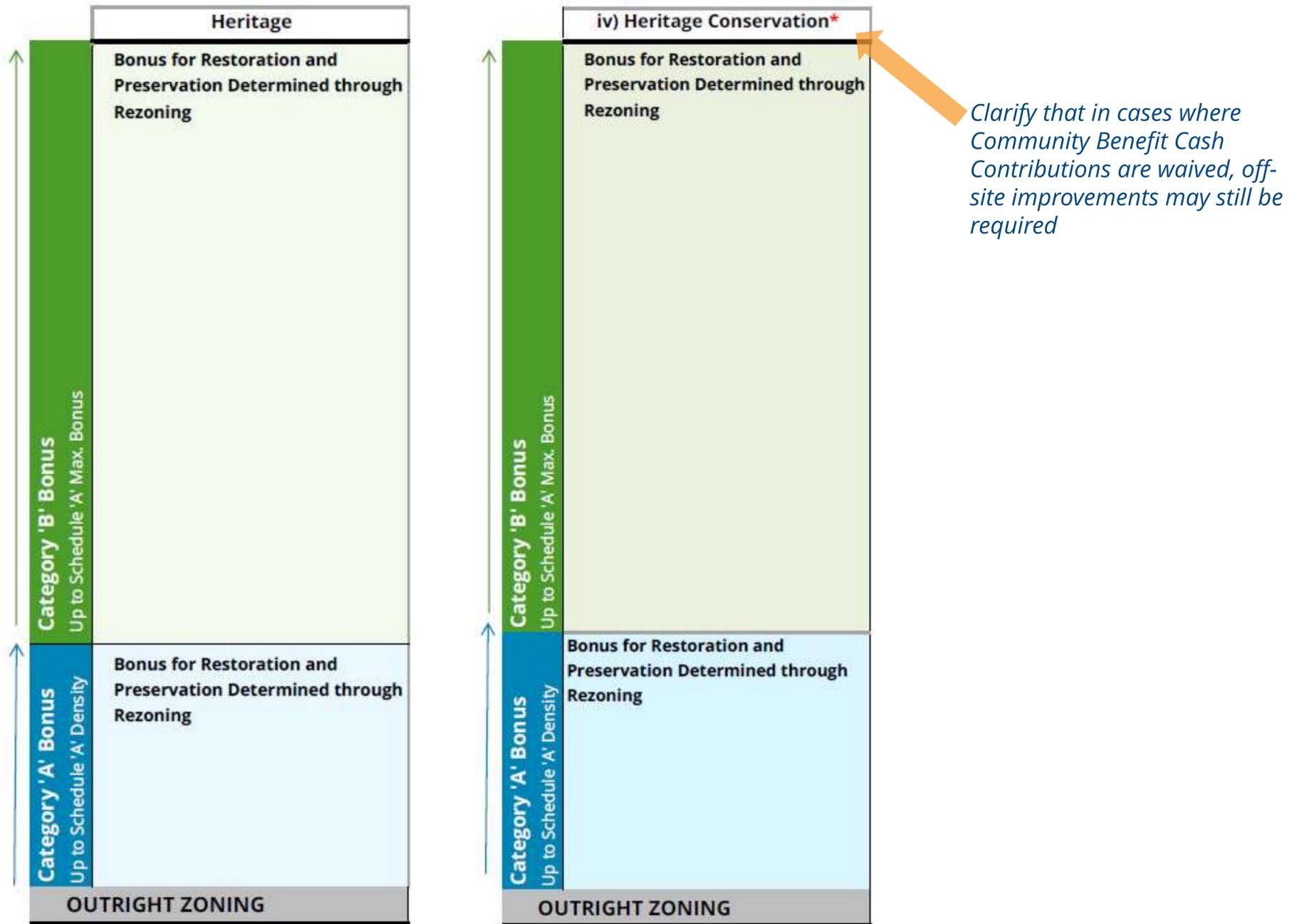
One of the guiding principles in the City's Official Community Plan is to develop a complete, compact, urban community with a variety of housing types, transit, employment, and recreation. This ensures that residents can live, work, and play in the City. This helps to reduce the City's environmental impacts by allowing people to walk or cycle to local amenities, as well as creating the critical mass required to support efficient public transportation services. The goal of creating a complete community further supports overall household affordability by recognizing the cost and time burden generated by commuting to work. As such, a balance of housing and employment is important to ensure residents are able to live and work in their community.



PROPOSED AMENDMENTS

4 HERITAGE CONSERVATION

To protect the local character and sense of place of the City, the City provides bonus density to incentivize the restoration and preservation of heritage buildings. Due to the variation and specifics in heritage projects, the amount of bonus is determined through the rezoning process, subject to Council approval. This particular Community Benefit option is not proposed to change.



The Density Bonus and Community Benefits Policy does not apply to properties currently designated Residential Level One or Two in the Official Community Plan, except in relation to the opportunity to receive a density bonus in exchange for heritage conservation.

ADDITIONAL CLARIFICATIONS IN REVISED POLICY

- Density bonus and community benefit contributions are not in lieu of what is otherwise due to the City.
- Public art is not funded by Amenity Fund Contributions and will be negotiated separately, in addition to the Community Benefit Options described above.
- Development proposals that are inconsistent with the Density Bonus and Community Benefits Policy will be reviewed by Council prior to processing of the application.



LET US KNOW WHAT YOU THINK
THANK YOU!

**FILL OUT THE ONLINE SURVEY AT
AT WWW.CNV.ORG/DENSITYBONUSING**



Excerpt from the Meeting of the Advisory Planning Commission

Wednesday, April 12th, 2017

Item 6 on the agenda: Density Bonus and Community Benefits Policy

E. Adin, Deputy Director, Community Development, outlined the proposed changes to the Density Bonus and Community Benefit Policy.

There has been a lot of debate over the years about how to collect and track community benefits from development. Finding the right balance to encourage community benefits from development is difficult.

Density bonusing was first formalized in the 1992 Official Community Plan. There was an initial cap on density bonuses of 10% which saw little uptake. The first significant density bonus was approved in 1997. The cap was lifted in 1998 and the Legion obtained a density bonus of 90%.

A review process in 2004-2005, which was initiated by concerns on certainty and clarity, led to no changes.

A 2012-2015 review in parallel with the Official Community Plan update led to the current policy. Community Amenity Contributions are generally collected through policy and bylaws using the principle of density bonusing; they used to be negotiated on a case-by-case basis. There is more of an emphasis on cash contributions.

2016 achievements included: secured community benefits e.g. 275 new market rental units, 15 lower income rental units, green building requirements, restoration of the Eades Residence, a new location for the museum \$3.85 million in cash, \$2 million in kind, public art.

The proposed updated rates are a result of a third party review. They include cash contribution increases and eliminating the difference between the City centre and outside areas to encourage density close to transit and amenities, changes to the secured rental housing option which reflect the Housing Action Plan.

The proposed changes also add clarity to the existing practice; one or more criteria have to be met in the development proposal: adjacency or close proximity, preferable built form, or a significant public benefit.

No changes are proposed to heritage conservation bonusing.

Protection for six months is proposed for in-stream applications. No protection for preliminary discussions.

Staff asked members for suggestions on creating more employment generating use. There is a goal of a 1 to 1 ratio between employed adults and jobs; the City is close to it, but it is hard to keep it.

Questions and Comments from the Commission included but were not limited to:

- How does the \$190 contribution figure compare to other municipalities? \$190 seems low. We are leaving a lot of money on the table. **A:** The cost of density varies within the region. We are competing against the buying price, I have heard \$220; \$170 is the lowest. Municipalities are not meant to be selling density; part of the benefit is to realize the vision of the Official Community Plan (OCP). We are supposed to get assistance from the developer to help mitigate the impact of the development on the community.
- I would like to see some comparisons with other municipalities.
- I would rather see all cash than things like a daycare, low cost market rental.
- How will going to one rate promote development in transit areas? **A:** The City set height limits in Moodyville which can result in broader squatter buildings. It makes more sense to get additional density in tower form in the City Centre rather than large, wide six storey buildings.
- The money from developers goes into the sale price; we shoot ourselves in the foot for affordability by raising this rate. **A:** Impacts on sale price are incredibly complicated. Sales prices tend to be set regionally or sub-regionally, not based on local fees and contributions. Community Amenity Contributions (CACs) are a drop in the sea compared to other costs incurred by the developer. It would be important to ensure CAC rates do not have an adverse impact on affordability across the region and that they do not work against the vision of growing the community in line with the OCP.
- I agree with the categories.
- There is a huge opportunity to animate lanes with pedestrians, lower end entry level commercial e.g. the entire laneway from City Hall to the School District should be animated with more uses. Get people out of cars for short trips; most people make short trips.
- There is a category missing: pedestrianization around new developments. The City has done good work in Lower Lonsdale to support it. **A:** The category B bonus is only available in some areas of the City. We can consider keeping variable rates; it could be a stepped process, \$110 to \$190 is a big jump. We have received feedback; members of public are saying that there needs to be amenities provided more locally that can immediately benefit the neighbourhood e.g. a pedestrian greenway, pocket park. There is consideration to looking for local benefits for neighbourhoods in addition to cash contributions for City-wide amenities.
- I would prefer cash going to the City so they can regulate things and determine priorities for spending. **A:** Currently we have negotiated developers providing the significant upgrade to Moodyville Park; often developers find economies of scale if there is something adjoining and close by, they can do it quicker and cheaper. Staff demands excellence from them.
- Why can't we charge everything to the developers? **A:** Prices are market-based; developers work on a 15% to 20% return.

- Every municipality is charging developers for density; it must be driving the prices up.
- There needs to be an opportunity for Council to make decisions re. cash. It is nice to help the neighbourhood, it makes the development easier, but cash can help the whole community. Different situations require different approaches; we need flexibility.
- Lots of things affect affordability especially the processing time because of carrying costs.
- There is a disconnect with the green necklace between Victoria Park and Grand Boulevard; hypothetically, perhaps remove some single family houses and move density elsewhere. **A:** That would probably be a combination of a transfer and bonus. Nothing fetters Council's decision making ability. The current and proposed Density Bonus and Community Benefits Policy are guidelines that apply in most situations. Council can do something else entirely in extraordinary situations.

E. Adin thanked members for their input.

2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices

Municipality	Bylaws / Policies				Benefiting Amenities / Facilities						
	CAC provision in Bylaw? (Y/N)	CAC provision in Policy? (Y/N)	CAC used in ad hoc practice? (Y/N)	Description of CAC Practice generally (and/ or link)	Bonus Density Provision in Bylaw? (Y/N)	Community/R ec Centre (Y/N)	Parks / Trails (Y/N)	Transportation Improvements (Y/N)	Libraries (Y/N)	Child Care or Cultural Facilities (Y/N)	Heritage Building Upgrades (Y/N)
Anmore	N	N		The Village has only negotiated one CAC, no general practice at this time.	N	Y	Y	Y	N	N	N
Belcarra	N	N	N		N						
Burnaby	N	N	N	<p>The Community Benefit Bonus Policy enables the City to allow applicants to build additional density in exchange for providing a <i>Community Benefit(s)</i> .</p> <p>Burnaby's provision for Density Bonusing is under the Community Benefit Bonus Policy (and under section 6.22 of the <i>Burnaby Zoning Bylaw</i>) . A Community Benefit is one or more of the following:</p> <ol style="list-style-type: none"> A Community Amenity may include: <ol style="list-style-type: none"> major public open space or plaza; public facilities, including libraries, community or recreation centres, arts facilities, youth centres; space for community or nonprofit groups that serve the community; public art; extraordinary public realm improvements including landscaping treatment and special street furniture; improvements to park land or other public facilities; extraordinary environmental enhancements; and child care facilities. Affordable and/or Special Needs Housing may include: <ol style="list-style-type: none"> units developed under senior government non-profit housing programs; price controlled limited-equity market units; units controlled or managed or owned by non-profit housing groups providing affordable housing; guaranteed rental units; and, housing for people with special needs such as those with physical or mental disabilities, or victims of violence. A Cash Contribution-in-Lieu is a contribution made to the City in lieu of a physical benefit. The funds are allocated exclusively for the future provision of a community amenity and/or affordable and/or special needs housing. <p>For more information on the Community Benefit Bonus Policy:</p>	Y	Y	Y	N	Y	Y	N
Coquitlam	N	Y	N	Set amount per lot of single-family and \$3 per sq.ft of GFA for multi-family up to 2.5 FAR for all rezonings Citywide. www.coquitlam.ca/cacprogram	Y	Y	Y	Y	Y	Y	N
Delta	N	N	Y	Negotiate CAC's on a case by case basis, determined by needs in the community and type/scale of application	N	Y	Y	Y	N, but would consider	Y	Y
Langley City	N	N	N	CAC established by Council Resolution							
Langley Township	N	Y	N	(in various greenway amenity policies)	N	N	Y	N	N	N	N
Maple Ridge	N	Y	N	City-Wide CAC Policy 6.31: https://mapleridge.ca/DocumentCenter/View/6721	Y (limited to the Albion Area Plan and is in addition to the City-Wide CAC policy)	Y (civic facilities) for both CAC and Density Bonus	Y for both CAC and Density Bonus	N	Y (civic facilities) for both CAC and Density Bonus	Y (civic facilities) for both CAC and Density Bonus	Y only for CAC Program

2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices

Municipality	Bylaws / Policies					Benefiting Amenities / Facilities					
	CAC provision in Bylaw? (Y/N)	CAC provision in Policy? (Y/N)	CAC used in ad hoc practice? (Y/N)	Description of CAC Practice generally (and/ or link)	Bonus Density Provision in Bylaw? (Y/N)	Community/R ec Centre (Y/N)	Parks / Trails (Y/N)	Transportation Improvements (Y/N)	Libraries (Y/N)	Child Care or Cultural Facilities (Y/N)	Heritage Building Upgrades (Y/N)
New Westminster	N	N	Y	Determined through abiding by the following Principles. - to be consistent with the City of New Westminster Strategic Plan. - Development gifts must be solely for the public benefit. - clearly related to either: mitigating community impacts caused by the donor development; or addressing the demands of additional growth. - be operationally viable, be within the City's service standards and have an identified source of operating funding. - will not be used to obtain housing, amenities or infrastructure that would otherwise be provided by: the private market, collection of DCC's, municipal or senior government investments and maintenance. - neighbourhood amenities (e.g. park improvements, public art). - ensure they are desirable, accessible, and well-used by the public. https://www.newwestcity.ca/voluntary-amenity-contributions . Yes to Density Bonusing in Section 190.49 of the New Westminster Zoning Bylaw No. 6680, 2001 https://www.newwestcity.ca/zoning-bylaw	Y	Y	Y	Y	Y	Y	Y
North Vancouver City	N	Y	Y	No - not in bylaw except as specified in setting up the circumstances for density bonusing within the OCP, and within the Zoning Bylaw when securing contributions that cannot otherwise be secured by covenant or in situations of pre-zoning. Yes, in policy in the sense that we provide for CACs through density bonusing, the mechanism for which is captured in a comprehensive policy. Yes - used ad hoc - we will sometimes negotiate beyond what is provided for in policy in unique circumstances; Yes - density bonus provision in bylaw for smaller density bonuses in relation to energy performance, green building or adaptable design standards, or as negotiated as per the Density Bonus and Community Benefits Policy (see answer to "CAC provision in bylaw?"). http://www.cnv.org/City-Services/Planning-and-Policies/Land-Use/Density-Bonusing	Y	Y	Y	Y	Y	Y	Y
North Vancouver District	N	Y	N	Community Amenity Contribution Policy: http://app.dnv.org/OpenDocument/Default.aspx?docNum=3098052 Guide to Estimating CACs (brochure): https://www.dnv.org/sites/default/files/edocs/community-amenity-contributions-in-OCP-growth-centres.pdf	N	Y	Y	Y	Y	Y	Y

2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices

Municipality	Benefiting Amenities / Facilities				Calculation Method / Administration			
	Affordable Housing Units (Y/N)	Endowment Fund for Operations (Y/N)	Others (please list)	Means of Prioritization if any?	Method for calculating value of CAC?	Method for determining form of amenity?	Per sq ft of floor area? (Y/N)	Per sq ft of bonused area? (Y/N)
Anmore	N				Ad hoc			
Belcarra								
Burnaby	Y	N		<p>Council has adopted a Priority Amenity Program which includes:</p> <ul style="list-style-type: none"> • Metrotown: a new Performance / Event space • Brentwood: a new Community Centre and a new Linear Public Space along Willingdon Avenue • Edmonds: a new Arena • Lougheed: the replacement of Cameron Recreation Centre and the Cameron Library 	<p>The City's Legal and Lands Department prepares an estimate of market land value to be used to calculate the value of the <i>Community Benefit(s)</i>.</p> <p>They use a comparative analysis based on the location of the site, type of development, current market conditions, previous land sales in the area, and current land values.</p>	<p>Potential <i>Community Benefits</i> are based on:</p> <ul style="list-style-type: none"> • The Priority Amenity Program ; • The types of community amenities that are permitted by Provincial legislation that can be achieved through density bonusing; • The types of community amenities that are permitted by the Burnaby Zoning Bylaw ; • Existing policy that identifies particular community amenities; • Community amenity priorities as reflected in the City's current Capital Plan; • Knowledge of the condition of existing community facilities and amenities; • Anticipated long-term needs of the community; • Community input via the development process; and, • A general review of existing amenities in each quadrant. 	Yes	<p>The value of the <i>Community Benefit(s)</i> is calculated to be equivalent to the market land value per square foot of buildable space of the bonused density.</p> <p><i>Note: The market land value is determined by the City using a comparative analysis.</i></p>
Coquitlam	Y	N	Transit facilities, streetscape improvements	Council direction	\$ per sq. ft. of residential GFA	Primarily cash payment. When providing an in-kind contribution staff negotiates with applicant based on City amenity priorities.	Y	
Delta	N, but would consider	N	Land such as for agriculture; also agricultural enhancements (drainage and irrigation improvements, as well as money for ag land stewardship grassland setasides)	Based on Official Community Plan and/or Council priorities/projects	Currently negotiated case by case, but considering a more formal approach	Currently negotiated case by case, but considering a more formal approach		
Langley City			Public art; other amenities possible					
Langley Township	N	N			Increased density based on % of greenspace provided and value per m ²	Bylaw provisions and map of greenways		Per m2 of developable area
Maple Ridge	Y only for CAC Program	Y only under Albion Density Bonus Program		By Council decision at time of allocation of Reserve Fund proceeds	Flat rate for both CAC and Density Bonus	Flat rate for both CAC and Density Bonus	N	N

2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices

Municipality	Benefiting Amenities / Facilities				Calculation Method / Administration			
	Affordable Housing Units (Y/N)	Endowment Fund for Operations (Y/N)	Others (please list)	Means of Prioritization if any?	Method for calculating value of CAC?	Method for determining form of amenity?	Per sq ft of floor area? (Y/N)	Per sq ft of bonused area? (Y/N)
New Westminster	Y	N			As part of a development proposal. - A Land Economist Analysis Report is used to determine the increase in land value that is available to fund amenities (i.e. total land cost less transaction costs).	CAC = As part of a development proposal. - A Land Use Economist Analysis Report is used to determine the increase in land value that is available to fund amenities (i.e. total land cost less transaction costs). - City's Public Benefits Team determines a range of potential amenity and infrastructure contributions. Development Services staff report to Council with options to consider. DB = 30% allocated towards the Affordable Housing Amenity Provision Capital Reserve Fund; 10% allocated towards the Child Care Amenity Provision Capital Reserve Fund; 10% allocated towards Public Art Capital Reserve Fund; General Amenities (civic facilities, park space, public art, etc) 50% allocated towards the General Amenity Provision Capital Reserve Fund	CAC = No DB = Yes	Y
North Vancouver City	Y	N	Energy efficiency targets (as an amenity to assist the City in reaching our energy and GHG targets), adaptable design, market rental housing	Cash contributions towards City's payment for amenities are currently prioritized in negotiating practice	Per sq. ft. contribution for bonus density only; additional contributions or in-lieu contributions may be negotiated as required	There are four main avenues for achieving full density bonus in a development; rental housing or non-market housing are the only forms of amenity that can be achieved on residential rental properties; in-lieu contributions need to be negotiated and cannot be assumed to be possible		Y
North Vancouver District	Y	N	Land for, or provision of, affordable, rental or special needs housing; school facility or facility improvements; Seniors care, seniors day care or seniors wellness facility or facility improvements; Youth, children or family facility or facility improvements; Public Art in accordance with established policy; Extraordinary pedestrian, cycling, streetscape, public plaza or other public-realm linkages and improvements beyond those required by District bylaws and design guidelines; Environmental, or sustainability measures beyond the normal environmental development permit requirements; Other Community Amenities as identified by the District of North Vancouver to meet established community goals, policies or needs.	Implementation Plans informs the capital plan planning process (long-term funding strategy)	Fixed rate or negotiated based on location.	Projects identified in implementation plans and Council - adopted policy.	Y (for increased floor area from existing zoning)	(new direction - Negotiated for provision of non-market housing)
Pitt Meadows						Through negotiation		

2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices

Municipality	Calculation Method / Administration								Other Comments
	Per Unit? (Y/N)	Amount?	Target % of rezoning value increase	For lands rezoning to residential or commercial? Other?	Contribution in kind or cash in lieu or either? Describe	Administrative Process - when collected, and by what means ?	Year started	How often renewed?	
Anmore									The Village is currently reviewing CACs with the intent to create a policy that would provide a consistent approach to rezoning applications.
Belcarra									
Burnaby	N		N	The policy only applies to sites that are zoned for multi-family residential (RM1, RM2, RM3, RM4, and RM5) and meet the following conditions: 1. The site must be located in a Town Centre and be approved for bonus density within its Community Plan. 2. The site must be re-zoned to Comprehensive Development (CD) District. 3. The comprehensive development plan for the site must include a <i>Community Benefit(s)</i> equivalent in value to the increase in the value of the site attributed to the increase in density.	If a physical <i>Community Benefit(s)</i> is not provided, a <i>Cash Contribution-in-Lieu</i> is made to the City based on the value of the additional density achieved through the density bonus. The funds are allocated exclusively for the future provision of a community amenity and/or affordable and/or special needs housing.	The <i>Community Benefit(s)</i> are achieved prior to Final Adoption. (Typically between 3rd Reading and Final Adoption.) If it is an <i>Community Amenity or Affordable and/or Special Needs Housing</i> , the City receives: • a Section 219 Covenant; • the air parcel; and, • a letter of credit in the specified amount. When the <i>Community Benefit(s)</i> is provided, to the satisfaction of the City, the letter of credit is returned to the applicant. If it is a <i>Cash Contribution-in-Lieu</i> , the applicant provides the specified amount to the City and the funds are held in the appropriate Town Centre account (80%) and Housing Fund (20%) until such time as they are expended for a <i>Community Benefit(s)</i> .	1997	As needed (Most recent review was completed in 2014)	Burnaby's <i>Community Benefit Bonus Policy</i> is voluntary. Note that all information provided is for the Community Benefit Bonus Policy - <i>Burnaby does not collect CACs</i>
Coquitlam	N	CAC: \$3/sq.ft Density Bonus: % set out in steps in density section of zones. Land value determined by Real Estate division based on current market value	50% overall should all density bonus steps be utilized	CAC's for all rezonings on GFA up to 2.5 FAR. Density bonus set out in all high-density zones for GFA about 2.5 FAR	Either, vast majoring provide cash	Estimate of value provided at time of rezoning secured by letter of credit, payment at time of building permit by cheque	Density Bonus: 2007 CAC: 2012	program tweaked every few years	
Delta		Typically, CAC contributions have been taken as a negotiated amount		Yes	Unsure	Collected as a condition of rezoning, prior to adoption of rezoning bylaw and/or secured by covenant or other legal mechanism	Unknown	Under review presently	Have obtained amenities including land for parks, trails, agricultural amenities, agricultural improvements and cultural facilities. Amenities have been negotiated on a case by case basis.
Langley City	Y	\$500		Multifamily residential development only	Cash	Payable with DCCs prior to Building Permit issuance	2008		CAC established in concert with OCP/zoning amendments allowing higher multi-family densities
Langley Township				all rezonings	Land, cash or combination	The Greenway Amenity Charge is collected after 3rd reading of a rezoning bylaw.	1998+ 2008	All greenway amenity policies were updated in 2015 to reflect market land values.	1998: only in effect for older neighbourhood plans. 2008: used for new neighbourhood plans. We have also used Phased Development Agreements to collect amenity charges for rezoning applications in Brookwood-Fernridge. We are in the process of developing an overall CAC policy for the entire municipality.
Maple Ridge	Y	CACs: \$5100 per single family lot created; \$4100 per townhouse dwelling unit; \$3100 per apartment dwelling unit; PLUS: \$3100 per unit under the Albion Density Bonus Program	Flat rate for both CAC and Density Bonus	Residential	Flat rate for both CAC and Density Bonus but certain additional in-kind + / or cash contributions may also be voluntarily provided through select negotiated projects	Flat rate collected prior to rezoning approval.	2013 for Albion Amenity Zoning Program and 2016 for the City-Wide CAC Program	Reviewed annually with Council	
New Westminster	N	Section 190.49 of the Zoning Bylaw Townhouse: Downtown – \$60/ft ² Queensborough – \$70/ft ² Mainland – 80/ft ² Apartment (6-stories or less) Downtown – \$37.50 /ft ² Queensborough – \$40/ft ² Mainland \$50/ft ² Apartment (> 6 stories) Downtown = \$22.50/ft ² https://www.newwestcity.ca/database/files/library/10_0_introduction(3).pdf Section 190.49.1 where development includes both apartment and townhouse units the contribution per sq.ft. above base density shall be determined by the formula specified in 5.190.49.1 *Report to Council on June 12, 2017 to update rates.	N/A	Zoning Bylaw Amendments and Development Variance Permits	Amenity options could include on and off-site amenities as well as cash in lieu of actual amenity contributions for both CAC and DB	For CAC, staff secures provision of any amenity offered prior to the Zoning Bylaw Amendment adoption, or issuance of a Development Variance Permit. For DB, secured at Building Permit stage.	CAC started in May, 2005 Density Bonusing for Phase 1 started in 2010 and Phase 2 started in 2014	Presently, the DB rates are being reviewed.	

2017 Matrix of Metro Vancouver Municipalities' 'Community Amenity Contribution' and 'Density Bonusing' Practices

Municipality	Calculation Method / Administration								
	Per Unit? (Y/N)	Amount?	Target % of rezoning value increase	For lands rezoning to residential or commercial? Other?	Contribution in kind or cash in lieu or either? Describe	Administrative Process - when collected, and by what means ?	Year started	How often renewed?	Other Comments
North Vancouver City	N	\$20 per sq ft for Category A bonus; \$110 per sq ft for Category B bonus outside the City Centre; \$140 per sq ft for Category B bonus inside the City Centre	No not the direct intent or rationale	Community benefit contributions apply to all density in residential and mixed use designated areas, however employment generation is a category for exemption from community benefit cash contributions	Cash contributions are preferred, except when terms are met for rental housing, non-market housing, employment generation and/or heritage conservation. In lieu contributions for all other amenities can be negotiated on a case by case basis in unique circumstances	We have not finalized a consistent administrative process. We have collection prior to adoption, at development permit, at building permit, and at a specified date between adoption and building permit. When we have not taken contributions prior to adoption, we have otherwise secured future contributions in covenant or in the zoning bylaw (as a density bonus) or we double up in securing by both covenant and zoning bylaw.	We have been collecting CACs on a negotiated basis for several decades. Our current policy was endorsed by Council in May 2015.	Our goal is to review the policy once a year. We have not included automatic/inflationary cost renewals but intend to increase CACs yearly or every two years.	We are currently reviewing our Density Bonus and Community Benefits Policy. We anticipate that CAC rates will go up at or around January 1st, 2018
North Vancouver District	N	\$6.15 to \$20.55 per sq. ft. (2017 rates) or negotiated depending on criteria in policy.	75% of the estimated increase in market value (for negotiated approach only)	Residential	Either, depending on the site, the location, the ability to deliver built amenity, etc.	Before Building Permit is issued; cash payment in-lieu of amenities or delivery of specified amenity.	2010	Annually (rates adjusted).	
Pitt Meadows				Both residential and commercial.	Either in kind or cash				
Port Coquitlam	N	\$25/sq.ft. for density allowed through the Zoning Bylaw in the RA1 zone	100%	Could apply to any land use. Interest is generally with multifamily residential.	Either	Prior to issuance of Building Permit	Zoning provisions adopted in 2008, Density Bonus Policy adopted in 2009	Has not been adjusted	We have not had significant update on our Density Bonus Policy. We find our Zoning Bylaw generally allows for as much density as the land and market will bear.
Port Moody					Either				Port Moody has 2 special development levy areas (Town Centre area and North Shore area). The Suter Brook site which is a large mixed use development is subject to its own land use contract which outlines specific amenity contributions payable at different phases of development.
Richmond				Residential only	Either	Rezoning	1992		
Surrey	N		Land lift value only in density bonus areas: 25% rising to 75% over 3 years (currently being waived in City Centre)	Both residential and commercial.	Either		1998 / 2008		1995 NCP Aementy Contributions / 2008 Density bonus areas
Vancouver	N		For negotiated CACs, typical target is 70-80% of the 'land lift' value. Where risk profile is low, the target can increase to over	Yes, CAC policy applies to both types of rezoning. Financing Growth policy identifies categories, including rezonings that are CAC exempt.	Either	Annual reporting on public benefits achieved from additional density.	Since late 1980s.		Negotiated CACs began in late 1980's, area specific flat rate approaches since 1990's. City wide Financing Growth (CAC) policy established in 2003. CACs are a significant contributor to livability - providing community facilities and services needed due to growth. They are also an important contribution to fiscal sustainability of the capital program, which reduces the burden on property tax to pay for new or expanded facilities and services.

City of North Vancouver
COUNCIL POLICY



Policy Name: 2018 Density Bonus and Community Benefits Policy
Policy Number: Pending

POLICY

The Density Bonus and Community Benefits Policy (updated in 2017, for enactment in 2018) serves as a guide for the consideration of density bonuses and density transfers within the framework of the Official Community Plan (OCP) and Local Government Act. This document should be read in conjunction with the OCP and, in particular, Section 2.2 Density Bonusing, Section 2.3 Density Transfer, and the Schedule 'A' Land Use Map.

REASON FOR POLICY

The Density Bonus and Community Benefits Policy is intended to provide a greater degree of certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications.

See attached.

AUTHORITY TO ACT

The Density Bonus and Community Benefits Policy was initially endorsed by Council in May 2015, and is being amended in 2017 for enactment on January 1, 2018. Administration of this policy is by the Community Development Department.

Section 482 of the Local Government Act authorizes local government to set conditions for density bonusing in a zoning bylaw.

PROCEDURE

Standard development application review procedures and policy analysis procedures apply, at the direction of Council.

Approval date:		Approved by:	

2018 Density Bonus and Community Benefits Policy



Endorsed: May 25, 2015

Endorsed: [July 17, 2017] Enactment: January 1, 2018

1. Introduction

This document serves as a guide for the consideration of density bonuses and density transfers within the framework of the Official Community Plan (OCP) and Local Government Act. This document should be read in conjunction with the OCP and, in particular, Section 2.2 Density Bonusing, Section 2.3 Density Transfer, and the Schedule 'A' Land Use Map.

This guide is intended to provide a greater degree of certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications. Contributions of this nature help ensure that the City is able to provide amenities to meet the needs of our growing community.

Owners and applicants are reminded that OCP and rezoning applications are at Council's absolute discretion. While these guidelines provide a framework for determining Community Benefits related to rezoning applications, Council may reduce, increase or reject any application.

2. Density Bonus Categories

The graphic to the right describes two types of density bonuses. Community Benefit options applicable to each of these bonus categories are outlined in Section 3 of this policy.



3. Community Benefit Options

Choose one path or combine from the following options outlined below in order to achieve additional density beyond outright zoning:

	i) Community Benefit Cash Contributions	ii) Secured Rental Housing*	iii) Employment Generating Use*	iv) Heritage Conservation*
Category 'B' Bonus Up to Schedule 'A' Max. Bonus	Lonsdale Regional City Centre: \$190 per sq. ft. of Residential Floor Area increase between the OCP Schedule 'A' Density and the OCP Maximum Bonus Other areas: \$175 per sq. ft. of Residential Floor Area increase between the OCP Schedule 'A' Density and the OCP Maximum Bonus <i>Conditions:</i> <ul style="list-style-type: none"> Sites with Existing Rental units are not eligible for a bonus except for Secured Rental Housing Cash Contributions may be negotiated only in unique circumstances In-Lieu Contributions may be negotiated 	A) 100% Rental Housing** <i>Conditions:</i> <ul style="list-style-type: none"> 10% of rental units must be Mid Market Rental Units (see definition) <hr/> B) Portion as Non-Market Housing 30% of increment/bonused amount provided as Non-Market Rental Housing (see definition); the remainder can be market strata development <i>Conditions:</i> <ul style="list-style-type: none"> Not applicable for Existing Rental sites <hr/> C) Rental Retention Maintaining Existing Rental Building with Bonus Density Transfer to Another Site <i>Conditions:</i> <ul style="list-style-type: none"> A recipient site for the density transfer must be determined in advance at the City's discretion A business plan must outline how the existing building will be repaired and upgraded. 	Additional Commercial Floor Area 1 sq. ft. Bonus for every 1 sq. ft. of Commercial Floor Area provided beyond the first 1.0 FSR of Commercial Area <i>Clarifications:</i> <ul style="list-style-type: none"> Can be combined with a cash contribution to reach 100% of the OCP Maximum Bonus 100% Commercial use buildings are encouraged and can receive the OCP Maximum Bonus 	Appropriate bonus for restoration and preservation determined through rezoning process <i>Clarifications:</i> <ul style="list-style-type: none"> The OCP Maximum Bonus provision does not apply to heritage conservation bonuses. The cost of the works to restore the heritage resource will be considered in setting the value of the density bonus.
Category 'A' Bonus Up to Schedule 'A' Density	\$25 per sq. ft. of Residential Floor Area increase beyond existing zoning to full Schedule 'A' density <i>Conditions:</i> <ul style="list-style-type: none"> Sites with Existing Rental units are not eligible for a bonus except for Secured Rental Housing Contributions can be negotiated only in unique circumstances 	No Amenity Fund Contribution is suggested for Secured Rental Housing projects	No Amenity Fund Contribution is suggested for 100% commercial projects	Bonus for restoration and preservation determined through rezoning process
OUTRIGHT ZONING				

* In cases that Community Benefit Cash Contributions are waived, limited off-site improvements relating to safety to accommodate the density of development proposed may still be required as a condition of rezoning.

** While multiple pathways can be combined for full density bonus in most categories, this is not possible for 3(ii)(A): 100% Rental Housing.

4. Density Transfers

A transfer of density is the relocation of anticipated density from one parcel of land to another. To achieve the goals and objectives outlined in this Plan and/or achieve a preferable form of development, City Council may authorize transfers of density between properties. Such transfers do not involve an increase in the total development potential, but rather the relocation of a density allowance. Density transfers require a rezoning with Public Hearing and, if approved, require that a Land Title Act covenant be registered on all affected properties confirming that the transfer has occurred.

Density Transfers are appropriate in the following two scenarios:

1. Density Transfer donor site is adjacent or in close proximity (i.e., same block) as the receiving site and transfer will result in a preferable built form; and/or
2. Significant civic or public benefit will accrue from the Density Transfer (e.g., secured protection of a valued heritage site or provision towards an important civic facility).

5. Applying the Density Bonus and Community Benefits Policy

This policy should be read in conjunction with other City policies. Please note that:

- The Community Benefit Options outlined in Section 3 are intended as guidelines. Alternatives may be considered by Council in unique circumstances. This could include the provision of on-site Community Amenities rather than a contribution to an amenity fund, for example. On-site Community Amenities would be determined based on community needs and must match the value of the bonus density.
- Infrastructure upgrades needed to accommodate a development or mitigate development impacts may be required in addition to Community Benefit Cash Contributions or other Community Benefits.
- All development applications must provide bylaw-required infrastructure upgrades and contributions, Development Cost Charges, and other applicable municipal fees. Density bonus and community benefit contributions are not in lieu of what is otherwise due to the City.
- Public art is not funded by Community Benefit Cash Contributions and will be negotiated separately, in addition to the Community Benefit Options described above.

- Community Benefits for OCP amendments are negotiated on a case by case basis considering the nature and extent of the change and community needs.
- Any application which involves the displacement of existing tenants must comply with Council Policy No. H18: Residential Tenant Displacement Policy.
- This policy does not apply to properties currently designated Residential Level 1 or Residential Level 2 in the Official Community Plan, except in relation to the opportunity to receive a density bonus in exchange for heritage conservation.
- Development proposals that are inconsistent with the Density Bonus and Community Benefits Policy will be reviewed by Council prior to processing of the application, and the proponent will be required to demonstrate:
 - That the requested deviation from the policy is warranted by unique circumstances; and
 - That other public benefits of equivalent value will be accrued (for example, a secured commitment to exceed the minimum term of affordability for Mid-Market Rental Units or to meet another Community Benefit priority)

6. Allocating Community Benefit Cash Contributions

Cash contributions for Community Benefits are to be applied to the Civic Amenity Reserve Fund and Affordable Housing Reserve Fund. These funds are used to ensure a high quality of life as the community grows. These Funds specifically provide for the following Community Benefits:

Civic Amenity Reserve Fund

Contributions to this fund will be used to provide City-serving amenities, as per Bylaw No. 6967 (Civic Amenity Reserve Fund).

This includes, but is not limited to:

- Harry Jerome Community Recreation Centre;
- Waterfront Amenity Spaces;
- Park and public open space improvement;
- Child Care Facilities;
- Museum;

- Greenways construction and improvements;
- Active transportation projects;
- Traffic safety improvements; and
- Other Civic Amenities.

Affordable Housing Reserve Fund

Contributions to this fund will be used for the provision of new nonmarket and special needs housing units, as per Bylaw No. 6757 (Affordable Housing Reserve Fund).

Community Benefit Cash Contributions shall generally be allocated as indicated in the table below. These funds shall be spent at Council’s discretion as per the terms of the Bylaws establishing these funds, as amended from time to time. These funds shall be allocated to future projects based on identified community needs.

Percentage	Public Benefits	Fund
80%	Civic Facilities / Community Amenity Space	Civic Amenity Reserve Fund
20%	Affordable and Rental Housing	Affordable Housing Reserve Fund

In-lieu contributions will be accepted, at the discretion of the City, in order to assure timely mitigation of additional density in a neighbourhood, when deemed appropriate.

7. Monitoring

The *Community Benefit Cash Contribution* amounts shall be updated periodically to reflect community needs and changing market conditions. The allocation of Amenity Fund Contribution amounts to individual reserve funds will be reviewed annually in conjunction with the City’s Financial Plan in order to ensure alignment with Council priorities.

A summary of *Community Benefit Cash Contributions* received will be prepared and presented annually.

Appendix 1: Definitions

Commercial Floor Area means the square-footage measurement of commercial office or retail space in a building.

Community Amenity is a defined physical space that provides direct or indirect Community Benefits to the community and includes, but is not limited to, recreation facilities, child care facilities, museum, library, offices for non-profit organizations, cultural facilities, heritage conservation, civic and institutional uses, district heating utility, community meeting space and employment-generating offices.

Community Benefit Cash Contributions are the cash or in-lieu contributions toward Community Benefits provided in return for a rezoning or OCP Amendment. Contributions are assumed to be in cash except as negotiated and at the direction of Council.

Community Benefits are the wide range of benefits achieved in the public interest, to support the Goals and Objectives of the OCP. These are realized through amenity reserve fund contributions and/or through other Community Amenities. Community Benefits are achieved through rezoning or density bonusing.

Density is the Floor Space Ratio that can be achieved on a parcel, as a calculation of gross floor area over site area.

Density Bonus is additional density provided in return for Community Benefits.

Density Transfer is the relocation of anticipated density from a donor site to a recipient site.

Floor Space Ratio (FSR) is a method of calculating density and controlling the size of building that can be built on a property. The FSR multiplied by the lot area determines the maximum size of building.

Land Use Designation means the permitted uses and densities as outlined in Schedule 'A' of the Official Community Plan.

Mid-Market Rental Units means dwelling units:

- (a) that are occupied by households that are low and moderate income renters, including the City's workforce;
- (b) that are set at 10% below Canada Mortgage and Housing Corporation average market rents for the City, based on unit type, and secured for a minimum period of 10 years; and

(c) in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situated has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require;

Non-Market Rental Housing means dwelling units:

(a) that are occupied by households with incomes below housing income limits, as set out in the current “Housing Income Limits” table published by the British Columbia Housing Management Commission, or equivalent publication;

(b) that are owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the city, the Province of British Columbia, or Canada; and

(c) in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situated has granted to the city a section 219 covenant, housing agreement, or other security for the housing commitments required by the city, registered against the freehold or leasehold title, with such priority of registration as the city may require;

Official Community Plan (OCP) is Bylaw No. 8400, one of the City's most significant guiding policy documents. The OCP sets a long-term vision for the City. All other municipal bylaws and works undertaken by the City must be consistent with the OCP.

OCP Maximum Bonus means the highest *Floor Space Ratio* increase that can be achieved on a site (excluding density transfers) through a *Category 'B' Bonus*, as per the OCP. All such density bonuses are subject to a rezoning and enhanced public process.

OCP Schedule 'A' Density means the density permitted for a given Land Use Designation in the OCP, under the Schedule 'A' Land Use Map. The Density Bonus and Community Benefits Policy needs to be read in conjunction with the Schedule 'A' Land Use Map to determine permitted maximum densities.

Outright Zoning means the maximum *Floor Space Ratio* that can be realized on a site under existing zoning through a Building Permit without any density bonus or any rezoning of the lands for additional density.

Rental Housing means dedicated purpose-built rental tenure residential units.

Residential Floor Area means the total of market and non-market residential gross floor area.

Secured means required and guaranteed through one or a combination of the following tools: zoning bylaw, Housing Agreement, Heritage Revitalization Agreement, covenant, or other legal tool.