

# City-wide Community Amenity Contribution (CAC) Policy Update Phase 1

Simplifying CACs on New Rental Housing  
and Commercial Development

Presentation to Council  
November 28, 2017



# KEY COUNCIL RECOMMENDATIONS

THAT Council amend City-wide CAC Policy to simplify CACs on rental and commercial rezoning applications:

- A. Exempt routine, lower density secured market rental rezoning applications from CACs.
- B. Remove CAC negotiation on commercial-only rezoning, except for applications on large site developments\*,

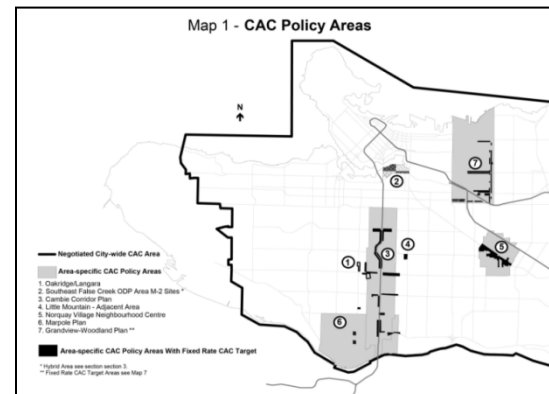
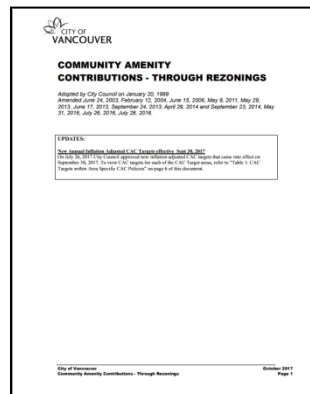
AND,

Implement interim commercial linkage targets on commercial-only rezoning applications in the Downtown and Rest of Metro Core areas.

\* Large site developments as defined in Rezoning Policy for Sustainable Large Developments, 2014

# CITY-WIDE CAC POLICY

- Current policy is to negotiate CACs for all secured market rental and all commercial rezoning applications
- No pre-set contributions and/or CAC exemptions exist for rental and commercial development
- Phase 1 of City-wide CAC update addresses policy changes for rental and commercial projects
- Phase 2, which will be reported to Council in 2018, will include a comprehensive review of all parts of CAC policy including delivery of implementation guidelines



# RECOMMENDATION A:

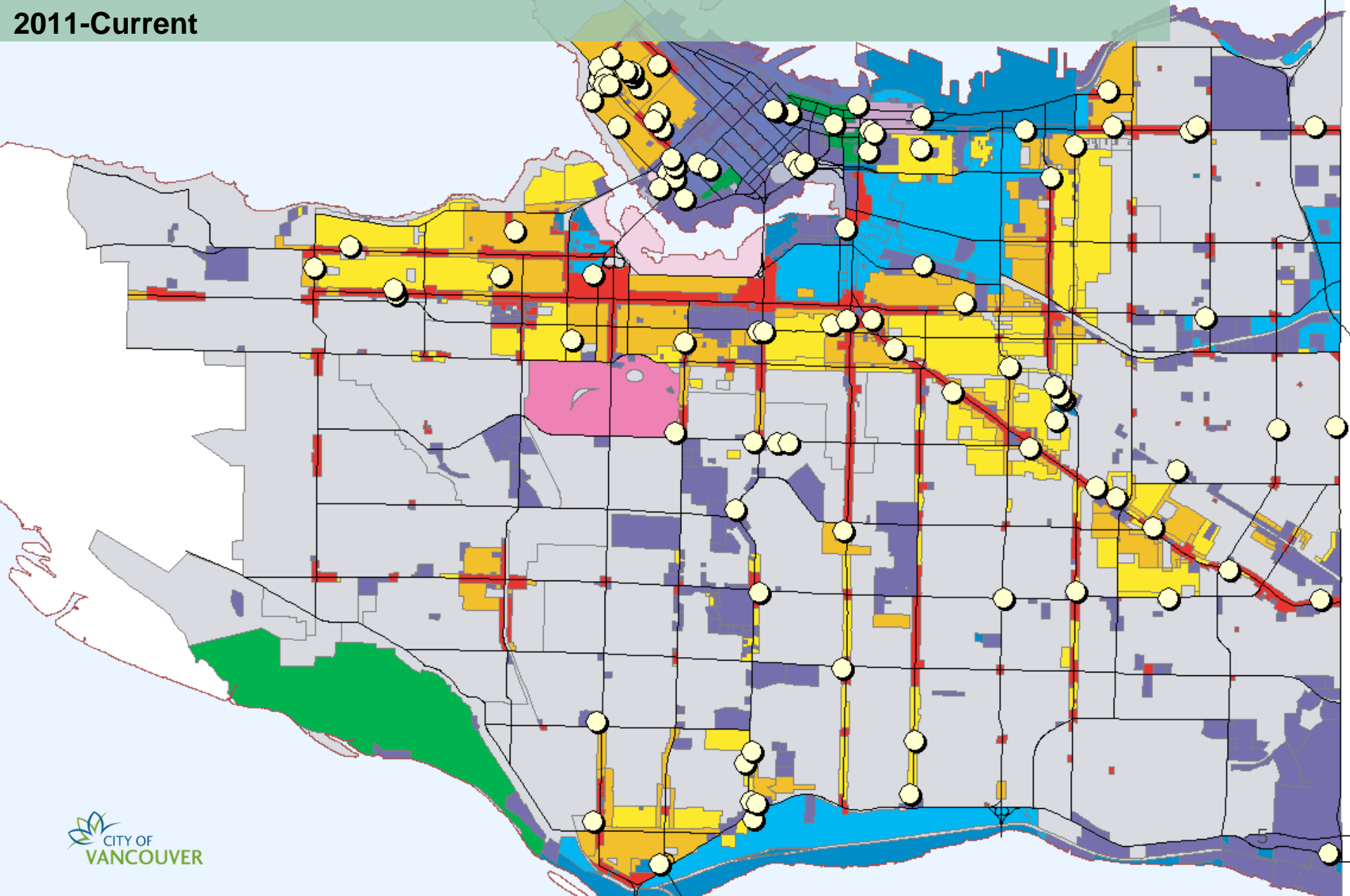
## Exempt Routine, Lower Density Secured Market Rental Rezoning Applications from CACs (as per criteria)

- Aimed at simplifying CAC process on secured market rental rezoning applications\*
- Majority of past secured market rental rezoning applications resulted in no CAC (90 of 93 applications)
- Exempts **80%** of rental rezoning applications from CACs (routine, lower density projects outside Downtown)
- Larger/complex rental rezoning applications require CAC review with on-site enhanced affordability a priority over cash-in-lieu CACs

\* Applications aligned with Secured Market Rental Housing Policy (2012) & Rental Incentive Guidelines (2017)

# APPROVED MARKET RENTAL REZONINGS

2011-Current



# CAC EXEMPTION CRITERIA:

## ROUTINE, LOWER DENSITY SECURED MARKET RENTAL REZONING APPLICATIONS

Areas	Zoning District (Base Zoning)	Rezoning to Specific Height	Requirement for CAC
Mixed-Use Commercial/ Residential Areas	C-1	<= 4 storeys	X
	C-2 zones	<= 6 storeys	X
	C-3A	<= 12 storeys	X
	MC-1	<= 6 storeys	X
Residential Areas	RS zones (applicable to IRP applications)	< 4 storeys (townhouse)	X
	RT zones	<= 4 storeys	X
	RS / RT zones (in community plan areas) (applicable to Community plans: Cambie Corridor, Marpole, Grandview- Woodland, Joyce Station Precinct)	<= 6 storeys	X
	RM zones (applicable to infill projects where existing rental units are not demolished)	<= 6 storeys	X

**Notes:**

- (1) This table provides guidelines around the requirement for CAC review. For direction on land use, refer to “Secured Market Housing Policy (May 2012)”
- (2) Construction cost review still required for projects applying for a DCL waiver to for review of construction costs and DCL by-law requirement.



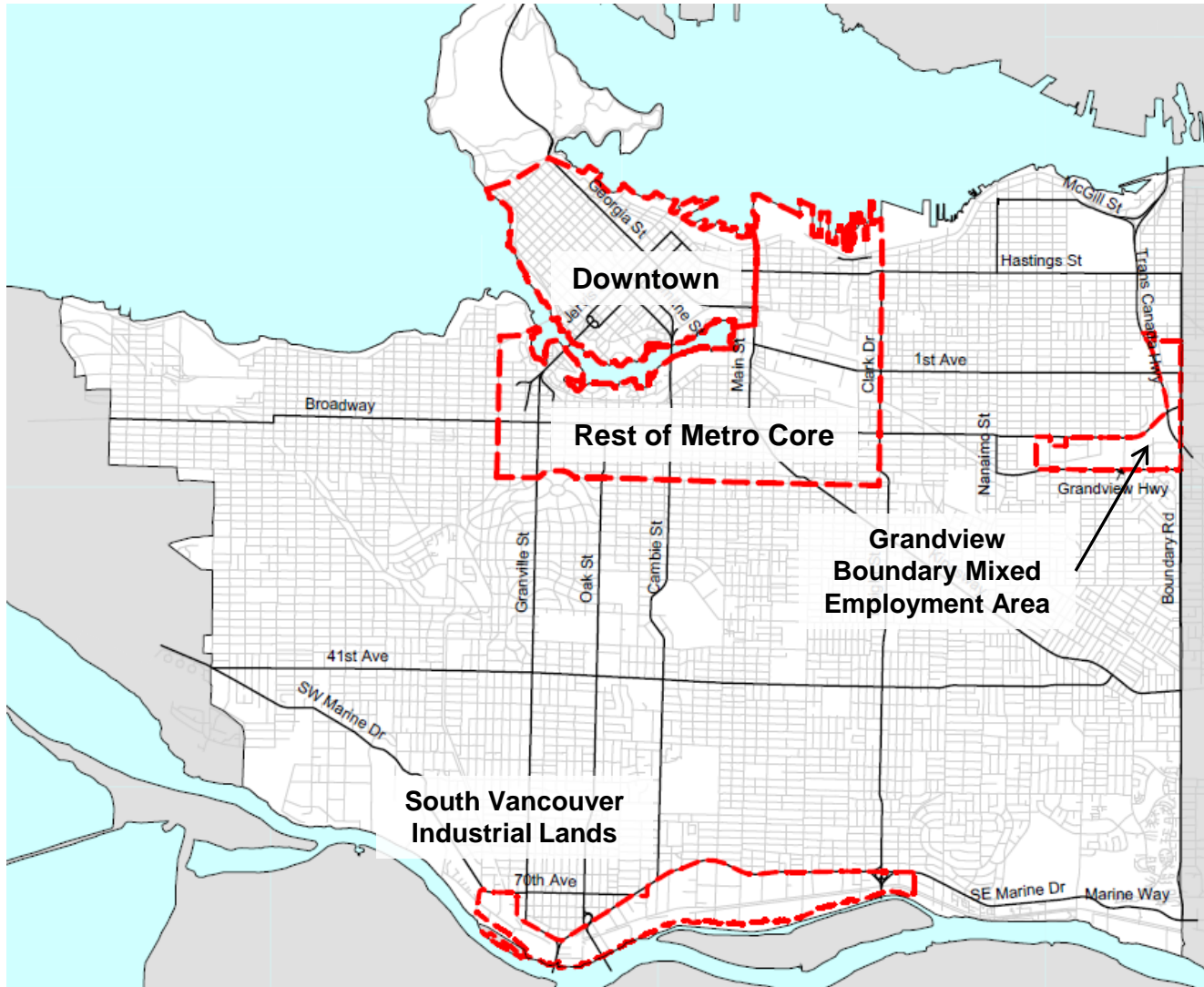
# RECOMMENDATION B:

## Change to CAC Policy for Commercial-Only Rezoning Applications

- Remove CAC negotiation on commercial-only rezoning applications in the Downtown, Rest of Metro Core, Grandview-Boundary Mixed Employment Area and South Vancouver Industrial Lands\*
- Implement interim Commercial Linkage Targets for commercial-only rezoning applications in the Downtown and Rest of Metro Core areas

\* Except for rezoning applications proposing stratified commercial space and large site developments as per the Rezoning Policy for Sustainable Large Developments (2014)

# AREAS AFFECTED BY COMMERCIAL CAC POLICY CHANGE





# BACKGROUND ON PROPOSED COMMERCIAL LINKAGE TARGETS

- San Francisco has a Jobs-Housing Linkage Fee
- **Commercial Linkage Target** is a \$/sq.ft. charge on commercial-only rezonings applied on net additional floor area (similar to Target CACs)
- City-wide growth costs study revealed a **funding gap** of \$100M for childcare & \$130M for affordable housing over next 10 years (City-wide DCL review, 2017)
- Linkage Target will help address **childcare** and **affordable housing** demands generated by new workers
- Approx. 9M sq.ft. of new commercial floorspace anticipated city-wide by 2026
- Recommended interim commercial linkage targets set using **CAC comparables** (results from previous CAC negotiations)
- In 2018, a consultant report will test impacts to validate interim rates or recommend new commercial linkage targets

# PROPOSED COMMERCIAL LINKAGE TARGETS

Area	Interim Commercial Linkage Targets (\$/sf on net additional floor area)
Downtown	\$15.00
Rest of Metro Core (Broadway Corridor, Burrard Slopes, Mount Pleasant, False Creek Flats, Railtown)	\$10.00
Grandview-Boundary Mixed Employment Area, South Vancouver Industrial Lands	No CACs / Commercial Linkage Targets (except large developments*)

\* Large developments are defined as sites measuring 8,000 m<sup>2</sup> (1.98 acres) or more, or projects containing 45,000 m<sup>2</sup> (484,375 sq. ft.) or more of new development floor area (Rezoning Policy for Sustainable Large Developments, 2014)



# CONSULTATION

- Recommendations shared with development industry stakeholders
- Both NAIOP and UDI support the recommendations

# IMPLEMENTATION

- Report recommendations would take effect upon approval with new rezoning applications subject to updated CAC policy
- Rezoning applications that are in-stream at the time of approval may be subject to negotiated CAC approach



# Thank You

