

Community Benefits from Development: Improving Neighbourhoods & Enabling Affordable Housing



Introduction

One of the key challenges facing a growing city like Vancouver is providing affordable housing, 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 a significant portion 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.

Table of Contents

SECTION 1

**Meeting the Needs
of a Growing City** pg 4

SECTION 2

**Vancouver's Approach to
Development Contributions** pg 6

- a) Brief history of development contributions
 - b) Development contributions today
-

SECTION 3

**Examples of Development
Contributions** pg 10

SECTION 4

**Building the City
of Tomorrow** pg 14

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 200,000 people and 100,000

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.

BELOW Cityscape – Vancouver in the Fall



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

- over 4,500 social housing units
- over 1,100 licensed childcare spaces
- over 40 new or expanded parks cultural and community facilities

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

PROPERTY TAX AND USER FEES

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

DEVELOPMENT CONTRIBUTIONS

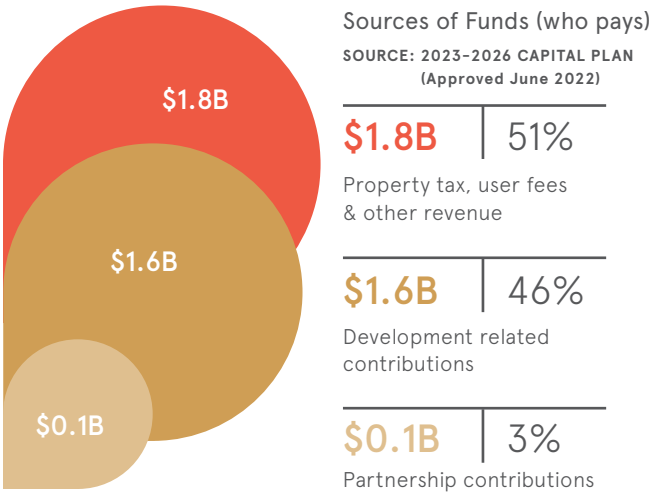
Development Cost Levies (DCLs), Community Amenity Contributions (CACs), and Density Bonus Zoning; and

CONTRIBUTIONS FROM PARTNERS

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

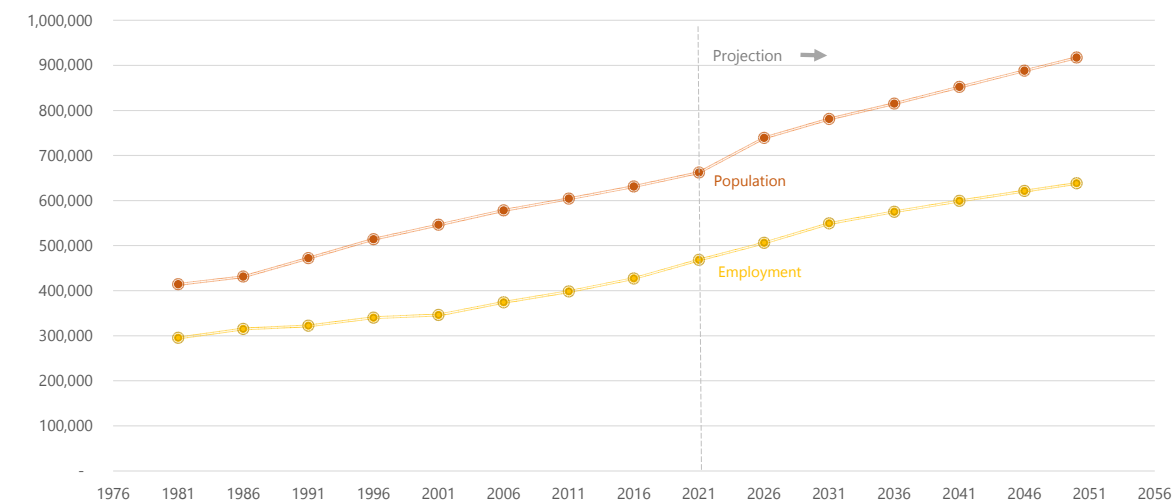
It is critical for the City to maintain services for existing residents and to be able to expand or provide new civic amenities as the city grows. Keeping Vancouver as one of the most livable cities in the world is essential to support our economic growth as well as the health and well-being of our residents 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 DCLs, CACs, and Density Bonus Zoning which provide 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

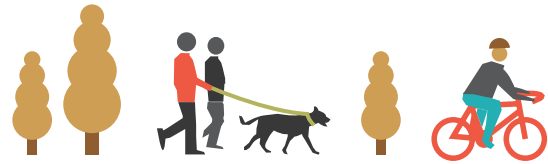
Significant contributions from development in Vancouver began with several major projects along the False Creek North and Coal Harbour waterfronts following the World's Fair Expo '86. These new neighborhoods delivered substantial contributions to public infrastructure and overall livability of these 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

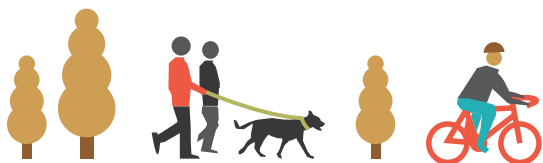
Over the last several years the City has completed a number of community plans encompassing neighbourhoods across the city (e.g. Plans for Norquay, West End, Downtown Eastside, Marpole, Joyce-Collingwood, Grandview-Woodland, False Creek Flats, Northeast False Creek, Cambie Corridor, and Broadway Plan), 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 moved to reduce the large number of small DCL areas in the city by integrating them into a single, city-wide DCL district, and introduced a new city-wide Utilities DCL to help fund water and sewer infrastructure.

Density bonus zoning has been introduced by the City as a new tool in a number of 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: In November 2023, the BC Government introduced a new growth related tool called Amenity Cost Charges, which the City will look to implement in the years ahead.

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

		
Community Amenity Contributions	Development Cost Levies	Density Bonus Zoning
APPLIES TO Only developments that are being rezoned.	APPLIES TO All developments, in all zones – including those being rezoned.	APPLIES TO All development seeking the allowed additional density within certain zones.
DUE DATE Before rezoning enactment.	DUE DATE When the building permit is issued.	DUE DATE When the building permit is issued.
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.	ALLOCATION & DELIVERY DCLs partially fund parks, childcare facilities, replacement housing, and engineering infrastructure, transportation and utilities. Projects are delivered via the City's capital program.	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 Various approaches are used, including fixed rate targets and site-specific negotiation.	CONTRIBUTION TYPE A flat rate, per square foot of floor space to be built.	CONTRIBUTION TYPE A flat rate, per square foot of 'bonus density' to be built.



Quick Fact: Each year the City approves over 30 rezoning applications resulting in CAC contributions and thousands of building permits resulting in DCL payments.

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:

- fits 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

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 (2012), the Healthy City Strategy (2014), Housing Vancouver Strategy (2017), VanPlay (2020), Culture Shift (2020 – 2029), Spaces to Thrive (2021) 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.

Quick Fact: Thousands of residents per year attend public and virtual open houses concerning rezoning applications.



ABOVE Arbutus Walk

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.

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:

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



FRASERVIEW HOUSING CO-OP Killarney

- Completed in 2019
- 90 units of non-market housing incorporated into the residential redevelopment
- Funding sources included DCLs



955 E HASTINGS ST Strathcona

- Completed in 2018
- 70 units of non-market housing incorporated into a mixed-use redevelopment
- Provided by developer as an in-kind CAC offering



FRASERVIEW CHILD DEVELOPMENT CENTRE Victoria-Fraserview

- Completed in 2018
- 69 new childcare spaces
- 16,000 sq. ft. of indoor and outdoor space
- Developed in partnership with VSB at Sir Sandford Fleming Elementary School
- Funding sources included DCLs



RICHARDS GREEN COMPLETE STREET Downtown

- Completed in 2021
- Construction of a protected bi-directional bike lane
- Installation of storm water tree trenches and new bike racks
- Improved intersection lighting
- Funding sources included DCLs



RAINBOW PARK Downtown

- Completed in 2023
- A 0.8 acre park with dynamic play areas, art installations, and multi-dimensional walkways
- Built with CAC and DCL funding



ARBUTUS GREENWAY Vancouver West Side

- Completed in 2017
- The path connects people, parks, and places from False Creek to the Fraser River
- 9 km walking and cycling path for all ages and abilities, connecting 6 neighbourhoods from Kitsilano to Marpole
- Includes temporary washrooms, solar lighting, pollinator gardens, and five new traffic signals at major intersection
- Built with CAC funding



JIM DEVA PLAZA Downtown Vancouver

- Completed in 2016
- New plaza located at Davie and Bute streets in the heart of Davie Village that celebrates the history of the local LGBTQ Community.
- Built with CAC funding



YORK THEATRE Grandview-Woodland

- Completed in 2012
- 355 seat theatre, a new glass lobby, a proscenium stage, fly tower and orchestra pit
- Rehabilitated through a heritage and density transfer



CREEKSIDE COMMUNITY & CHILDCARE CENTRE Southeast False Creek

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



825 PACIFIC STREET Downtown

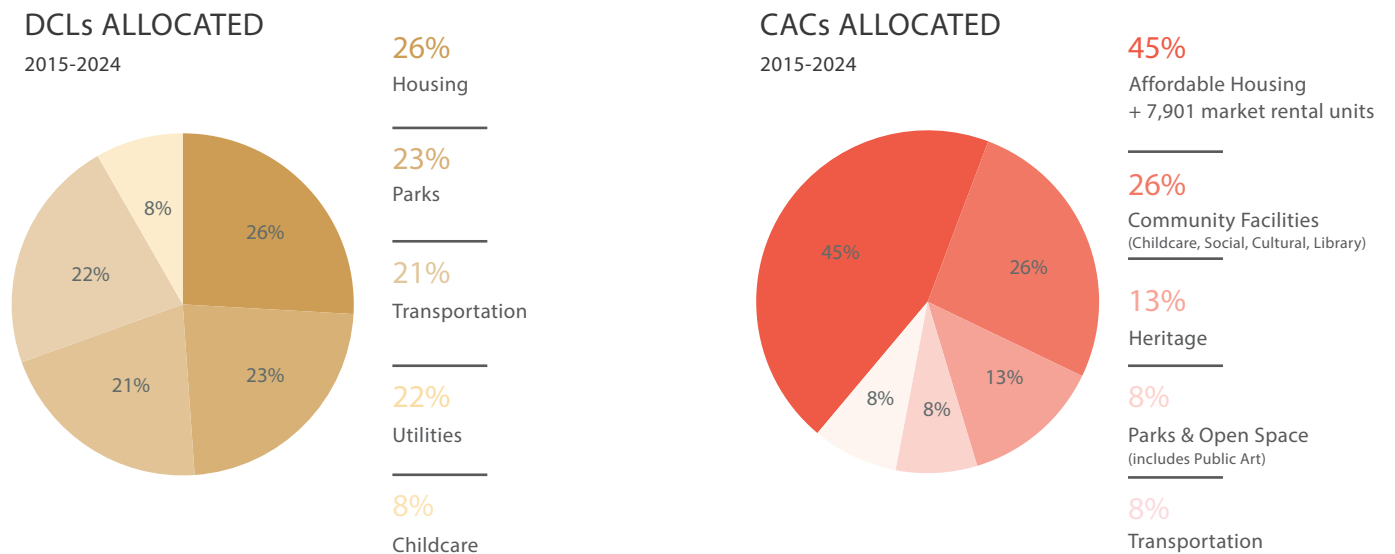
- Completed in 2021
- 21,050 square foot multi-purpose arts and culture hub
- Class A studio production space and office space, for multiple artists as well as arts and culture nonprofit organizations hub
- Built as an in-kind CAC offering

Quick Fact: CAC priorities are shaped by feedback during community plan processes. Over the last decade, the City undertook community planning consultations in multiple neighbourhoods, involving thousands of residents.

Quick Fact: In the last 10 years, the City has exempted/waived over \$200 million in DCL payments which helped to create over 7,300 units of social housing and 7,100 units of for-profit affordable rental housing.

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.



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 five percent of overall building permits issued. The vast majority of new development is approved within existing zoning.

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



**Comments and inquiries
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