



## ADMINISTRATIVE REPORT

Report Date: May 30, 2017  
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Meeting Date: June 13, 2017

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: 2016 Annual Report on Community Amenity Contributions and Density Bonusing

### **RECOMMENDATION**

THAT Council receive the 2016 Annual Report on Community Amenity Contributions and Density Bonusing for information.

### **REPORT SUMMARY**

This report provides information on approved Community Amenity Contributions (CACs) and Density Bonus contributions for 2016 in the City of Vancouver.

2016 was another strong year for development in the City of Vancouver. The City approved 51 rezoning and density bonus projects granting additional development density through rezoning and density bonusing. This represents 3.4% of the overall building permits issued in 2016 and represents a net increase in floor area of 3 million square feet. See Appendix A for a complete list of all applications in which additional density was approved in 2016.

The 2016 approvals of additional density resulted in the City securing public benefits valued at approximately \$127 million, including 48 units of social housing secured in-kind and owned by the City. Over two-thirds of these public benefits (\$85 million) were attributed to five large rezoning approvals. Not included in the public benefits value noted above were 884 units of secured market-owned rental housing and 345 social housing units that were delivered by non-profit providers.

Allocation of public benefits through a Public Benefit Strategy (PBS) addresses the anticipated city facility and infrastructure needs for delivering services and programs to support the demands associated with population and economic growth. These

allocations reflect Council priorities and Council approved guidelines for determining public benefits.

**Table 1: 2016 Public Benefit Contributions by Category**

<b>Public Benefit Category</b>	<b>Contribution Value (\$Millions)</b>
Affordable Housing	\$35M Not including 884, secured market rental units (market owned), 345 units of social housing (non-profit owned)
Child Care Facilities	\$27M
Community Facilities (e.g., libraries, community/ seniors centres, family places, cultural facilities, etc.)	\$26M
Parks and Open Spaces (incl. Public Art, Greenways)	\$18M
Heritage (i.e., on-site preservation & purchase of density)	\$16M
Not yet allocated	\$5M
<b>Total:</b>	<b>\$127M</b>

Source: City of Vancouver

Affordable Housing was the largest recipient of public benefit contributions accounting for \$35 million in public benefit value. This included 48 in-kind social housing units (owned by the City), plus pay-in-lieu to the City's Affordable Housing Reserve. The valuation does not include a further 884 units of secured market-owned rental housing approved in 2016 and 345 units of Social Housing delivered by non-profit providers.

To show the alignment between the City's policy plans and the density approvals identified in this report, the Annual Report includes a summary of approvals by plan area or policy (see Table 5 for summary, details are in Appendix A).

CACs assist in addressing the demands for various public amenities associated with growth in the City. Over the past 7 years (2010-2016), Council has committed approximately \$793 million in CACs and Density Bonusing towards public benefits. The majority of these commitments have been towards Affordable Housing (41%), followed by Community Facilities (17%) and Heritage (15%).

## **COUNCIL POLICY**

- Heritage Amenity Bank and Transfer of Density Update (2016)
- A Healthy City for All: Healthy City Strategy 2014-2025 - Phase I (2014)
- Culture Plan: Strategic Directions for the Next Five Years (2013)
- Housing and Homelessness Strategy 2012-2021 (2012)
- Transportation 2040 (2012)

- Secured Market Rental Housing Policy (2012) (which replaces Short Term Incentives for Rental (STIR) program (2009)
- Community Amenity Contributions through Rezonings (2006)
- City-wide Financing Growth Policy (2003)
- Heritage Building Rehabilitation Program Policies and Procedures (2003, amended 2005)
- General Policy for Higher Buildings (1997, amended 2011)
- Public Art Policies and Guidelines (1994, updated 2008)
- Transfer of Density Policy and Procedure (1993, last amended 2010)
- Heritage Policies and Guidelines (1989, last amended 2002)
- Economic Action Strategy (2011)

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

This report, along with the Annual Report on Development Cost Levies (DCLs), provides an opportunity to report to Council and the public on the wide range of public benefits and amenities achieved through DCLs, CACs and density bonusing. It also provides an opportunity for the City to articulate the clear alignment between current planning approvals, their associated contributions toward public benefits and the linkage with long range Community Plans, the 10-year Capital Strategic Outlook, 4-year Capital Plan, and annual budgets, all of which reflect Council and community priorities. The two reports also describe and explain the City's financing growth strategies, and how they fit within the City's capital planning framework.

In 2014, new provincial guidelines for Community Amenity Contributions (CACs) were provided to local governments. In light of the new CAC guidelines, the City's existing and emerging CAC policies and practices were reviewed. Overall, the review found the City's approach to CACs is generally consistent with the best practices recommended in the guide.

Within the Region, there is the growing concern with housing affordability and the impact of charges and fees on the cost of housing. In 2014 the City commissioned an independent assessment to determine if CACs were negatively impacting housing affordability in Vancouver. Coriolis Consulting concluded that CACs did not cause housing prices to rise or negatively impact housing affordability. Coriolis based their assessment on a review of development activity and trends in the City of Vancouver over the past 25 years. The Coriolis report found that CACs did not have a negative impact on new housing supply or the pace of new housing development, but rather they put downward pressure on the overall cost of land. The study found that CACs supported a substantial increase in the City's capacity to absorb new apartment development and, in some cases, enabled the creation of affordable housing units that would not otherwise have been built. They also found no difference in new housing unit prices when comparing projects that provided a CAC and those that did not. Coriolis' report concludes that it is much more likely that multiple market factors rather than the City's CAC policy have resulted in rising housing prices in the Region. The Coriolis report can be accessed on the City's website at: <http://vancouver.ca/financegrowth>.

As part of the City's ongoing efforts to improve and streamline our regulatory systems, staff will be undertaking a review and update of City-wide CAC Policy later in 2017. This review is intended to provide more clarity and certainty to the CAC determination process and to provide more guidance regarding the delivery of public benefits. Staff are also exploring less

reliance on site rezonings by implementing density bonus zoning districts (with pre-set contributions), expanding the use of fixed rate CAC targets and improving the negotiated process. Since 2013, the City has implemented pre-set contributions for additional density in several plan areas (Grandview-Woodland, Cambie Corridor, Norquay, Marpole, and Little Mountain Adjacent). In addition to these pre-set contributions, the City implemented new zoning districts in the West End that provide bonus density for inclusionary affordable housing. Looking forward, the City aims to have the majority of additional density approvals processed through pre-set contributions and inclusionary zoning, and to limit negotiated CACs to large complex projects.

## **REPORT**

### ***Background/Context***

Public benefits from new development contribute significantly to the sustainability and liveability of the City of Vancouver. They include facilities and infrastructure encompassing parks, community centres, libraries, cultural facilities, childcare facilities, heritage conservation, affordable housing, public realm improvements, and public safety facilities.

Rezoning is the primary tool for creating additional floor area. Density bonusing also allows additional floor area to be approved in exchange for defined public benefits within existing zoning. Additional population and employment growth from approved floor area increases generates new demands for services and facilities. In order to address these growth-related needs and offset a portion of growth-related capital costs, the City has developed rezoning policies that seek a voluntary CAC from most rezonings.

Public amenities are funded through the following sources:

- **Property Tax and Utility Fees:** The City's property tax and utility fees are the main funding sources for maintaining and renewing public amenities and infrastructure.
- **Development Cost Levies (DCLs):** DCLs are fees charged on all new development. They are applied on a per square foot basis and are payable at Building Permit issuance. DCL allocations to public benefits are limited by to DCL eligible categories as defined in the Vancouver Charter and can only be applied to the following growth-related capital projects: childcare, affordable replacement housing, parks, and engineering infrastructure.
- **Community Amenity Contributions (CACs):** CACs are voluntary public benefit contributions from rezoning approvals. CACs are offered by developers as in-kind facilities delivered with new development or as cash contributions and are generally payable at zoning enactment. CAC allocations can be applied toward a wider range of public benefits than DCLs.
- **Density Bonusing:** Density Bonus Zoning is a zoning tool that permits developers to build additional floor space in exchange for a range of amenities and/or affordable housing needed by the community. Density bonus zones allow for outright density (or base density) with no density bonus contribution, as well as a maximum density (or bonus density) which requires a contribution towards amenities and/or affordable

housing. Financial contributions are determined by the density bonus contribution rate set out in the Zoning and Development Bylaw.

- **Partnership Funding:** Contributions from senior governments and other strategic partners.
- **Development or Rezoning Conditions:** Contributions are secured through conditions of development approval, such as offsite engineering servicing, transportation and public art.

See Appendix C for more details on development related funding tools for public benefits.

Improved documentation of additional density approvals and public benefits support the City's goal of providing more open and transparent civic government. Since late 2010, a standardized format has been used to record public benefits in all Council reports relating to rezoning. In addition, new community plans now include public benefit strategy's to align area-based public benefit allocations and community aspirations with capital planning and budgeting.

A comprehensive picture of public benefits is important to the public and industry stakeholders. Residents and community groups are better informed on how new development contributes to public benefits, especially from rezoning where additional density is approved. The approach also responds to industry requests for better reporting on the benefits contributed through development. Clarity in public benefit needs identified through local community plans or city-wide strategic plans (e.g. Transportation 2040 Plan and the Housing and Homelessness Strategy) help ensure contributions reflect identified needs and align with the City's long-term capital and financial plans.

### ***Strategic Analysis***

This annual report is a summary of public benefit contributions arising from approvals of additional density in 2016. These benefits are typically secured at zoning enactment, or when a project is completed and the in-kind benefit is delivered. Not all public benefits are under City ownership. For example, rental housing secured under the Secured Market Rental Housing Program, heritage restoration, and public art remain as private assets with public value.

Those public benefits under City ownership are reflected in the City's financial statement when they are delivered and transferred to City ownership.

### **1) Approach and Methods for the Annual Report**

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

#### ***Approvals and Time Frame***

- This report addresses all additional density approvals from January 1, 2016 to December 31, 2016. 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 metrics are based on development approvals at Public Hearing, while density bonus records are based on development approvals by the Development Permit Board. These approvals are all contained in publicly accessible reports available on the City's website ([www.vancouver.ca](http://www.vancouver.ca)).

### *Public Benefit Valuation*

- Public benefits from new developments with additional density approvals are generally reported by type (e.g. housing, heritage, community facilities, etc.) and the estimated dollar value as documented in the rezoning reports that proceed to Council. However, for affordable market rental housing, where the amenity is not owned by the City, the projects are quantified and reported by the number and type of housing units only.
- 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 'transferable heritage density inventory' ('density bank') is not included but is tracked and reported separately on a periodic basis to Council. See Appendix C for more details on the heritage transfer of density system or see the [Transfer of Density Program web page](#).
- 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 updated policy framework for the City's [Public Art Program](#).

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 a significant impact 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 while the delivery of amenities is usually phased over many years as the site redevelops or builds-out.

## **2) Analysis of 2016 Public Benefit Contributions**

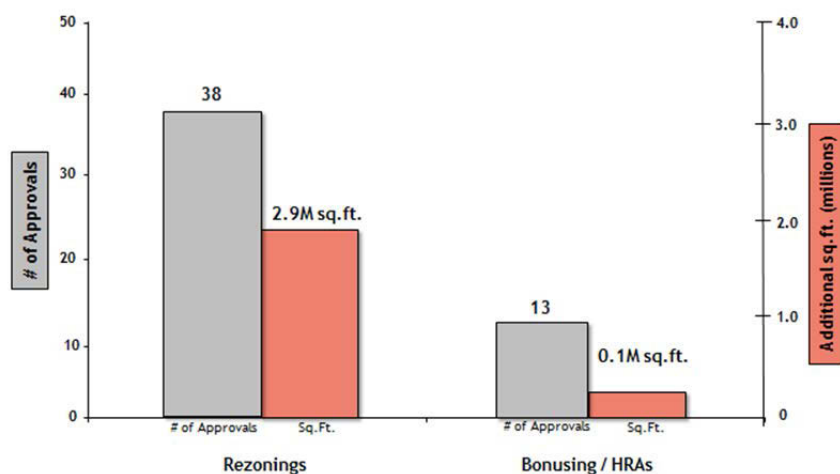
In 2016, there were 51 site specific project approvals resulting in 3 million sq.ft. of net additional floor area (see Appendix A for project details).

Every year, the City approves development projects that contribute to growth in the city. A growing city and economy places increased pressure on important public amenities. These amenities contribute to the overall liveability of our city, the health of our residents, and the needs of individuals and families who come to our city to live and work. To partially offset the cost of providing growth-related public amenities, the City uses development contributions. A key mechanism for securing development contributions is through rezoning. Approving additional floor area beyond what is permitted in a zoning bylaw is referred to as a site specific rezoning. Site specific rezonings occur infrequently in relation to general development activity.

In 2016, there were approximately 1,512 building permits for new construction issued within existing zoning (building permit activity in 2016 was a record year). The 51 approvals of additional floor area (rezoning/bonusing) represent 3.4% of general development activity. The vast majority of development in the city occurs within existing zoning (i.e. conforms to density, land use and design of existing zoning regulations). While the number of projects adding density/floor area is relatively small, their impact on growth is significant.

As shown in Chart 1, rezonings accounted for nearly 75% of additional density approvals and about 97% of the additional sq. ft. approved in 2016. See Appendix C for a detailed description of approval mechanisms for additional density.

**Chart 1: Approval Mechanisms and Additional Sq.Ft. (2016)**



Source: City of Vancouver rezoning and development permit board approvals (2016)

In 2016, there were 51 approvals of additional density resulting in secured public benefits totalling \$127 million (see Table 2).

**Table 2: Comparison of Public Benefits Secured (2010 to 2016)**

Year	# of Approvals	Additional Density (millions sq.ft.)	Total Value of Public Benefits Secured (\$ millions)	Additional Secured Market Rental Housing (units)
2016	51	3.1	\$127	884
2015	42	2.4	\$103	1,192
2014	50	6.5	\$234*	1,073
2013	45	2.6	\$133	909
2012	44	2.4	\$68	1,031
2011	36	4.2	\$180*	602
2010	23	2.2	\$27	106
Annual Average	41	3.3	\$125	827

Source: City of Vancouver rezoning and development permit board approvals (2010-2016)

\* Both 2014 (Oakridge Centre) and 2011 (Arbutus Centre) had major project rezoning approvals resulting in large public benefit contributions.

The year-over-year fluctuation of public benefits provided is due to the variable scope of rezonings. Projects differ based on existing land use, proposed uses, density and heights, and other factors which influence the nature and amount of public benefits needed and offered.

In any given year, a major project rezoning approval can occur. Major projects are unique in that they are typically large, phased developments taking 10 or 15 years to build out, and involving significant public benefit contributions.

As experienced in previous years, the majority of additional floor area and contributions secured originated from a small group of rezoning approvals. In 2016, five large project approvals combined to account for 67% of all public benefit contribution value secured (see Table 3).

**Table 3: Large Project Approvals in 2016**

Project Name	Additional Density Approved (sq.ft.)	Value of Contribution (\$ millions)	Plan Area	Public Benefits
1550 Alberni St	292,466	\$33	West End Plan	Contributions towards public realm, affordable housing, heritage amenity, public art, West End Community Centre complex, childcare, library, seniors' centre, and cultural space
1575 W Georgia St	135,307	\$15	Coal Harbour ODP	Contributions towards affordable housing, childcare and community facilities, heritage amenity, public art
155 E 37th Ave	698,876	\$15	Little Mtn Policy Statement	330 social housing units, parks and open space, childcare, social and community space, and public art
225 Smithe St	95,914	\$12	Downtown South Plan	Contributions towards affordable housing, heritage amenity, public and community facilities
5050-5080 Joyce St	171,125	\$10	Joyce Station Precinct Plan	Contributions towards community facilities serving the Joyce-Collingwood area such as a renewed and expanded Collingwood Library, new childcare facilities or new affordable housing
<b>Total</b>	<b>1,393,688</b>	<b>\$85</b>		

Note: Values do not include secured market rental housing units

Source: City of Vancouver rezoning and development permit board approvals (2016)

From the \$127 million secured in 2016, Council committed \$122 million or 96% of the overall contributions towards specific public benefits. Approximately 19% of the committed value represent in-kind contributions, meaning that they will be provided on-site as part of new developments. The remainder was offered as cash contributions, meaning that these funds have been committed to specific public benefit categories by Council and priority projects will be brought forward through capital planning and budgeting processes.

Chart 2 indicates the value of contributions that were secured by Council and committed to specific public benefit categories (contributions not yet committed were removed).



**Chart 2: Breakdown of the Value of 2016 Secured Contributions Allocated by Public Benefit Category**

Total = \$122M allocated towards Public Benefits (96% of total)

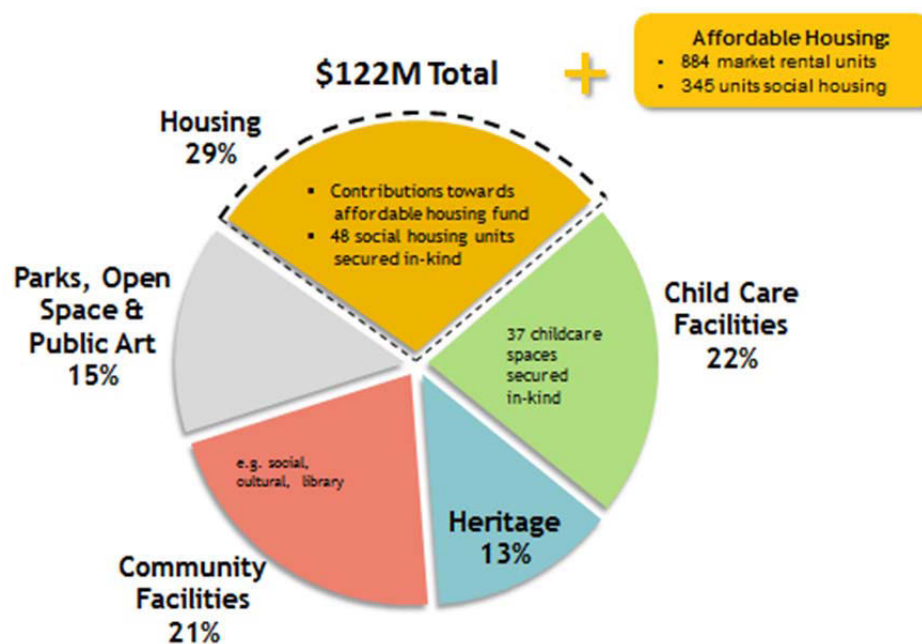


Chart excludes \$5M in contributions not yet allocated

Chart 2 shows that:

- **Affordable Housing (City-owned)** accounted for 29% of public benefit value (\$35 million), the highest among all public benefit categories. Included in that contribution was 48 units of social housing to be transferred to the City valued at \$4.6 million.

In addition to, but not included in the \$35 million, were: i) 884 units of secured market rental housing - secured for the life of the building as rental but owned and operated by private owners, and ii) 345 units of social housing in 100% not-for-profit projects.

Table 4 details the affordable housing commitments in 2016. Social housing units typically originate from two types of projects: mixed market/social housing projects, and 100% social housing projects. The mixed market/social housing projects were at 3595 Kingsway and 155 East 37th Avenue. The 100% social housing projects were at 585 West 41st Avenue, 3595 Kingsway, and 420 Hawks Avenue. There were also a number of cash-in-lieu contributions towards the Affordable Housing Reserve, originating from rezonings in the Cambie Corridor, Marpole, and Little Mountain.

This reflects Council's priority to increase housing supply for low and modest income households, and to increase the supply of secured rental accommodation.

**Table 4: Summary of Affordable Housing Secured Contributions (2016)**

	<b># In-Kind Social Housing Units</b>	<b># Secured Market Rental Units</b>	<b>Value of Contribution (\$ millions)</b>
Social Housing Units secured for City ownership	48	--	\$4.6
Cash-in-lieu contributions to the City	--	--	\$30.6
<b>Subtotal</b>	<b>48</b>	<b>--</b>	<b>\$35</b>
Additional Housing Units secured but excluded from the overall value calculation	345	884	--
<b>Total</b>	<b>393</b>	<b>884</b>	<b>\$35</b>

Source: City of Vancouver

- **Childcare Facilities** accounted for 22% of overall public benefit value (\$27 million), the second highest among all public benefit categories. An in-kind 37-space childcare facility was secured through a rezoning approval at 725-747 Southeast Marine Drive and a number of cash-in-lieu contributions towards childcare facilities were secured from rezonings throughout the City, including a \$6.9 million contribution towards a future childcare facility in Downtown.
- **Community Facilities** accounted for 21% of overall public benefit value (\$26 million). Overall 83% of commitments made towards social/community facilities were cash-in-lieu contributions originated mostly from Cambie Corridor and Marpole rezonings, and from a rezoning at 1550 Alberni Street in the West End.
- **Parks, Open Space, Public Realm, Greenways and Public Art** accounted for 15% of overall public benefit value (\$18 million). Cash-in-lieu contributions were committed towards public realm improvements in and around the West End, which could include improvements to the Cardero Stroll, Alberni Street, Georgia Gateway, and Robson Village areas, including a new public plaza at Bute Street, and a contribution to Queen Elizabeth Park improvements. In addition, there were 11 public art contributions totaling \$6.5 million.
- **Heritage** on-site preservation accounted for 13% of overall public benefit value (\$16 million). Nearly half all 2016 approvals included an element of heritage as a public benefit. Approximately \$4.4 million in value was secured for on-site heritage preservation, and \$11.4 million of density value was transferred to various development sites from the Heritage Density Bank.

In 2009, Council decided to temporarily delay the creation of new transferable heritage density and opted to draw down the inventory of 'banked' transferable density. In September 2013, Council approved a number of actions to further reduce the balance in the heritage amenity bank in order to maintain its viability as a heritage conservation tool. In 2016, Council authorized the City to accept cash payments in lieu of the purchase and transfer of heritage density for all rezoning

applications that have been approved in principle, which included, as part of the offered public benefits, the purchase and transfer of heritage density as a condition of zoning enactment. This option was made available to applicants unable to meet the rezoning requirement for the amount of density (square footage required) to be purchased at the price stipulated in the rezoning report approved at public hearing. In 2016 applications for density transfers of approximately 240,525 sq. ft. were approved, reducing the heritage bank balance was down to 126,216 sq. ft. at the end of 2016. See Appendix C for the heritage transfer of density system detail or the Transfer of Density Program web page.

Chart 2 does not include \$2.2 million in cash-in-lieu contributions from Marpole density bonus approvals or a \$3.3 million cash-in-lieu contribution from a rezoning at 1550 Alberni Street that have not been committed to specific public benefit categories. These unallocated funds represent 4% of the overall \$127 million total value for 2016. All uncommitted funds received by the City are set aside in reserves, and these funds can only be allocated by Council as part of capital planning and budgeting processes and in accordance with approved public benefit strategies.

To show the alignment between the City's policy plans and the additional density approvals, Table 5 below presents a summary of project approvals in 2016 by plan area or policy. The Marpole, West End, and Cambie Corridor Plans accounted for the largest number of approvals, additional density and public benefit value. For a detailed list of approvals by Plan Area/Policy, refer to Appendix A.

**Table 5: 2016 Approvals, Additional Density & Public Benefit Value by Plan Area/Policy**

<b>Plan Area/Policy</b>	<b># of Approvals</b>	<b>Additional Density (sq.ft.)</b>	<b>Public Benefit Contribution Value (\$millions)</b>
West End Community Plan	1	168,412	\$35.6
Cambie Corridor Plan	9	361,937	\$16.5
Coal Harbour ODP	1	135,307	\$14.9
Little Mountain	1	698,876	\$14.5
Downtown South	1	95,914	\$12.4
Approvals Outside Plan Areas	6	366,738	\$11.7
Joyce Station Precinct	1	171,125	\$9.9
Marpole Community Plan	13	150,750	\$5.4
Metropolitan Core Jobs & Economy Plan	2	341,865	\$3.9
Mount Pleasant Community Plan	3	53,829	\$1.4
Norquay Village Neighbourhood Centre Plan	1	87,953	\$1.1
Little Mountain Adjacent Area Plan	2	42,056	\$1.0
Southeast False Creek	1	197,841	\$0.7
Downtown Eastside Plan	3	43,023	\$0
Rental 100 Projects (outside plan areas)	6	254,178	\$0
<b>Total</b>	<b>51</b>	<b>3,056,605</b>	<b>\$127</b>

Source: City of Vancouver

### ***Secured Market Rental Housing***

On May 15, 2012 Council approved the [Secured Market Rental Housing Policy](#) which replaced the STIR pilot program. The new policy and related amendments to the DCL by-laws are aimed at providing incentives for projects where 100% of the residential development is rental. When approved under the Secured Market Rental Housing Policy, the program offers a number of incentives, where applicable, for developers. These incentives may include: DCL waiver on rental units; parking reductions; expedited processing; rental property assessment; and, bonus density.

There were 11 approvals of secured market rental housing in 2016, which will generate 884 market rental housing units. A majority of the market rental projects shown in Table 6 were approved as rezonings with additional density. A smaller number were approved through bonusing within existing zoning. These rental units were secured as rental for the life of the building or 60 years, whichever is greater.

New rental housing represents an important public benefit and aligns with the City's priorities to address homelessness and affordable housing, building safe and inclusive communities, and improving environmental sustainability.

**Table 6: Secured Market Rental Housing Units Approved in 2016**

<b>Address</b>	<b># of Units</b>
1755 W 14th Ave	118
3595 Kingsway	117
3365 Commercial Drive	110
445 Kingsway and 2395 St. George Street	109
2805 East Hastings Street	92
6505, 6507 and 6541 Main Street	75
454 West Pender Street	68
424-428 West Pender Street	72
512 West King Edward Avenue	50
2894 East Broadway	37
1037 West King Edward Avenue	36
<b>TOTAL UNITS</b>	<b>884</b>

Source: City of Vancouver

### Summary of Public Benefit Allocations: 2010-2016

Since 2010 when the City began reporting public benefit contributions from approvals of additional density, Council has committed approximately \$793 million to the following public benefit categories (excludes \$78 million in contributions that were not allocated at the time of Council approval):

- 41% towards city-owned Affordable Housing (plus 5,804 privately-owned, secured market rental housing units, and 951 secured social housing units that are not city-owned);
- 17% towards Community Facilities (recreation, social, cultural, library);
- 15% towards Heritage (on-site preservation, transfers of heritage density);
- 12% towards Parks and Open Space (including Public Art);
- 11% towards Childcare; and,
- 3% towards Transportation.

Note that some of these public benefit categories also receive DCL funding and capital improvements through rezoning conditions. Appendix B provides a map showing the location of rezonings that secured in-kind public benefits between 2010 and 2016.

### *Implications/Related Issues/Risk*

#### *Financial*

**Development Contributions for Growth-related Public Benefits** - Development contributions through DCLs, voluntary CACs, inclusionary zoning and density bonusing play a significant role in enabling public amenities and infrastructure to address the impacts of growth. Development contributions help advance key Council and community priorities, and relieve what would otherwise fall entirely onto property taxes and other City funding.

The current 2015-2018 Capital Plan contemplates \$1.3 billion of strategic investments in infrastructure, facilities and other public benefits to support the growing economy. This includes investments that incorporate Council and community priorities embedded in various Community Plans and associated public benefit strategies. It is anticipated that ~\$386 million of DCLs and voluntary cash CACs will be allocated to help fund the Capital Plan, which translates to ~29% of the total plan. (Note: Public benefits achieved in-kind through CACs, inclusionary zoning and density bonusing are not included in the Capital Plan.)

***Secured Public Benefits*** - Between 2010 and 2016, the City secured and allocated public benefits through additional density totalling \$793 million (in-kind and cash) plus 5,804 units of secured market rental housing and 951 units of social housing. In 2016, the public benefits secured were \$127 million (in-kind and cash), including 48 in-kind social housing units (owned by the City), plus 884 units of secured market rental housing and 345 units of social housing provided within non-profit projects.

While some of the public benefits (e.g. cash CACs, public art contributions) are achieved in the year when the additional floor area is approved, in-kind public benefits (e.g. affordable housing, childcare) are typically achieved over a longer period of time as such benefits are delivered as part of build out of market developments. Cash CACs and density bonus contributions collected from development will be allocated to specific projects as part of the annual capital budget process.

***Impact of Development Contributions on New Construction*** - Development contributions (DCLs and CACs combined), while significant in value; represent only a small percentage of the overall construction value in a given year. In 2016, the City received \$225 million in development contributions, including \$73.6 million in cash-in-lieu CACs, \$60.3 million of in-kind CACs, \$61.9 million in DCLs (excluding interest), \$2.2 million in density bonus contributions, and \$27.0 million of other contributed assets. (Note: Value of CACs received is different than value of CACs secured which will be achieved over time). This is equivalent to ~8% of the overall approved 2016 construction value of \$2.8 billion.

***Ongoing Operating Budget Implications*** - In-kind public amenities that are constructed by developers and conveyed to the City upon completion, such as affordable housing, childcare, social or cultural facilities, will give rise to on-going operating costs for the City. As these amenities come online, the associated operating, programming, asset maintenance and rehabilitation costs will be determined and addressed through the long-term financial planning and annual budget processes. Other public benefits such as secured market rental, public art on private sites, and transfer of heritage density, will remain in private ownership and thus the associated operating and lifecycle costs will be the responsibility of the owner/developer.

Information in this report provides an annual record and provides input into the City's long-term financial and capital planning framework. It helps guide decision-making both at the city-wide level (e.g. 10-year Capital Strategic Outlook) and the community level (e.g. public benefits strategies).

## **CONCLUSION**

This report focuses on all approvals of additional density/floor area occurring in 2016 and it describes the type and value of public benefits secured through these development projects.

In 2016, there were 51 project approvals resulting in 3 million sq.ft. of net additional floor area. Approvals of additional density in 2016 will result in public benefits valued at approximately \$127 million, including 48 units of social housing secured in-kind. In addition, 884 units of rental housing and 345 units within non-profit social housing projects were not included in the project valuations. Over two-thirds of the public benefit valuation (\$85 million) and about 45% of the added floor area were attributed to five large rezoning approvals. Affordable housing was the largest recipient of public benefit contributions, followed by childcare facilities, heritage, community facilities, and parks/open space/public art.

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## Approvals of Additional Density in 2016

Grouped by Community Plan Area/Policy

ID#	Address	Local Area	Approval Type	Density increase (net ft <sup>2</sup> increase)	Public Benefits Secured	Total Public Benefits Value (\$)
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<b>West End Plan</b>						
1	1550 Alberni Street	West End	Rezoning	168,412	<ul style="list-style-type: none"> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> <li>•Public Art</li> <li>•Public Realm &amp; Greenway Improvements</li> <li>•Social / Community</li> </ul>	\$32,579,124
<b>Subtotal West End Plan</b>				<b>168,412</b>		<b><u>\$32,579,124</u></b>

<b>Cambie Corridor Plan</b>						
2	5189-5289 Cambie Street	South Cambie	Rezoning	93,983	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> <li>•Public Art</li> <li>•Social / Community</li> </ul>	\$5,403,538
3	526-548 West King Edward Avenue	South Cambie	Rezoning	44,152	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> </ul>	\$2,428,379
4	305 West 41st Avenue	Riley Park	Rezoning	41,913	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> </ul>	\$2,300,000
5	4976-5010 Cambie Street	Riley Park	Rezoning	39,487	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Affordable Housing Fund</li> <li>•Heritage - onsite preservation</li> </ul>	\$2,287,285
6	288-388 West King Edward Avenue	Riley Park	Rezoning	36,804	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> <li>•Social / Community</li> </ul>	\$2,024,220
7	4085 Ash Street	South Cambie	Rezoning	23,997	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> <li>•Social / Community</li> </ul>	\$1,319,835
8	151-157 West 41st Avenue	Oakridge	Rezoning, HRA	12,906	<ul style="list-style-type: none"> <li>•Child Care Facilities</li> <li>•Heritage - purchase of density</li> <li>•Affordable Housing Fund</li> <li>•Social / Community</li> </ul>	\$786,492
9	585 West 41st Avenue	South Cambie	Rezoning	43,243	•Housing - social housing (46 units)*	\$0
10	512 West King Edward Avenue	South Cambie	Rezoning	25,452	•Housing - market rental (50 units)*	\$0
<b>Subtotal Cambie Corridor Plan</b>				<b>361,937</b>		<b><u>\$16,549,749</u></b>



Address		Local Area	Approval Type	Density increase (net ft2 increase)	Public Benefits Secured	Total Public Benefits Value (\$)
Coal Harbour						
11	1575 W Georgia St	Downtown	Rezoning	135,307	•Affordable Housing Fund •Heritage - purchase of density •Childcare Facilities •Public Art	\$14,913,145
Subtotal Coal Harbour				135,307		<u>\$14,913,145</u>
Little Mountain						
12	155 East 37th Avenue		Rezoning	698,876	•Housing - social housing (282 units)* •Parks and Open space •Childcare •Social / Community •Public Art	\$14,565,890
Subtotal Little Mountain				698,876		<u>\$14,565,890</u>
Downtown South						
13	225 Smithe St	Downtown	Rezoning	95,914	•Public Realm & Greenway Improvements •Heritage - purchase of density •Affordable Housing Fund •Public Art •Social / Community	\$12,360,977
Subtotal Downtown South				95,914		<u>\$12,360,977</u>
Joyce Station Precinct						
14	5050-5080 Joyce Street	Renfrew - Collingwood	Rezoning	171,125	•Public Art •Social / Community	\$9,858,987
Subtotal Joyce Station Precinct				171,125		<u>\$9,858,987</u>
Marpole Community Plan						
15	7638-7664 Cambie Street	Marpole	Rezoning	30,600	•Child Care Facilities •Heritage - purchase of density •Affordable Housing Fund	\$1,683,000
16	505 West 62nd Avenue	Marpole	Rezoning	22,292	•Heritage – onsite preservation •Affordable Housing Fund	\$1,226,060
17	7849 Manitoba St	Marpole	Bonusing	8,786	•Amenities/Infrastructure in Marpole	\$87,858
18	344 West 64th Ave	Marpole	Bonusing	12,977	•Amenities/Infrastructure in Marpole	\$559,250
19	7807 Cambie Street	Marpole	Rezoning	22,143	•Child Care Facilities •Heritage - purchase of density •Affordable Housing Fund •Social / Community	\$1,217,865
20	7400 Granville	Marpole	Bonusing	15,412	•Amenities/Infrastructure in Marpole	\$154,117

ID#	Address	Local Area	Approval Type	Density increase (net ft2 increase)	Public Benefits Secured	Total Public Benefits Value (\$)
21	8498 Osler Street	Marpole	Bonusing	9,139	•Amenities/Infrastructure in Marpole	\$91,393
22	1500 W 57th Avenue	Marpole	Bonusing	8,489	•Amenities/Infrastructure in Marpole	\$84,890
23	1501 W 59th Avenue	Marpole	Bonusing	2,726	•Amenities/Infrastructure in Marpole	\$27,260
24	7828 Granville St	Marpole	Bonusing	24,720	•Amenities/Infrastructure in Marpole	\$958,333
25	7561 Granville St	Marpole	Bonusing	2,675	•Amenities/Infrastructure in Marpole	\$26,748
26	7300 Granville St	Marpole	Bonusing	10,386	•Amenities/Infrastructure in Marpole	\$103,860
27	7849 Granville St	Marpole	Bonusing	10,730	•Amenities/Infrastructure in Marpole	\$100,730
<b>Subtotal Marpole Community Plan</b>				<b>181,075</b>		<b><u>\$6,321,364</u></b>

<b>Metropolitan Core Jobs &amp; Economy Plan</b>						
28	650 West Georgia Street	Downtown	Rezoning	341,865	•Public Art •Child Care Facilities	\$3,373,035
29	998 W Broadway	Fairview	Bonusing	0	•Heritage - purchase of density •Public Art	\$551,302
<b>Subtotal Metropolitan Core Jobs &amp; Economy Plan</b>				<b>341,865</b>		<b><u>\$3,924,337</u></b>

<b>Mount Pleasant Community Plan</b>						
30	22 E 5th Ave	Mount Pleasant	Rezoning	1,246	•Heritage - onsite preservation	\$1,030,000
31	445 Kingsway and 2395 St. George Street	Mount Pleasant	HRA	51,083	•Housing - market rental (109 units)* •Public Art	\$303,367
32	315 West 11th Avenue	Mount Pleasant	HRA	1,500	•Heritage - onsite preservation	\$100,000
<b>Subtotal Mount Pleasant Community Plan</b>				<b>53,829</b>		<b><u>\$1,433,367</u></b>

<b>Norquay Village Neighbourhood Centre Plan</b>						
33	2395-2469 Kingsway	Renfrew - Collingwood	Rezoning	<b>87,953</b>	•Affordable Housing Fund •Childcare •Public Art	\$1,097,163
<b>Subtotal Norquay Village Neighbourhood Centre Plan</b>				<b>87,953</b>		<b><u>\$1,097,163</u></b>

<b>Little Mountain Adjacent Area Plan</b>						
34	5021-5079 Quebec Street	Riley Park	Rezoning	29,303	•Affordable Housing Fund	\$673,955
35	106 - 116 East 35th Avenue	Riley Park	Rezoning	12,753	•Affordable Housing Fund	\$293,319
<b>Subtotal Little Mountain Adjacent Area Plan</b>				<b>42,056</b>		<b><u>\$967,274</u></b>

<b>Southeast False Creek</b>						
36	101 East 2nd Avenue	Mount Pleasant	Rezoning	61,613	•Affordable Housing Fund	\$708,550
<b>Subtotal Southeast False Creek</b>				<b>61,613</b>		<b><u>\$708,550</u></b>

ID#	Address	Local Area	Approval Type	Density increase (net ft <sup>2</sup> increase)	Public Benefits Secured	Total Public Benefits Value (\$)
<b>Downtown Eastside</b>						
37	454 West Pender Street	Downtown Eastside	Rezoning	15,962	•Housing - market rental (68 units)*	\$0
38	424-428 West Pender Street	Downtown Eastside	Rezoning	13,336	•Housing - market rental (68 units)*	\$0
39	420 Hawks Avenue	Downtown Eastside	Rezoning	13,725	•Housing - social housing (21 units)*	\$0
<b>Subtotal Downtown Eastside Plan</b>				<b>43,023</b>		<b>\$0</b>
<b>Approvals outside Plan Areas</b>						
40	2050 SW Marine Drive	Dunbar - Southlands	HRA	18,308	•Heritage - onsite preservation	\$984,000
41	1755 W 14th Ave	Fairview	Rezoning, HRA	101,256	•Child Care Facilities •Heritage - purchase of density •Housing - market rental (118 units)*	\$2,170,845
42	725-747 Southeast Marine Drive	Sunset	Rezoning	233,309	•Child Care Facilities (37 spaces) •Public Art •Affordable Housing Fund •Social / Community	\$7,095,139
43	6158 East Boulevard	Kerrisdale	HRA	7,366	•Heritage - onsite preservation	\$860,000
44	1872 Parker Street	Grandview - Woodland	Rezoning, HRA	4,858	•Heritage - onsite preservation	\$400,000
45	2308 East 34th Avenue	Renfrew - Collingwood	Rezoning, HRA	1,641	•Heritage - onsite preservation	\$200,000
<b>Subtotal Approvals outside Plan Areas</b>				<b>366,738</b>		<b>\$11,709,984</b>
<b>Rental 100 Projects (City-wide policy)</b>						
46	6505, 6507 and 6541 Main Street	Sunset	Rezoning	20,942	•Housing - market rental (75 units)*	\$0
47	1037 West King Edward Avenue	Shaughnessy	Rezoning	19,578	•Housing - market rental (36 units)*	\$0
48	3365 Commercial Drive	Grandview - Woodland	Rezoning	57,653	•Housing - market rental (110 units)*	\$0
49	2805 East Hastings Street	Hastings - Sunrise	Rezoning	27,731	•Housing - market rental (91 units)*	\$0
50	3595 Kingsway	Renfrew - Collingwood	Rezoning	110,400	•Housing - market rental (117 units)* •Housing - social housing (44 units)*	\$0
51	2894 East Broadway	Renfrew - Collingwood	Rezoning	17,874	•Housing - market rental (37 units)*	\$0
<b>Subtotal Rental 100 Projects (Outside of Community Plan Areas)</b>				<b>254,178</b>		<b>\$0</b>
<b>Grand Total</b>				<b>3,063,900</b>		<b>\$126,989,911</b>

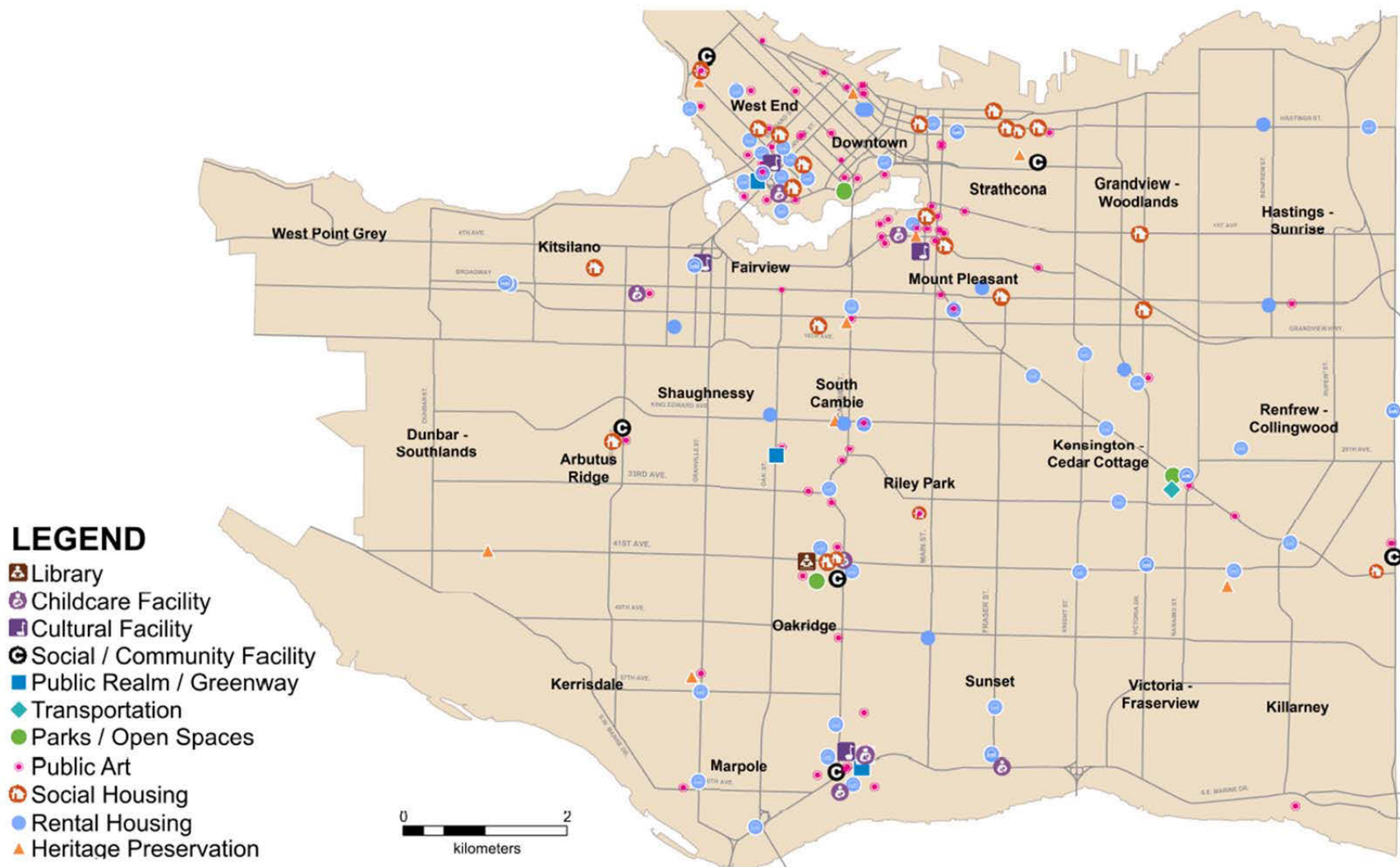
Table Notes:

\*Value of market rental housing is not included in total public benefit value

\*\*HRA: Heritage Revitalization Agreement

Source: City of Vancouver rezoning and development permit board approvals (2016)

## Appendix B: Rezoning Approvals that Secured In-Kind Public Benefits (2010-2016)



**Appendix C:  
An Overview of DCLs and CACs  
Heritage Transfer of Density  
Mechanisms for Approving Additional Density**

**An Overview of DCLs and CACs**

**Development Cost Levies**

Development Cost Levies (DCLs) are a growth-related charge on all new development. They are applied on a per square foot basis and are payable at Building Permit issuance. DCLs are governed by rules set out in the Vancouver Charter. DCLs are a very important source of revenue for civic facilities. Since they were introduced, over \$600 million in funds have been collected from DCLs to help pay for growth-related facilities.

DCLs collected from development help pay for facilities made necessary by growth. Facilities eligible for DCL funding include: parks, childcare facilities, replacement housing (social/non-profit housing), and engineering infrastructure.

There are 5 DCL districts within the city and they are divided into three types of DCL districts, each with its own rates:

- The Vancouver (City-wide) DCL District applies to most of the city. Certain area-specific DCL districts and other planning areas/zones are excluded from the Vancouver DCL District.
- Area-specific DCL Districts. Developments in these districts are subject to the area-specific DCL and are exempt from paying the Vancouver DCL.
- Layered DCL Districts. Developments in these districts are subject to both the area-specific DCL and the Vancouver DCL.

**Community Amenity Contributions**

Community Amenity Contributions (CACs) are voluntary in-kind or cash contributions provided by developers when City Council grants additional development rights through rezonings. CACs can help address the increased demands that may be placed on City facilities as a result of a rezoning (from new residents and/or employees), as well as mitigate the impacts of a rezoning on the surrounding community. Examples of in-kind amenity contributions include childcare facilities or park space incorporated into the new development. Cash contributions may be put toward benefits such as these, and others including libraries, community centres, transportation improvements, cultural facilities and neighbourhood houses. Cash contributions are generally applied to off-site benefits in the surrounding community.

In a rezoning, CACs can be part of a public benefits package offered by the developer, which may also include the transfer of density from a heritage site, and/or affordable housing. CACs are typically in addition to Development Cost Levies, which are growth-related charges on all new development.

Community Amenity Contributions have evolved over recent decades to help provide growth-related amenities arising from new development. CAC Policies have been applied in various ways, corresponding to planning and land use change across the city.

Major projects, such as Southeast False Creek and East Fraserlands, that are comprehensively planned typically provide a full range of public benefits on-site. A specific public benefits package (including CACs) is developed based on area plans and community need.

To respond to project-specific conditions, the City uses a mixed CAC approach that comprises both fixed rate targets and negotiated CACs, which will continue to evolve over time.

### **Heritage Transfer of Density**

The City of Vancouver offers a variety of incentives to achieve the conservation and legal protection of heritage resources. A frequently used incentive is granting of bonus density in exchange for the rehabilitation and legal protection of a heritage building. When it is not possible to use this bonus density by adding more development on the same site as the heritage building, City Council may authorize it to be made available for transfer to another site where there is opportunity for additional development. The sale of transferable heritage density generates funds for the owner of the heritage site; this helps defray rehabilitation costs.

The site of the heritage building is called the donor site. The site where the transferred density is to be used is called the receiver site. The City is not party to the negotiations between representatives of heritage sites and receiver sites regarding the sale of transferable density.

The amount of transferable density is specified in a Heritage Revitalization Agreement (HRA) between the Donor Site Owner and the City. The HRA also describes the conditions that have to be met by the Donor Site Owner, before any heritage density can be legally transferred.

### **What are Possible Receiver Areas?**

City Council has established a “Transfer of Density Policy and Procedure” which identifies heritage conservation as one of the public objectives that can be achieved through a transfer of density.

This document states that it may be possible to transfer heritage density from donor to receiver sites throughout most of the Central Area. The zoning districts in the Central Area where potential receiver sites can be located are: the Downtown District (DD); the West End (RM-5, RM-5A, RM-5B, C-5, C-6); and portions of Central Broadway (C-3A). Donor sites can be located in any of these districts and also the Chinatown (HA-1 and HA-1A) and Gastown (HA-2) zoning districts.

Outside of the Central Area, Council policy is that heritage density transfers may occur if the donor and receiver sites “are not separated by a zoning boundary or use, density or height district boundary in an Official Development Plan”, and both sites are rezoned at the same time.

### How Heritage Density Can Be Transferred to a Receiver Site

Heritage Density can be transferred to more than one receiver site. There are two ways in which density may be transferred:

1. Density Increase of up to 10%: In several of the zoning districts which encompass the Central Area, the Development Permit Board may approve a development application which requests an increase in density of up to 10% more than is otherwise permitted by the existing zoning. In doing so the Board will give particular consideration to the impact of a density increase on shadowing, floor plate shape and size, height and public views, as well as the opinions of any persons who consider themselves affected.

Council policy excludes the following as receiver sites:

- sites already receiving a 15 percent hotel bonus;
- sites already receiving a heritage density bonus;
- sites containing a single room occupancy (SRO) hotel, unless arrangements are made to secure or replace units; and
- sites zoned CD-1, unless a provision is included in the CD-1 by-law.

A receiver site may be eligible if it is in one of the above-noted zones in the Central Area.

2. More than 10% increase in density or receiver sites outside the Central Area: If the proposed increase in density is more than 10%, or the receiver site is located outside the districts listed above, a rezoning application can be made.

## **Mechanisms for Approving Additional Density**

### **Rezoning**

Each zoning district contains an intent statement about the City objectives for the district, a list of permitted land uses and regulations governing maximum height, site coverage, floor area (density) and related aspects of any development which may be permitted on a site. A rezoning is a legal change to the Zoning By-law, either initiated by the City following a policy planning study, or by way of a privately-submitted rezoning application.

Privately-submitted rezoning applications result in a Comprehensive Development District, or CD-1. CD-1 zoning is tailor made to a specific site or area. It is intended for unique sites or areas or to accommodate special uses or forms of development which do not fit within a standard zoning district schedule. Council may establish certain conditions (e.g. legal agreements or other arrangements) that must be met prior to the enactment of the CD-1 By-law, and other conditions (usually pertaining to design) that must be met before the approval of the development application. Rezonings may also include a Heritage Revitalization Agreement. Rezonings, whether initiated by the City or a member of the public, must be approved by City Council at a Public Hearing.

Developers often offer Community Amenity Contributions (CACs) to help address the increased demands that may be placed on City facilities and mitigate the impacts of a rezoning on the surrounding community as a result of a privately-submitted rezoning.

### **Development Permit Bonusing**

Director of Planning discretion for additional density generally applies to development permit applications seeking small amounts of additional density in single and two family residential areas. Larger development permit applications in zoning districts in and around the Downtown require a more rigorous review process due to their size, significance, complexity or impact on the community. The Development Permit Board is authorized to consider additional density for many of these larger applications in return for a range of amenities. In some areas, the DP Board can approve an unspecified amount of additional density where a need for any public, social, recreational or cultural facility has been identified. Furthermore, the Development Permit Board is able to authorize an unspecified amount of additional density in most of the Downtown District Official Development Plan (DD ODP) area to provide for low cost housing (although this requires prior approval by City Council and the securing of a Housing Agreement).

Properties located Downtown (in zones RM-5, RM-5A, RM-5B, C-5, C-6, CD-1 as well as areas covered by the DD ODP) and portions of Central Broadway (zoned C-3A and located between Main St in the east and Burrard St in the west) can receive an additional 10% above the maximum density through the purchase of transferable heritage density. These transfers can be approved by the Development Permit Board. Transfers of heritage density beyond what is possible under existing zoning are generally approved by City Council through a rezoning process.

While not related to public benefits, the DP Board can also authorize up to 15% of additional density for hotel uses in many parts of the Downtown District ODP area.



### **Density Bonus Zoning**

Density bonusing is used as a zoning tool that permits developers to build more floor space than normally allowed, in exchange for amenities and affordable housing needed by the community. Amenities can be community centres, libraries, parks, childcare centres, affordable housing and more.

Density bonus zones allow for:

- Outright density (or base density) with no density bonus contribution
- Extra density, up to a limit set in a zone, with a contribution towards amenities and affordable housing

Financial contributions are determined by the density bonus contribution rate set out in the zone. Density bonusing is currently being used in the various zoning districts within Marpole, Norquay, Mount Pleasant and Joyce-Collingwood.

### **Heritage Designations and Heritage Revitalisation Agreements**

When more density is being sought that can be approved by the Director of Planning in the rehabilitation of a heritage building, heritage designation may be required. In general terms, up to 10% of additional density can be granted if a property is designated. Designation of a heritage property requires Council approval. For developments requesting greater than 10% (or less than 10% if the development includes other significant variances from the Zoning By-law), a Heritage Designation, as well as, a Heritage Revitalization Agreement (HRA) are required.

An HRA, is an agreement between the City and an owner of a heritage property. Each HRA is unique and contains details on the duties, obligations and benefits negotiated by both parties. An HRA may involve variations to a number of by-laws, including zoning. The HRA supersedes zoning by-law and allows for more significant variations to the acceptable land uses, density and siting requirements (e.g. setbacks, maximum heights, etc.). If land uses or density are to be varied, HRAs must be approved by Council following a Public Hearing.

### **Development Permit Through Discretion**

Some of Vancouver's zoning regulations allow for small amounts of additional density to be granted by the Director of Planning at his or her discretion. The additional density provided through this mechanism is usually granted to help the restoration and designation of a heritage property and applies to single family and two family residential zoning districts. For example properties in the RT-3 zoning district (Strathcona) allows for infill in relaxations of the Zoning By-law, including floor space, to preserve the many single family heritage homes in the neighbourhood. Very small amounts of additional density (generally less than 3%) can be granted directly through the Director of Planning and it is typically associated with design performance

# Community Benefits from Development: Improving Neighbourhoods & Enabling Affordable Housing



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# Introduction

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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

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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

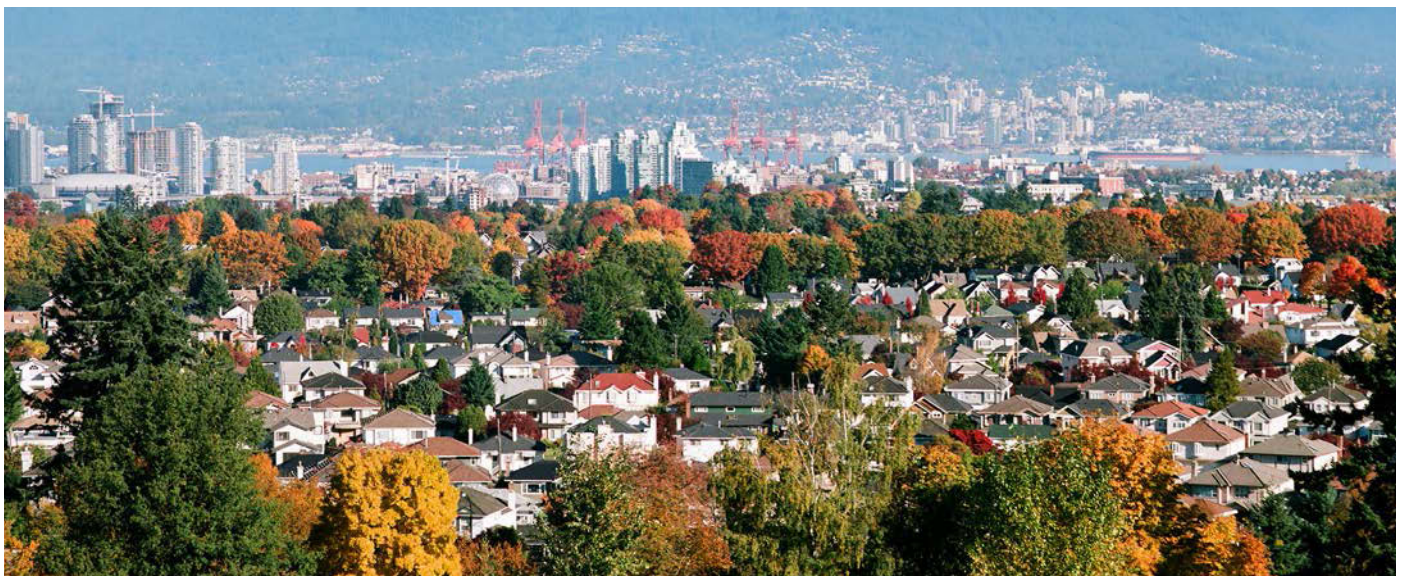
jobs during that timeframe. Growth in the city will focus new housing and jobs close to transit thus: reducing traffic, commuting distances and greenhouse gas emissions; providing a wide range of affordable housing; providing key amenities such as childcare facilities, community facilities, cultural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

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**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.

**BELOW** Cityscape – Vancouver in the Fall



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

- 4,400 affordable housing units
- 2,400 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**

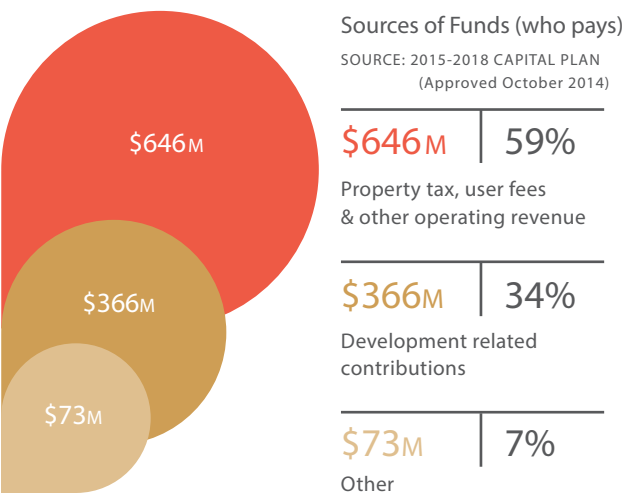
Development Cost Levies (DCLs) and Community Amenity Contributions (CACs); and

**CONTRIBUTIONS FROM PARTNERS**

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

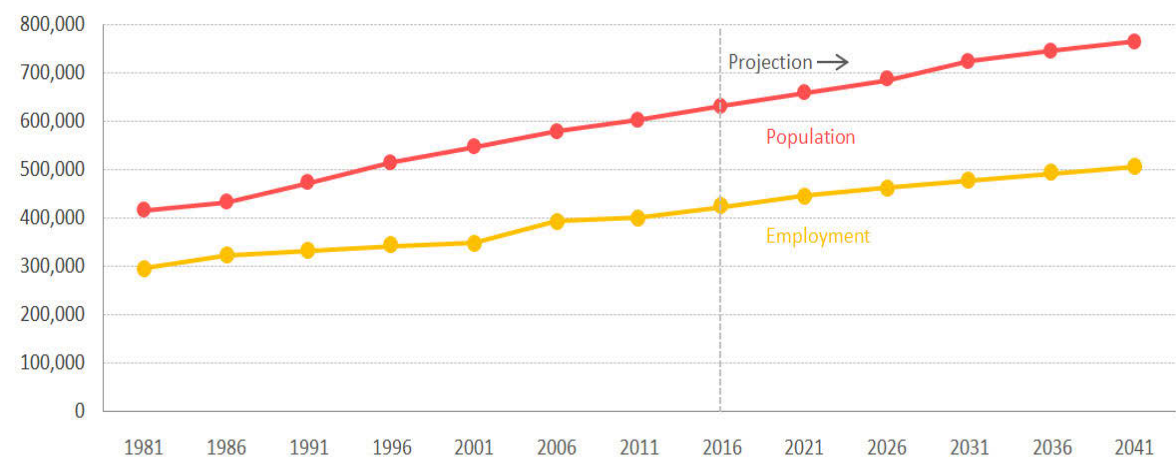
It is critical for the City to maintain excellent services for residents and to be able to expand or provide new civic amenities as the city grows. Keeping Vancouver as one of the most livable cities in the world is essential to support our economic growth as well as the health and well-being of our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

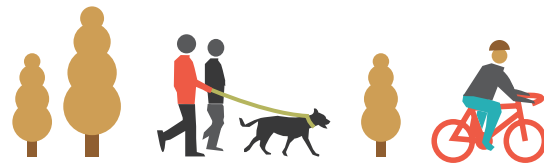
In the early 1990s, new legislation allowed the City to introduce development cost levies (DCLs) on all new development to help fund new parks, childcare, replacement of affordable housing and expanded roads or water and sewer infrastructure.

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

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

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

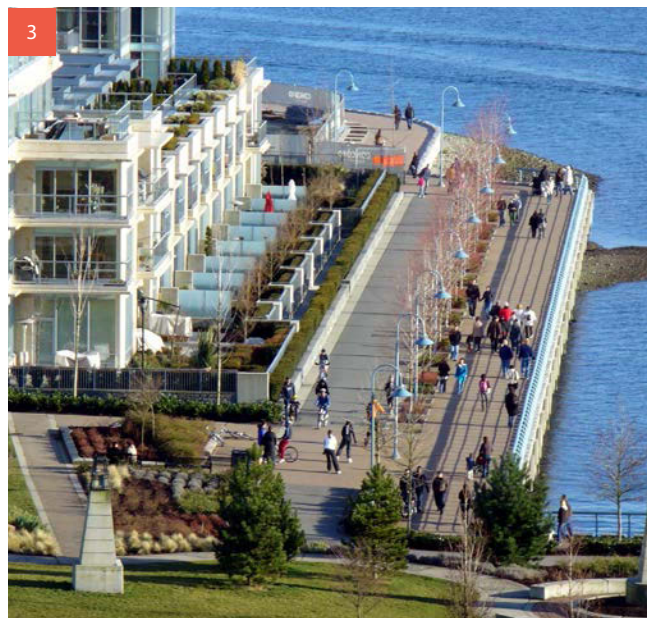


In 2003, after an extensive public process, Council approved a city-wide financing growth policy that established a comprehensive system of DCL areas across the city (DCLs are enabled through the Vancouver Charter) as well as established a new city-wide CAC system (CACs are enabled through City Council). 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**

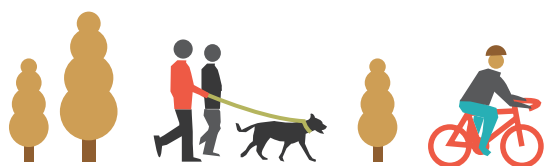
Over the last few years the City has completed a number of community plans encompassing neighbourhoods across the city (e.g. Plans for the West End, Mount Pleasant, Norquay Village, Marpole, and the Downtown Eastside), all accompanied by specific plans for public amenities. These plans provide a clear 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	Community Amenity Contributions	Density Bonus Zoning
<b>APPLIES TO</b> All developments, in all zones - including those being rezoned.	<b>APPLIES TO</b> Only developments that are being rezoned.	<b>APPLIES TO</b> All development seeking the allowed additional density within certain zones.
<b>DUE DATE</b> When the building permit is issued.	<b>DUE DATE</b> Before rezoning enactment.	<b>DUE DATE</b> When the building permit is issued.
<b>ALLOCATION &amp; DELIVERY</b> DCLs partially fund parks, childcare facilities, replacement housing, and engineering infrastructure. Projects are delivered via the City's capital program.	<b>ALLOCATION &amp; DELIVERY</b> 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.	<b>ALLOCATION &amp; DELIVERY</b> 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.
<b>CONTRIBUTION TYPE</b> A flat rate, per square foot of floor space to be built.	<b>CONTRIBUTION TYPE</b> Various approaches are used, including fixed rate targets and site-specific negotiation.	<b>CONTRIBUTION TYPE</b> 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, 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.

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## Section 3

### Examples of Development Contributions

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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.



**BMO THEATRE CENTRE** Southeast False Creek

- Completed in 2015
- School for Musical Excellence, new rehearsal hall, and a 150 seat studio theatre
- Built as an in-kind CAC offering and with additional CAC funding



**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



#### JERICHO 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



**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



**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



**NEW PARK AT 17TH AND YUKON** Riley Park

- Completed in 2016
- The 0.15 hectare park at Yukon Street and 17th Avenue is a former residential lot that was acquired by the city. The park was assembled by closing the street between Yukon and 17th avenue and merging in with the former residential lot
- Built with CAC funding

**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.

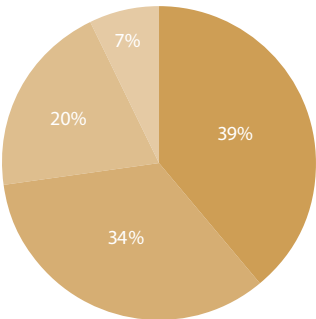
**Quick Fact:** Since 2010, the City has exempted/waived over \$36 million in DCL payments which helped to create over 2,000 units of social housing, 2,100 units of for-profit affordable rental housing, and assisted in preserving 3 heritage buildings.

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

1992-2016



39%

Parks

34%

Housing

20%

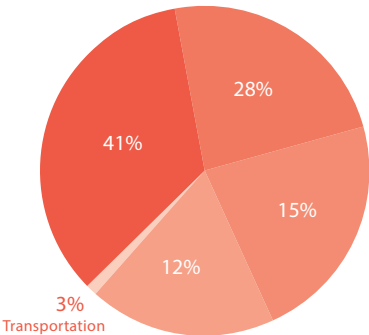
Engineering

7%

Childcare

CACs ALLOCATED

2010-2016



41%

Affordable Housing  
+ 5,804 market rental units

28%

Community Facilities  
(Childcare, Social, Cultural, Library)

15%

Heritage

12%

Parks & Open Space  
(includes Public Art)

**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.



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## Section 4

# Building the City of Tomorrow

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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.

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**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:** 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.





# 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
<b>1 – WRITTEN REZONING ENQUIRY</b>		
Submitted to City.		May include an in-kind public benefit including an affordable housing proposal.
<b>2 – PRE-APPLICATION REVIEW</b>		
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.
<b>3 – REZONING APPLICATION SUBMITTED</b>		
Rezoning fee is paid.	Rezoning application signage erected on site. Notification letters sent to surrounding properties. Application posted on City website.	
<b>4 – TECHNICAL REVIEW OF APPLICATION</b>		
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.
<b>5 – FORMAL PUBLIC INPUT</b>		
	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
<b>6 – STAFF RECOMMENDATION</b>		
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.
<b>7 – COUNCIL REFERRAL</b>		
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.
<b>8 – PUBLIC HEARING</b>		
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.
<b>9 – REZONING CONDITIONS &amp; BY-LAW ENACTMENT</b>		
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.
<b>10 – PROJECT DEVELOPMENT</b>		
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.

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Comments and inquiries  
concerning this publication  
may be directed to:

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Online at [vancouver.ca/financegrowth](http://vancouver.ca/financegrowth)

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