

MEMORANDUM

July 24, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Patrice Impey, General Manager of Finance, Risk & Supply Chain Management / Chief Financial Officer
Grace Cheng, Director, Long-Term Financial Strategy & Planning
Katrina Leckovic, City Clerk
Rena Kendall-Craden, Director of Civic Engagement and Communications
Neil Monckton, Chief of Staff, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Alvin Singh, Director of Communications, Mayor's Office
Lynda Graves, Administration Services Manager, City Manager's Office
Susan Haid, Deputy Director, Planning, Urban Design and Sustainability
Chris Robertson, Assistant Director, City-wide and Regional Planning

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

SUBJECT: 2019 Annual Reporting on Community Amenity Contributions and Density Bonus Zoning Contributions

Dear Mayor and Council,

As part of ongoing stewardship of the City's development contribution system and a commitment to transparency and reporting, staff have prepared this memorandum summarizing activity for 2019 Community Amenity Contributions (CACs) and Density Bonus Zoning Contributions. Accompanying this memorandum is a separate but related memorandum from Finance, Risk & Supply Chain Management on the 2019 Annual Report on Development Cost Levies (DCLs). As has been the practice since 2010, these annual reports are posted on the [City website](#) to ensure public stewardship and transparency.

Background

Every year, the City approves development projects that contribute to growth in the city. Some of these 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 fund the provision of growth-related public amenities, besides DCLs, the City uses CACs and Density Bonus Zoning Contributions. (Please also refer to the 2019 Annual Report on DCLs for details.)

Community Amenity Contributions (CACs):

CACs are voluntary public benefit contributions from rezoning approvals and are used by the City in accordance with the [BC Provincial Guidelines on CACs](#) (2014). CACs are offered by developers either as in-kind amenities (delivered onsite as part of the new development) or as cash-in-lieu contributions payable to the City at zoning enactment (or subject to payment schedules as approved by Council). The City delivers CAC funded capital projects as part of 4-year Capital Plans and annual budgets subject to Council approval.

Density Bonus Zoning Contributions:

Density Bonus Zoning is a zoning tool that establishes a base maximum density that may be exceeded (to a further maximum defined in the Zoning & Development Bylaw) in exchange for cash contributions to the City toward public amenities needed by the community as identified through community and area planning. Financial contributions are determined by pre-set affordable housing and amenity share rates (collectively referred to in this memorandum as "Density Bonus Zoning Contributions") set out in the Zoning & Development Bylaw.

Annual reporting on CACs and Density Bonus Zoning Contributions has been done since 2010. This memorandum complements the annual DCL reporting and ongoing public benefits implementation tracking (appended to rezoning reports in community plan areas) to show the wide range of public benefits that are being achieved as a result of the City's Financing Growth policy. These memoranda and the ongoing public benefits implementation tracking are posted on the City's website and support the City's goal of open and transparent civic government. They also demonstrate the alignment of development contributions with community plans and public benefit strategies, as well as the City's long-term capital and financial plans. The reporting on CACs and Density Bonus Zoning Contributions for this year follows the same methodology as previous years. A description of the methodology can be found in Appendix A.

The value of public benefit contributions in the annual reports fluctuates significantly year-over-year due to the cyclical nature of property development. The variation in value depends largely on the number, scope and nature 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 secured in a single 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. In order to ensure the delivery of public benefits from these major project rezonings as well as other smaller rezonings, the City establishes legal agreements as prior-to conditions of by-law enactment that need to be (or will be) fulfilled by applicants.

Analysis

CACs and Density Bonus Zoning Contributions follow different timelines for collection/delivery. For CACs, Council approval of rezonings at Public Hearing *secures* CACs as prior-to conditions for applicants to meet in order for Council to enact the rezoning by-laws.

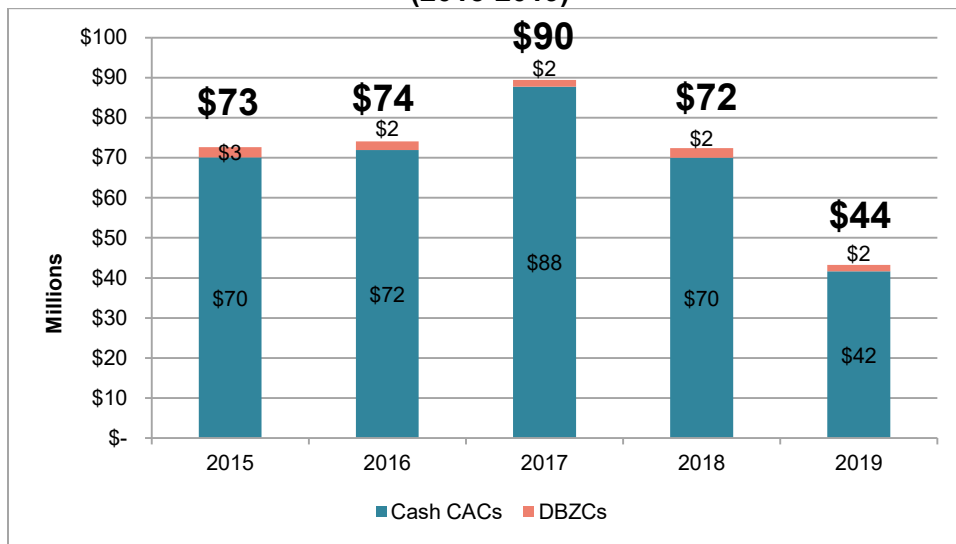
Cash CACs are *collected* by the City prior to enactment, but in-kind CACs are *delivered* by applicants typically as part of the development. Density Bonus Zoning Contributions are *collected* by the City prior to Building Permit issuance, which is later in the development process compared to CACs. The following two sections reflect the different collection/delivery timelines and outline activity from the 2019 calendar year:

1. CAC and Density Bonus Zoning Contributions Collected in 2019;
2. Contributions Secured from Approvals (to be collected and/or delivered in future years).

1) CACs and Density Bonus Zoning Contributions Collected in 2019

The City collected \$42 million in cash-in-lieu CACs during the 2019 calendar year. Of that \$42 million, \$5 million originated from rezonings that achieved both Council approval and enactment within the 2019 calendar year, with the remaining \$37 million originating from rezonings approved by Council in 2018 or earlier and which also include phased CAC payments. The City also collected \$2 million in Density Bonus Zoning Contributions.

Chart 1: Collection of Cash CACs and Density Bonus Zoning Contributions (2015-2019)



As per Council policy, cash CACs and Density Bonus Zoning contributions collected were deposited into dedicated, interest-bearing reserves. Allocation from these reserves are authorized by Council through the 4-year Capital Plan and the annual budget to deliver new amenities and infrastructure identified in the public benefit strategies of the community and area plans. These amenities and infrastructure include affordable housing, childcare, heritage, community and cultural facilities, parks and open spaces, transportation, and public art.

2) Contributions Secured from Approvals in 2019 (to be collected and/or delivered in future years)

The contributions secured from approvals of additional density in any calendar year represent additions to the pipeline of public benefits that will be delivered in the future either through cash contributions invested as part of the City’s 4-year capital planning and annual budget processes or through in-kind amenities provided onsite by developers as part of new developments.

In 2019, the City approved 48 new projects granting additional density through rezonings, Heritage Revitalization Agreements, and Density Bonus Zoning projects. Appendix B provides a complete list of applications in which additional density was approved in 2019 as well as the public benefits associated with these applications.

Public Benefits secured from 2019 approvals of additional density were valued at approximately \$86 million, including cash-in-lieu and the following in-kind benefits:

- 48 units of social housing secured in-kind (24 units to be owned by the City, 24 units to be owned by non-profit providers); and
- 155 childcare spaces;

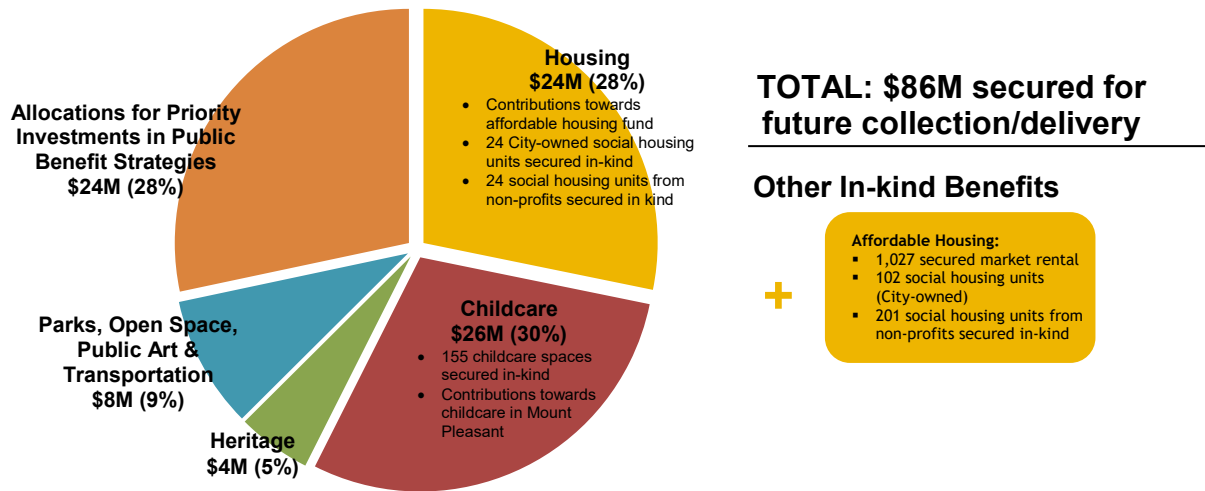
Approximately 49% of these public benefits (\$42 million) were attributed to large rezoning approvals (where total contribution value is greater than \$10 million).

Not included in the public benefit values above were: 1,027 units of secured market-owned rental housing; 102 social housing units to be owned by the City; and 201 social housing units to be delivered by non-profit providers. In general, these represented non-strata residential projects (i.e. secured market rental and social housing) that generated no lift in property value as a result of their development and/or were exempt from the City's CAC Policies altogether. For more information on the annual report methodology, please see Appendix A.

Council has committed 100% of the overall contributions from 2019 towards select public benefit categories or towards priority investments in area-based public benefit strategies. Approximately 54% 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 select public benefit categories and that priority projects will be brought forward through capital planning and budgeting processes. Chart 2 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 2: Breakdown of 2019 Secured Contributions Allocated by Public Benefit Category
(to be collected/delivered in future years)

Total committed to public benefits: \$86 M (100% of total contribution value)




Overall, the vast majority of approvals processed in 2019 took place through existing zoning and did not involve additional density and associated CACs/ Density Bonus Zoning Contributions. The 48 approvals of additional density represented only 4.1% of all approvals in 2019 and a net increase in floor area of 2.4 million ft². 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 2019 as well as the public benefits associated with these applications.

Summary

In 2019, the City collected \$42 million in cash-in-lieu CACs (including \$5 million from 2019 rezonings approved and enacted within the year and \$37 million from rezonings approved from 2018 or earlier which includes deferred phased CAC payments) and \$2 million in Density Bonus Zoning Contributions. Collections from Density Bonus Zoning Contributions in 2019 are in line with collections from previous years, however collections from cash CACs are lower.

The City also approved 48 rezoning/bonusing projects resulting in 2.4 million ft² of net additional floor area that secured \$86 million to be delivered as cash or in-kind benefits in future years, including 48 units of social housing secured in-kind and 155 childcare spaces. Large project approvals contributed 49% of the total public benefits secured (\$42 million). In addition, several other in-kind benefits were secured, including: 1,027 units of secured market-owned rental housing; 102 additional social housing units to be transferred to the City; and 201 social housing units to be delivered by non-profit providers. As has been the practice since 2010, these annual reports are posted on the City website to ensure public stewardship and transparency.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gil Kelley', with a long horizontal flourish extending to the right.

Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability
604.873-7456 | gil.kelley@vancouver.ca

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, 2019 to December 31, 2019. 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). Rezoning applications that exclusively provide public benefits without a market housing component, such as 100% social housing projects led by non-profit or government agencies, are not subject to CAC Policy and are therefore excluded from valuation metrics in this report.

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 2019

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 (\$)
False Creek Flats Plan						
1	1002 Station Street and 250-310 Prior Street	Strathcona	Rezoning	940,872	<ul style="list-style-type: none"> • Two childcare facilities (118 spaces) • Public Open Space • Housing – market rental (75 units) • Public Art 	\$25,594,581
Subtotal False Creek Flats Plan				940,872		\$25,594,581
West End Plan						
2	1555 Robson Street	West End	Density Bonusing	128,252	<ul style="list-style-type: none"> • Housing – social housing (24 units) • Heritage – purchase of density 	\$16,512,924
3	1860 Barclay St	West End	Heritage Designation	3,330	<ul style="list-style-type: none"> • Heritage – onsite conservation 	\$250,000
4	1394 Robson Street	West End	DPB - Heritage Density Transfer	2,250	<ul style="list-style-type: none"> • Heritage – purchase of density 	\$193,311
Subtotal West End Plan				133,382		\$16,956,235
Mount Pleasant Plan						
5	1940 Main Street	Mount Pleasant	Rezoning	65,340	<ul style="list-style-type: none"> • Childcare facilities (37 spaces) 	\$4,700,000
6	2202-2218 Main Street and 206 East 6th Avenue	Mount Pleasant	Rezoning	22,876	<ul style="list-style-type: none"> • Contribution toward delivery of Mount Pleasant Public Benefit Strategy 	\$4,500,000
7	2525 Carolina Street	Mount Pleasant	Heritage Designation	4,835	<ul style="list-style-type: none"> • Heritage – onsite conservation 	\$954,352
8	114 E 4th Avenue	Mount Pleasant	Density Bonusing	59,542	<ul style="list-style-type: none"> • Childcare facilities in Mount Pleasant 	\$374,536
Subtotal Mount Pleasant Plan				152,593		\$10,528,888

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
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Cambie Corridor Plan						
9	4118-4138 Cambie Street	Riley Park	Rezoning	49,879	<ul style="list-style-type: none"> • Contribution toward delivery of Cambie Corridor Public Benefit Strategy • Heritage – Heritage Conservation Reserve 	\$3,400,771
10	620-644 West King Edward Avenue and 4111 Ash Street	South Cambie	Rezoning	33,577	<ul style="list-style-type: none"> • Contribution toward delivery of Cambie Corridor Public Benefit Strategy • Heritage – Heritage Conservation Reserve 	\$2,417,225
11	582-588 West King Edward Avenue	South Cambie	Rezoning	22,625	<ul style="list-style-type: none"> • Contribution toward delivery of Cambie Corridor Public Benefit Strategy • Heritage – Heritage Conservation Reserve 	\$1,628,973
12	485 West 35th Avenue	Riley Park	Rezoning	15,619	<ul style="list-style-type: none"> • Contribution toward delivery of Cambie Corridor Public Benefit Strategy • Heritage – Heritage Conservation Reserve 	\$1,608,757
13	319-359 West 49th Avenue	Oakridge	Rezoning	34,659	<ul style="list-style-type: none"> • Contribution toward delivery of Cambie Corridor Public Benefit Strategy • Heritage – Heritage Conservation Reserve 	\$693,184
14	6161 Cambie Street	Oakridge	Rezoning	16,838	<ul style="list-style-type: none"> • Contribution toward delivery of Cambie Corridor Public Benefit Strategy • Heritage – Heritage Conservation Reserve 	\$50,517
Subtotal Cambie Corridor Plan				173,198		\$9,799,427

Downtown East Side Plan						
15	436 E Hastings St	Downtown Eastside	Density Bonusing	12,306	<ul style="list-style-type: none"> • Housing – social housing (14 units) • Housing – market rental (8 units) 	\$4,329,606
16	1102-1138 East Georgia Street	Downtown Eastside	Rezoning	64,850	<ul style="list-style-type: none"> • Housing – social housing (10 units) 	\$2,302,718
17	835-837 East Hastings Street	Downtown Eastside	Rezoning	26,445	<ul style="list-style-type: none"> • Housing – social housing (39 units) 	\$0
18	41 W Pender St	Downtown Eastside	Development Permit Bonus	6,002	<ul style="list-style-type: none"> • Housing – market rental (16 units) 	\$0
Subtotal Downtown East Side Plan				109,603		\$6,632,324

Southeast False Creek						
19	1768 Cook Street	Mount Pleasant	Rezoning- Text Amendment	11,197	<ul style="list-style-type: none"> • Contribution toward delivery of Southeast False Creek Public Benefit Strategy • Public art 	\$5,161,823
Subtotal Southeast False Creek				11,197		\$5,161,823

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
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Metropolitan Core Jobs Plan						
20	1166 West Pender Street	Downtown	Rezoning	193,733	<ul style="list-style-type: none"> Affordable housing and childcare in the Metro Core Public Art 	\$3,621,579
21	333 Seymour Street	Downtown	Rezoning- Text Amendment	24,194	<ul style="list-style-type: none"> Affordable housing and childcare in the Metro Core 	\$209,565
Subtotal Metropolitan Core Jobs Plan				217,927		\$3,831,144

Marpole Plan						
22	441-463 West 59th Avenue	Marpole	Rezoning	43,284	<ul style="list-style-type: none"> Contribution toward delivery of Marpole Public Benefit Strategy 	\$2,880,570
23	7587 Yukon Street	Marpole	Density Bonusing	23,020	<ul style="list-style-type: none"> Affordable housing and amenities in Marpole 	\$935,450
24	8636-8656 Oak Street	Marpole	Rezoning	24,695	<ul style="list-style-type: none"> Housing – market rental (91 units) 	\$0
Subtotal Marpole Plan				90,999		\$3,816,020

Grandview-Woodland Plan						
25	2542-2570 Garden Drive and 2309-2369 East 10th Avenue	Kensington - Cedar Cottage	Rezoning	43,339	<ul style="list-style-type: none"> Transportation improvements Heritage – Heritage Conservation Reserve 	\$1,405,543
26	1636 Clark Drive and 1321-1395 East 1st Avenue	Grandview - Woodland	Rezoning	60,338	<ul style="list-style-type: none"> Housing – social housing (90 units) Social enterprise space Withdrawal management centre 	\$0
27	1535-1557 Grant Street	Grandview - Woodland	Rezoning	9,652	<ul style="list-style-type: none"> Housing – market rental (35 units) 	\$0
28	815-825 Commercial Drive and 1680 Adanac Street	Grandview - Woodland	Rezoning	15,849	<ul style="list-style-type: none"> Housing – market rental (38 units) 	\$0
Subtotal Grandview-Woodland Plan				129,178		\$1,405,543

No Plan Area						
29	600 Robson St	Downtown	DPB - Heritage Density Transfer	6,363	<ul style="list-style-type: none"> Heritage – purchase of density 	\$509,830
30	1520-1558 W 6th Ave	Fairview	DPB - Heritage Density Transfer	5,896	<ul style="list-style-type: none"> Heritage – purchase of density 	\$501,160
31	2499 East 48th Avenue	Victoria - Fraserview	Rezoning	52,279	<ul style="list-style-type: none"> Transportation improvements 	\$156,837
32	1906-1918 West 4th Avenue	Kitsilano	Rezoning	6,121	<ul style="list-style-type: none"> Housing – market rental (32 units) 	\$0
33	2130-2288 Harrison Drive	Victoria - Fraserview	Rezoning- Text Amendment	33,259	<ul style="list-style-type: none"> Housing – social housing (72 units) 	\$0
Subtotal No Plan Area				103,918		\$1,167,827

Little Mountain Adjacent Area						
34	4906-4970 Quebec Street	Riley Park	Rezoning	33,484	<ul style="list-style-type: none"> Affordable Housing on Little Mountain Site 	\$954,629
Subtotal Little Mountain Adjacent Area				33,484		\$954,629

ID#	Address	Local Area	Approval Type	Density Increase (net ft ²)	Public Benefits Secured	Total Public Benefits Value (\$)
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Norquay Plan						
35	2688 Duke St	Renfrew - Collingwood	Density Bonusing	13,804	• Affordable housing and amenities in Norquay	\$221,849
Subtotal Norquay Plan				13,804		\$221,849

Affordable Housing Choices Interim Rezoning Policy (outside of Community Plan Areas)						
36	686-688 East 22nd Avenue, 3811-3891 Fraser Street and 679 East 23rd Avenue	Riley Park	Rezoning	81,466	• Housing – market rental (121 units) • Public Art	\$209,139
37	2715 West 12th Avenue	Kitsilano	Rezoning	6,727	• Housing – market rental (14 units)	\$0
38	708-796 Renfrew Street	Hastings - Sunrise	Rezoning	37,861	• Housing – market rental (73 units)	\$0
Subtotal Affordable Housing Choices Interim Rezoning Policy (outside of Community Plan Areas)				126,054		\$209,139

Joyce Station Precinct Plan						
39	3304 Clive Avenue	Renfrew - Collingwood	Density Bonusing	2,523	• Affordable housing and amenities in the Joyce Precinct Area	\$70,878
40	3279-3297 Vanness Avenue	Renfrew - Collingwood	Rezoning	50,396	• Housing – social housing (102 units)	\$0
Subtotal Joyce Station Precinct Plan				52,919		\$70,878

Rental 100 (outside of Community Plan Areas)						
41	2601-2619 East Hastings Street	Hastings - Sunrise	Rezoning	8,952	• Housing – market rental (46 units)	\$0
42	3429-3469 Fraser Street	Riley Park	Rezoning	23,897	• Housing – market rental (104 units)	\$0
43	1303 Kingsway and 3728 Clark Drive	Kensington - Cedar Cottage	Rezoning	16,977	• Housing – market rental (54 units)	\$0
44	3435 East Hastings Street	Hastings - Sunrise	Rezoning	1,983	• Housing – market rental (45 units)	\$0
45	3532 East Hastings Street	Hastings - Sunrise	Rezoning	6,533	• Housing – market rental (34 units)	\$0
Subtotal Rental 100 (outside of Community Plan Areas)				58,342		\$0

Moderate Income Rental Housing Pilot Program						
46	1805 Larch Street	Kitsilano	Rezoning	31,485	• Housing – market rental (76 units) • Housing – moderate income units (20 units)	\$0
47	2603-2655 Renfrew Street	Renfrew - Collingwood	Rezoning	59,288	• Housing – market rental (65 units) • Housing – moderate income units (17 units)	\$0
48	2543-2583 Renfrew Street and 2895 East 10th Avenue	Renfrew - Collingwood	Rezoning	70,160	• Housing – market rental (50 units) • Housing – moderate income units (13 units)	\$0
Subtotal Moderate Income Rental Housing Pilot Program				160,933		\$0

Grand Total				2,508,852		\$86,350,307
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