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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"
"Kelley, Gil" <Gil.Kelley@vancouver.ca>

Date: 9/24/2018 3:03:03 PM

Subject: Memo - 2017 Annual Report on CACs & Density Bonus Zoning - RTS 12718

Attachments: Memo to Mayor and Council - 2017 Annual Report on Community Amenity
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Greetings Mayor and Council,

Please find enclosed a memo from Gil Kelley regarding the annual report to Council on Community Amenity Contributions (CACs) and Density Bonus Zoning for 2017.

In summary:

- \$88 million in cash-in-lieu CAC contributions and \$1 million in density bonus contributions collected
- \$334 million secured as cash or in-kind benefits to be delivered in future years through approvals of 58 rezoning/Density Bonus Zoning projects
- 1,064 social housing units (City-owned) and 430 social housing units from non-profit providers
- 809 secured market rental units

Should you have any questions, please contact Gil at 604.873.7456 / Gil.Kelley@vancouver.ca.

Best,
Sadhu

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MEMORANDUM

September 21, 2018

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Communications Director
Kevin Quinlan, Chief of Staff, Mayor's Office
Naveen Girn, Community Relations Director, Mayor's Office

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: 2017 Annual Report on Community Amenity Contributions and Density Bonus Zoning (RTS 12718)

Dear Mayor and Council,

This memorandum summarizes activity for 2017 Community Amenity Contributions (CACs) and Density Bonus Zoning. A separate memorandum on the 2017 Annual Report on Development Cost Levies (DCLs) is also being submitted to Mayor and Council on behalf of the General Manager of Finance, Risk & Supply Chain Management. This memorandum is for information only.

Background

Every year, the City approves development projects that contribute to growth in the city. Some projects involve approval of additional density through site specific rezoning or Density Bonus Zoning. The population and employment growth from the approval of additional density places increased pressure on important public amenities such as parks, childcare facilities and affordable housing. These amenities contribute to the overall livability of our city, the health of our residents, and the needs of individuals and families who come to our city to live and work. In order to help offset the cost of providing growth-related public amenities, the City uses development contributions such as CACs and Density Bonus Zoning.

Community Amenity Contributions (CACs):

CACs are voluntary public benefit contributions from rezoning approvals. CACs are either offered by developers as in-kind facilities (delivered onsite as part of the new development) or as cash-in-lieu contributions payable at zoning enactment.

Density Bonus Zoning:

Density Bonus Zoning is a zoning tool that establishes a base maximum density that may be exceeded (to further maximum defined in the Zoning & Development Bylaw) in exchange for contributions toward specific amenities and/or affordable housing needed by the community. Financial contributions are determined by pre-set density bonus contribution rates set out in the Zoning & Development Bylaw.

Annual reports on CACs and Density Bonus Zoning have been produced since 2010. These reports summarize the amount of CACs and Density Bonus Zoning contributions secured from approvals of additional density through rezonings, Density Bonus Zoning, and Heritage Revitalization Agreements (HRAs) during the previous calendar year. The annual CAC and density bonus report, along with the annual report on DCLs (being reported separately), support the City's goal of more open and transparent civic government by presenting annually to Council, industry stakeholders, residents and community groups the wide range of public benefits that will be achieved as a result of these financing growth tools. These reports also demonstrate the alignment of development contributions with community plans and the City's long-term capital and financial plans. This year's report follows the same methodology as previous years. A description of the methodology can be found in Appendix A.

The absolute value of public benefit contributions in the annual report fluctuates significantly year-over-year due to the cyclical nature of development. The value varies depending on the number and scope of individual rezoning applications and the corresponding incremental density approvals. In particular, approval of major project rezonings has significant impacts on both the amount of density and the value of public benefits contributed in a single calendar year. Due to the scale of these major projects, the public benefits secured are often provided on-site to be delivered over many years as the site redevelops or builds out.

Analysis

The following two sections outline activity from the 2017 calendar year:

1. CAC and Density Bonus Contributions Collected;
2. Contributions Secured from Approvals (to be collected and/or delivered in future years).

1) CACs/Density Bonus Contributions Collected in 2017

The City collected \$88 million in cash-in-lieu CAC contributions during the 2017 calendar year. Of that \$88 million, \$30 million originated from rezonings that achieved both Council approval and enactment within the 2017 calendar year. The City also collected \$1 million in density bonus contributions. As per Council policy, cash collected from both types of developer contributions were deposited into dedicated reserves to be spent according to public benefit strategies in community and area plans. The expenditure of these reserve funds are authorized by City Council through the 4 year capital planning process and the annual budget process to help deliver new amenities identified in the public benefit strategies including affordable housing, childcare, heritage, community facilities, parks and open spaces, transportation, and public art.

2) Contributions Secured from Approvals in 2017 (to be collected and/or delivered in future years)

A number of new projects proposing additional density were approved through rezonings and Density Bonus Zoning whereby public benefits were secured towards delivery in future years. In 2017, the City approved 58 new projects granting additional density through rezonings, Heritage Revitalization Agreements, and Density Bonus Zoning projects. Approvals of additional density represented 3.6% of overall approvals in 2017 and a net increase in floor area of 4.6 million ft² (Table 1). The vast majority of approvals processed in 2017 took place through existing zoning and did not involve additional density and associated CACs/density bonus contributions. While the number of projects adding density/floor area is relatively small compared to the overall number of projects approved, their impact on growth is significant. Appendix B provides a complete list of applications in which additional density was approved in 2017.

The 2017 approvals of additional density secured public benefits valued at approximately \$334 million, including 361 units of social housing secured in-kind and owned by the City, a 69-space childcare, and two cultural spaces. Approximately 89% of these public benefits (\$296 million) were attributed to large rezoning approvals (where total contribution value is greater than \$10 million).

Table 1: Comparison of Secured Public Benefits (2013-2017)

Year	# of Approvals	Additional Density (millions ft ²)	Total Secured Cash Contributions (\$ millions)	Total Secured In-kind Contributions (\$ millions)	Total Cash & In-kind Secured Contributions (\$ millions)	Additional Secured Market Rental Housing (units)
2017	58	4.6	\$148	\$186	\$334	809
2016	51	3.1	\$98	\$24	\$122	879
2015	43	2.3	\$67	\$36	\$103	1,166
2014	50	6.5	\$51	\$183	\$234	1,073
2013	45	2.6	\$68	\$66	\$134	908
Average	49	3.8	\$86	\$99	\$185	967

Past annual numbers have been revised to correct inadvertent omissions or errors.
Source: City of Vancouver

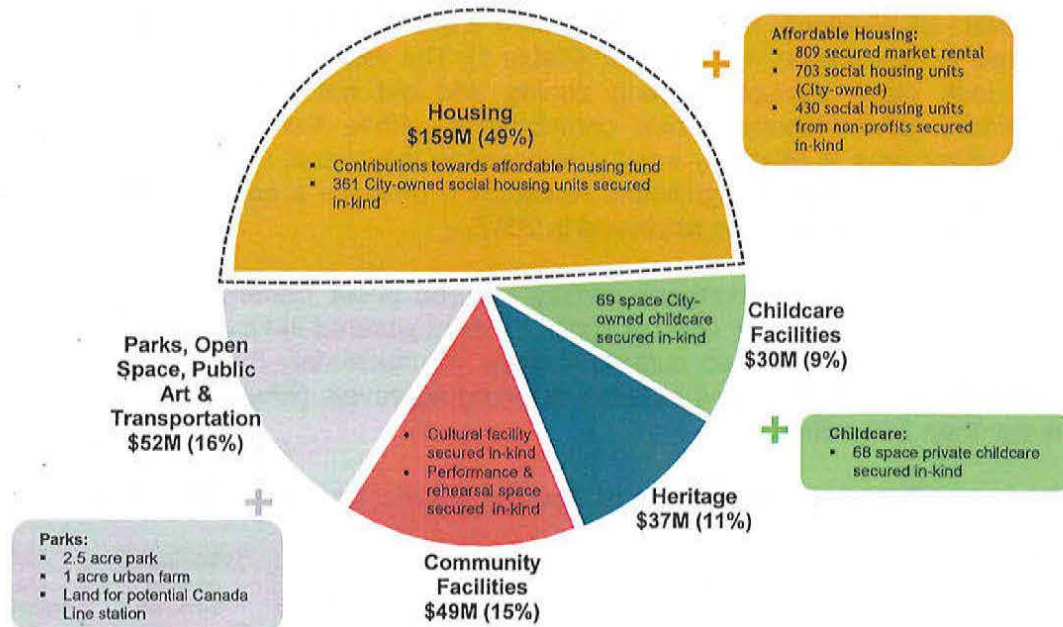
Not included in the public benefit values above were: 809 units of secured market-owned rental housing; 703 additional social housing units to be transferred to the City; 430 social housing units to be delivered by non-profit providers; a 68-space privately-owned childcare; 2.5 acre park; 1.0 acre urban farm, and; land to accommodate a future potential Canada Line station.

Council has committed 99% of the overall contributions from 2017 toward specific public benefits. Approximately 56% of the committed value represents in-kind contributions, meaning that they will be provided on-site as part of new developments. The remainder was offered as cash-in-lieu contributions, meaning that these funds have been committed to specific public benefit categories and that priority projects will be brought forward through capital planning and budgeting processes. Chart 1 shows how the contributions have been allocated amongst specific public benefit categories (contributions not yet committed were removed). The chart also notes several public benefits that were not assigned monetary values in rezoning reports such as secured market rental and most social housing units.

Chart 1: Breakdown of 2017 Secured Contributions Allocated by Public Benefit Category

(to be collected/delivered in future years)

Total committed to specific public benefits: \$329 M (99% of total contribution value)



Note: Chart 1 excludes contributions not yet allocated

Uncommitted funds not included in the chart accounted for the remaining \$5 million and originated from density bonus contributions in Marpole, Norquay and a contribution from a Downtown rezoning.

Summary

In 2017, the City collected \$88 million in cash-in-lieu CAC contributions (including \$30 million from 2017 rezonings approved and enacted within the year) and \$1 million in density bonus contributions. The City also approved 58 rezoning/bonusing projects resulting in 4.6 million ft² of net additional floor area that secured \$334 million to be delivered as cash or in-kind benefits in future years, including 361 units of social housing secured in-kind and owned by the City, a 69-space childcare, and two cultural spaces. Large project approvals contributed 89% of the total public benefits secured (\$296 million). In addition, several other in-kind benefits were secured, including: 809 privately-owned secured market rental housing units; 703 additional social housing units to be transferred to the City; 430 social housing units from non-profit providers; 68-space privately-owned childcare; 2.5 acre park; 1 acre urban farm; and land to accommodate a future potential Canada Line station.

Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability

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Appendix A

Approach and Methods for the Annual Report

The main approach and methods for this annual report are as follows:

1) *Approvals and Time Frame*

This report addresses all additional density approvals from January 1, 2017 to December 31, 2017. To identify the public benefits secured from additional density, all rezoning approvals involving additional floor area, and all development applications where bonusing was used to allow additional floor area were reviewed.

Rezoning and Heritage Revitalization Agreement metrics are based on development approvals at Public Hearing. Density bonus records are based either on development approvals by the Development Permit Board or amenity share contributions through density bonus zoning available in certain District Schedules. All records are contained in publicly accessible reports available on the City's website (www.vancouver.ca).

2) *Public Benefit Valuation*

Public benefits from new developments with additional density approvals are reported by type (e.g. housing, heritage, community facilities). Where possible, rezoning reports include an estimate of the financial value of the public benefits being secured. Secured market rental and social housing not owned by the City are quantified and reported by the number and type of housing units only. Other amenities not owned by the City are reported by their relevant metric (e.g. childcare spaces).

Bonus density for *heritage conservation* is the amount of additional density that equals the cost of conserving the heritage building. In this report, only bonus density that is actually accommodated on-site (i.e. where the heritage building is located), or bonus density that is transferred to another site are included. Bonus density placed in the 'transferrable heritage density inventory' ('density bank') is not included but is tracked and reported separately on a periodic basis to Council. See the [Transfer of Density Program webpage](#) for more details on the heritage transfer of density system.

Public art contributions associated with approvals of additional density (rezonings) are included as a public benefit. These contributions are calculated on a per square foot basis and applied to large rezoning applications. For more information, see the [policy framework for the City's Public Art Program](#).

Appendix B

Contributions Secured from Approvals in 2017

To be collected/delivered in future years
Grouped by Community Plan Area/Policy

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
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Pearson Dogwood Policy Statement						
1	500-650 West 57 th Avenue	Marpole	Rezoning	2,300,684	<ul style="list-style-type: none"> Housing – social housing (540 units) Childcare facilities (69 spaces) Public art Transportation (land) 	\$147,257,279
Subtotal Pearson Dogwood Policy Statement				2,300,684		\$147,257,279

West End Plan						
2	969 Burrard Street	West End	Rezoning	436,226	<ul style="list-style-type: none"> Heritage – on-site conservation Housing – social housing (29 net new units) Amenities and infrastructure in West End <ul style="list-style-type: none"> Social/community Parks and open spaces Childcare Transportation Affordable housing Public Art 	\$92,304,280
3	1523 Davie Street	West End	Rezoning	13,457	<ul style="list-style-type: none"> Heritage – on-site conservation 	\$504,918
4	1150 Comox Street	West End	HRA	648	<ul style="list-style-type: none"> Heritage – on-site conservation 	\$220,000
5	1345 Davie Street	West End	Development Permit Bonus	153,224	<ul style="list-style-type: none"> Housing – social housing (68 units) 	\$0
6	1488 Robson Street	West End	DPB – Heritage Density Transfer	281,571	<ul style="list-style-type: none"> Housing – social housing (63 units) 	\$0
7	1500 Robson Street	West End	DPB – Heritage Density Transfer	10,445	<ul style="list-style-type: none"> Housing – market rental (127 units) 	\$0
Subtotal West End Plan				895,571		\$93,029,198

Downtown South						
8	1380-1382 Hornby Street and 801 Pacific Street	Downtown	Rezoning	155,817	<ul style="list-style-type: none"> Social/community (in-kind cultural facility) Childcare facilities Affordable Housing Reserve Transportation Public realm & greenway improvements Public art 	\$40,711,603
9	575 Drake Street	Downtown	Rezoning	37,365	<ul style="list-style-type: none"> Housing – social housing (40 units) 	\$0
10	530 Drake Street	Downtown	Rezoning	12,280	<ul style="list-style-type: none"> Housing – social housing (14 units) 	\$0
Subtotal Downtown South				205,462		\$40,711,603

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
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Other Policy Areas						
11	2165-2195 West 45 th Avenue	Kerrisdale	Rezoning, HRA	90,747	<ul style="list-style-type: none"> • Heritage – on-site conservation • Housing – social housing (32 units) • Social/community (in-kind cultural space) 	\$15,383,200
12	401 West Georgia Street	Downtown	DPB – Heritage Density Transfer	3,822	<ul style="list-style-type: none"> • Heritage – purchase of density 	\$3,483,356
13	809 West 23 rd Avenue	South Cambie	Rezoning, HRA	3,668	<ul style="list-style-type: none"> • Heritage – on-site conservation 	\$1,082,500
14	1920 Southwest Marine Drive	Kerrisdale	Rezoning, HRA	14,941	<ul style="list-style-type: none"> • Heritage – on-site conservation 	\$894,850
15	1775 West 16 th Avenue	Fairview	HRA	1,407	<ul style="list-style-type: none"> • Heritage – on-site conservation 	\$600,000
16	604 East 23 rd Avenue	Riley Park	HRA	601	<ul style="list-style-type: none"> • Heritage – on-site conservation 	\$250,000
17	1819 West 15 th Avenue	Kitsilano	HRA	500	<ul style="list-style-type: none"> • Heritage – on-site conservation 	\$150,000
18	2423 Cornwall Avenue	West Point Grey	Rezoning	9,500	<ul style="list-style-type: none"> • Transportation 	\$28,500
19	620 Cardero Street	Downtown	Rezoning	4,742	<ul style="list-style-type: none"> • Public art 	\$9,407
20	2720 East 48 th Avenue	Victoria-Fraserview	Rezoning	21,993	<ul style="list-style-type: none"> • Housing – social housing (137 units) 	\$0
21	510 West Broadway	Fairview	DPB – Heritage Density Transfer	5,390	<ul style="list-style-type: none"> • Heritage – purchase of density 	\$0
Subtotal Other Policy Areas				134,217		\$21,881,813

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
Cambie Corridor Plan						
22	4621-4663 Cambie Street and 605 West 31 st Avenue	South Cambie	Rezoning	60,646	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$3,335,530
23	4238-4262 Cambie Street	Riley Park	Rezoning	41,495	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$2,528,726
24	5733 Alberta Street and 376-392 West 41 st Avenue	South Cambie	Rezoning	41,191	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$2,510,230
25	5030-5070 Cambie Street	South Cambie	Rezoning	38,634	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$2,124,870
26	618 West 32 nd Avenue	South Cambie	Rezoning	17,442	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$959,310
27	5469-5507 Willow Street	Oakridge	Rezoning	10,800	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$864,000
28	5110 Cambie Street	Riley Park	Rezoning	13,367	<ul style="list-style-type: none"> • Affordable Housing Reserve • Childcare facilities • Social/community • Heritage - Heritage Conservation Reserve 	\$814,637
29	478-496 West 48 th Avenue	Oakridge	Rezoning	49,340	<ul style="list-style-type: none"> • Housing – market rental (59 units) 	\$0
30	6137 Cambie Street	Oakridge	Rezoning	31,784	<ul style="list-style-type: none"> • Housing – market rental (20 units) • Childcare facilities (68 spaces, privately owned) 	\$0
31	210-262 West King Edward Avenue	Riley Park	Rezoning	22,184	<ul style="list-style-type: none"> • Housing – market rental (52 units) 	\$0
Subtotal Cambie Corridor Plan				326,883		\$13,137,303

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
Marpole Community Plan						
32	8242 Oak Street	Marpole	Rezoning	35,786	<ul style="list-style-type: none"> Affordable Housing Reserve Childcare facilities Social/community Heritage - Heritage Conservation Reserve 	\$2,700,000
33	469-485 West 59 th Avenue	Marpole	Rezoning	32,292	<ul style="list-style-type: none"> Affordable Housing Reserve Childcare facilities Social/community Heritage - Heritage Conservation Reserve 	\$1,920,780
34	470-486 West 58 th Avenue	Marpole	Rezoning	32,087	<ul style="list-style-type: none"> Affordable Housing Reserve Childcare facilities Social/community Heritage - Heritage Conservation Reserve 	\$1,908,615
35	441 West 63 rd Avenue	Marpole	Density Bonus Zoning	13,791	<ul style="list-style-type: none"> Affordable housing and amenities in Marpole 	\$529,261
36	7871 French Street	Marpole	Density Bonus Zoning	4,445	<ul style="list-style-type: none"> Affordable housing and amenities in Marpole 	\$47,538
37	59-79 Southwest Marine Drive	Marpole	Rezoning	29,954	<ul style="list-style-type: none"> Housing – social housing (53 units) 	\$0
38	87-115 Southwest Marine Drive	Marpole	Rezoning	26,528	<ul style="list-style-type: none"> Housing – social housing (48 units) 	\$0
39	8615 Laurel Street	Marpole	Rezoning	17,010	<ul style="list-style-type: none"> Housing – market rental (39 net new units) 	\$0
Subtotal Marpole Community Plan				191,893		\$7,106,194
Southeast False Creek						
40	371 West 2 nd Avenue	Mount Pleasant	Rezoning	98,318	<ul style="list-style-type: none"> Affordable Housing Reserve 	\$5,452,383
41	1715 Cook Street	Mount Pleasant	Rezoning	441	<ul style="list-style-type: none"> Housing – market rental (104 units) 	\$0
Subtotal Southeast False Creek				98,759		\$5,452,383
Mount Pleasant Community Plan						
42	2106-2138 Main Street	Mount Pleasant	Rezoning	69,774	<ul style="list-style-type: none"> Affordable Housing Reserve Childcare facilities Social/community Heritage - Heritage Conservation Reserve 	\$2,800,000
43	2840-2850 Yukon Street	Mount Pleasant	HRA	1,716	<ul style="list-style-type: none"> Heritage – on-site conservation 	\$600,000
44	305 West 16 th Avenue	Mount Pleasant	HRA	525	<ul style="list-style-type: none"> Heritage – on-site conservation 	\$200,000
45	870 East 8 th Avenue	Mount Pleasant	Rezoning	22,698	<ul style="list-style-type: none"> Housing – social housing (29 net new units) 	\$0
46	2221-2223 Main Street	Mount Pleasant	Rezoning	10,462	<ul style="list-style-type: none"> Housing – social housing (145 units) 	\$0
Subtotal Mount Pleasant Community Plan				105,175		\$3,600,000
ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)

Norquay Village Neighbourhood Centre Plan						
47	4888 Slocan Street	Renfrew-Collingwood	Density Bonus Zoning	31,367	• Affordable housing and amenities in Norquay	\$474,144
48	4869 Slocan Street	Renfrew-Collingwood	Density Bonus Zoning	23,326	• Affordable housing and amenities in Norquay	\$386,586
49	5471 Wales Street	Renfrew-Collingwood	HRA	1,080	• Heritage – on-site conservation	\$200,000
Subtotal Norquay Village Neighbourhood Centre Plan				55,773		\$1,060,730
Little Mountain Adjacent Area						
50	4983-5007 Quebec Street	Riley Park	Rezoning	17,523	• Affordable Housing Reserve	\$403,052
Subtotal Little Mountain Adjacent Area				17,523		\$403,052
Rental 100 (outside of Community Plan Areas)						
51	3681 Victoria Drive and 1915 Stainsbury Avenue	Kensington-Cedar Cottage	Rezoning	3,117	• Housing – market rental (153 units)	\$225,850
52	2153-2199 Kingsway	Kensington-Cedar Cottage	Rezoning	22,994	• Housing – market rental (101 units)	\$0
53	2075 West 12 th Avenue	Kitsilano	Rezoning	13,266	• Housing – market rental (48 units)	\$0
Subtotal Rental 100 (outside of Community Plan Areas)				39,377		\$225,850
Metropolitan Core Jobs and Economy Land Use Plan						
54	1495 West 8 th Avenue	Fairview	Rezoning	48,470	• Housing – social housing (149 units)	\$0
55	521-527 West 8 th Avenue	Fairview	Rezoning	34,783		\$0
Subtotal Metropolitan Core Jobs and Economy Land Use Plan				83,253		\$0
Affordable Housing Choices Interim Rezoning Policy						
56	3868-3898 Rupert Street and 3304-3308 East 22 nd Avenue	Renfrew-Collingwood	Rezoning	57,024	• Housing – market rental (98 units)	\$0
Subtotal Affordable Housing Choices Interim Rezoning Policy				57,024		\$0
Downtown Eastside Plan						
57	124 Dunlevy Avenue	Downtown Eastside	Rezoning	27,194	• Housing – social housing (57 units)	\$0
58	177 West Pender Street	Downtown Eastside	Rezoning	5,575	• Housing – social housing (90 units)	\$0
Subtotal Downtown Eastside Plan				32,769		\$0
Grand Total				4,567,457		\$333,865,405