

Supports Item No. 1(b)
CF&S Committee Agenda
June 12, 2012



ADMINISTRATIVE REPORT

Report Date: May 18, 2012
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Meeting Date: June 12, 2012

TO: Standing Committee on City Finance and Services
FROM: Deputy Director of Planning and Director of Finance
SUBJECT: 2011 Annual Report on Public Benefits Secured Through Approvals of Additional Density

RECOMMENDATION

THAT Council receive the 2011 Annual Report on Public Benefits Secured Through Approvals of Additional Density for information.

REPORT SUMMARY

Every year, the City approves development projects which increase the amount of density over and above existing zoning. The main mechanism for approving additional density is rezoning. In 2011, there were 36 approvals of additional density resulting in a net increase in floor area of 4.2 million square feet. The 2011 floor area figures are approximately double the 2010 figures, mainly due to the approval of five large scale rezonings (Marine Gateway, Arbutus Centre, Telus Gardens, 5515 Boundary Road and Shannon Mews).

The 2011 approvals of additional density secured approximately \$180 million in public benefit commitments. The City typically allocates the public benefits to various categories when the project is approved, and in some cases this decision is made at a later date. Allocations reflect Council adopted guidelines for determining public benefits as well as ongoing and emerging Council priorities. In 2011, the \$180 million in public benefits were allocated as follows:

- Affordable Housing: \$40.3M
- Community Facilities: \$37.2M
- Heritage Preservation: \$28.2M
- Parks and Open Spaces (including Public Art): \$22.2M
- Transportation: \$3.2M
- To be allocated: \$49.0M

In addition to the \$40M allocation for affordable housing noted above, the City approved five rezonings in 2011 that will lead to the construction of 402 units of secured market rental housing as part of the Short Term Incentives for Rental Housing (STIR) program.

Approvals of additional density occur infrequently, representing only 3% of overall development permits issued in 2011. The vast majority of new development is approved within existing zoning. See Appendix A for a complete list of additional density approvals in 2011.

The annual report on public benefits secured through approvals of additional density, together with the companion report on Development Cost Levies, form part of a broader initiative to enhance transparency and clarity for Council, developers and residents. These reports describe and explain the City's financing growth mechanisms within the City-wide capital planning framework, and how these mechanisms augment property taxes and other City funding in responding to growth-related needs for additional public benefits and in advancing Council's public amenity priorities.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Council priorities that relate to CAC benefits secured through rezonings: affordable housing; safe and inclusive communities; environment and sustainability; and creative and growing economy
- "Accounting for Density" Council motion (2010)
- Short Term Incentives for Rental (STIR) program (2009)
- Transfer of Density Program and Heritage Building Rehabilitation Program Review (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)
- Heritage Policies and Guidelines (1989, last amended 2002)
- Public Art Policies and Guidelines (1994, updated 2008)
- Transfer of Density Policy and Procedure (1993, last amended 2010)

REPORT

Background/Context

Vancouver has a long history of achieving a comprehensive array of public benefits through planning and redevelopment processes. Public benefits from new development contribute significantly to the sustainability and livability of Vancouver. Public benefits are capital facilities and services that improve the social and physical well-being of city residents. They include parks, community centres, libraries, cultural facilities, childcare facilities, heritage conservation, affordable housing, public realm improvements, and public safety facilities.

Rezoning is the primary tool to create additional density, whereby the existing zoning is changed to allow greater density or a conversion of uses (e.g. commercial converted to residential use). Bonusing, which allows additional density to be approved in exchange for

specified public benefits within existing zoning, is used less frequently and typically results in smaller increases in density. Additional density is accompanied by new demands for city facilities that results in additional growth-related costs; as a consequence the City developed rezoning policy that seeks Community Amenity Contributions (CACs) for most rezonings.

Public benefits are funded through the following sources:

- **Capital Funding from Property Tax and Utility Fees:** The City's tax-supported Capital Fund is the main funding source for public benefits, which includes debenture and pay-as-you-go. Through the Capital Plan, Council prioritizes the City's needs for maintaining, improving and adding public facilities and utility infrastructure.
- **Development Cost Levies (DCLs):** DCLs are charged on all new development. They are applied on a square foot basis and are payable at Building Permit issuance. DCL allocations to public benefits are limited by the Vancouver Charter for use only towards growth-related capital projects including parks, childcare, non-market housing, and engineering infrastructure.
- **Community Amenity Contributions (CACs):** CACs are contributions toward public benefits provided by new development as part of rezoning approvals. They are payable at enactment of new zoning. CACs are offered by developers as in-kind or cash contributions. CAC allocations are not limited by the Vancouver Charter, and as a result are applied toward a wider range of public benefits than DCLs.
- Contributions from senior government and other external funding partners.
- Contributions secured through conditions of development approval, such as engineering servicing and public art.

See Appendix B for more details on DCLs and CACs.

Improved recording of additional density approvals and public benefits support the City's objective of providing more open and transparent civic government. In late 2010, staff developed a new format to record public benefits in all Council reports dealing with rezoning approvals. This aligns with a wider effort to improve the planning, allocation and financing for public benefits, especially with regard to capital spending. This annual summary of public benefits utilizes the improved recording format.

There are a number of advantages to providing a more comprehensive picture of public benefits from new development in relation to the City's overall capital spending. This report responds to industry stakeholders who have asked for better reporting on the benefits towards which they have contributed. Residents and community groups also have an interest in better understanding how new development contributes towards public benefits, especially from rezoning. Coordinated reporting also provides staff with better information to assist in negotiations regarding public benefits and in the integration of these benefits with the city's capital program.

Strategic Analysis

This section of the report is divided into three parts:

- 1) Approach and Methods for the Annual Report
- 2) Analysis of Public Benefit Contributions by Type and Value

1) Approach and Methods for the Annual Report

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

- This report addresses all additional density approvals from January 2011 to December 2011. To identify the public benefits secured from additional density, staff reviewed all rezoning and development applications where existing density thresholds were exceeded and where conversions of land use took place.
- Rezoning records are based on approvals at Public Hearing, while density bonus records are based on approvals at Development Permit Board. These approvals are all contained in publicly accessible reports available on the City's website (www.vancouver.ca).
- 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. However, for housing projects where the City does not own the building, the projects are quantified and reported by the number and type of housing units only, and do not include an estimated dollar value. Examples of this type of public benefit include supportive housing, non-market housing, not-for-profit rental or [Short Term Incentives for Rental Housing](#) (STIR).
- 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 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. See Appendix D for more details on the heritage transfer of density system or see the [Transfer of Density Program](#) web page.
- Public art contributions are included as a public benefit because these contributions are not reported elsewhere and they are associated with approvals of additional density (rezonings). These contributions differ from other types of negotiated public benefits because Public Art policy specifies a per square foot contribution within large rezoning applications, and Public art funds are in almost all cases spent on (and benefit) the development site. For more information, see the updated policy framework for the City's [Public Art Program](#).

Results of this annual report may vary significantly from year-to-year due to the unpredictable nature of rezoning applications and approvals. Approval of major projects will have a major influence on both the amount of density and the value of public benefits contributed in a single year. However, over time this report will form a basis for layering historical data to provide better information on trends, allowing for a better ability to manage and allocate future public benefit contributions.

This annual report is a summary of public benefit contributions arising from 2011 additional density approvals. These benefits are secured at rezoning enactment or when a project is

completed and the on-site benefit is delivered; and not all public benefits are under City ownership (e.g. rental housing secured under the STIR Program, heritage restoration, public art). This report does not include on and off-site engineering infrastructure provided by new development (e.g. water, sewer, drainage and new streets). As these public benefits have not been received by the City, this should not be viewed as a financial statement.

2) Analysis of 2011 Public Benefit Contributions

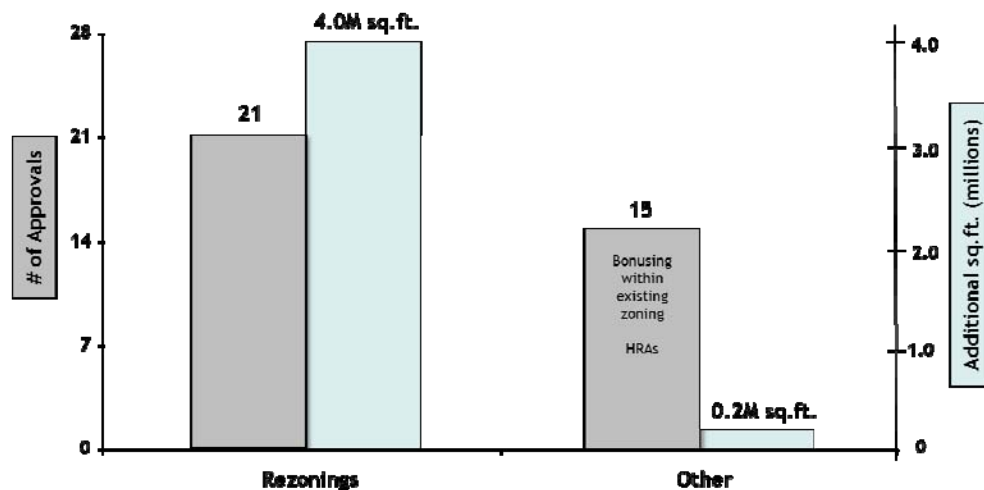
This section provides an analysis of the public benefit contributions in 2011 from projects where additional density was approved.

In 2011, there were 36 project approvals resulting in 4.2 million sq.ft. of additional density (see Appendix A for project details).

Approvals of additional density occur infrequently. In 2011, there were approximately 1,300 building permits for new construction issued within existing zoning. The 36 approvals of additional density (rezoning/bonusing) represent only 3% of this number. 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). However, while the number of projects adding density to the City is relatively small, their impact is significant.

As shown in Chart 1, rezonings were the most common type of additional density approval in 2011. Rezonings accounted for approximately 60% of additional density approvals and 95% of the additional square feet approved in 2011. See Appendix D for a detailed description of approval mechanisms for additional density.

Chart 1: Approval Mechanisms and Additional sq.ft.



Source: City of Vancouver rezoning and development permit board approvals (2011)

The majority of the 4.2 million sq.ft. of additional density approved in 2011 originated from five large rezoning approvals which together accounted for nearly 3.2 million sq.ft. or 75% of all additional floor area approved in 2011 (see Table 1). The amount of additional density approved in 2011 was up significantly from 2010 when 2.2 million sq.ft. was approved. In 2010, with the exception of the East Fraserlands rezoning, the additional density was spread out amongst many approvals.

In any given year, the amount of additional floor area approved is expected to vary depending on the type of projects approved. Major rezoning approvals occur infrequently and it is uncommon to have more than one or two in a single year. Despite the large size of the five rezoning approvals shown in Table 1, the majority of the approvals in 2011 were projects with modest increases in floor area (see Appendix A). Overall, approvals of additional density appear to be atypical in 2011, particularly when compared with last year’s annual report and a review of prior years before the City began annual reporting on this topic.

In 2011, there were 36 approvals of additional density resulting in contributions totalling \$180 million towards public benefits. This is up significantly from 2010 when there were approvals for \$27 million in public benefit contributions. The majority of contributions secured from approvals of additional density in 2011 originated from the five large rezoning approvals and together they accounted for \$122 million or 68% of all contributions (see Table 1).

Table 1: Large Project Approvals in 2011

Project Name	Additional Density Approved (sq.ft.)	Value of Contribution (\$ millions)
4255 Arbutus Street (Arbutus Centre)	721,000	\$48
7101 Granville Street (Shannon Mews)	417,000	\$31
5515 Boundary Road	580,000	\$17
555 Robson Street (Telus Gardens)	636,000	\$17
400 SW Marine Drive (Marine Gateway)	877,000	\$9
Total: Large Project Approvals	3.2M sq.ft.	\$122M

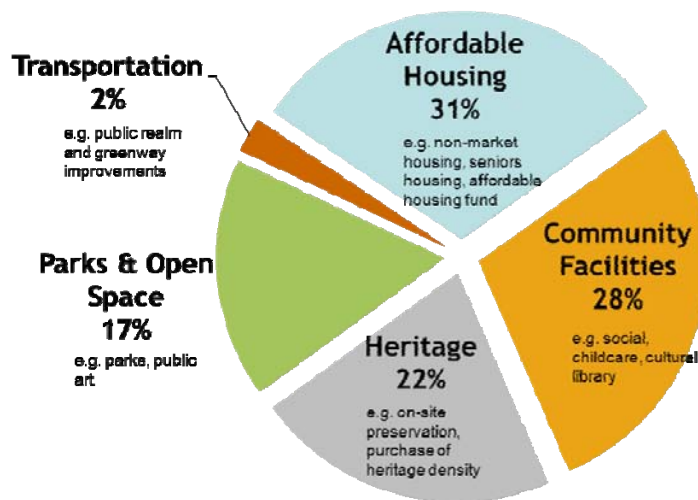
Of the \$180 million secured in 2011, Council allocated \$131 million or approximately 73% of the overall total towards specific public benefits. Approximately three-quarters of these allocated funds were offered as in-kind contributions, meaning that they will be provided on-site when new developments are constructed. The remainder of the allocated funds were offered as cash contributions, meaning that these funds have been assigned to specific public benefits by Council.

Shown in Chart 2 is the value of allocated contributions grouped by public benefit category (unallocated contributions removed). The chart shows:

- Affordable Housing at 31% of overall value as the largest recipient of public benefit contributions reflecting Council’s priority to increase housing supply for low and modest income households. Significant affordable housing commitments in 2011 included 100 units of non-market housing secured through the Arbutus Centre rezoning, expansion of seniors assisted housing at Crofton Manor, as well as a number of contributions to affordable housing funds in Southeast False Creek and throughout the City.
- Community Facilities at 28% of overall value were the next largest recipient of public benefit contributions. These community facility commitments included: a fully equipped 69-space childcare centre along with a childcare reserve fund to be provided in Southeast False Creek; a new community amenity space in the Joyce-Collingwood neighborhood, and a new neighborhood house and adult day care to be provided at Arbutus Centre.

Chart 2: 2011 Allocated Contributions by Public Benefit Category
(excludes unallocated contributions & STIR project approvals)

Total = \$131M allocated towards Public Benefits



Source: City of Vancouver rezoning and development permit board approvals (2011)

- Heritage, through on-site preservation and purchase of density, was the third largest public benefit category in 2011. One-third of all 2011 approvals included an element of heritage as a public benefit (along with other public benefits in several cases). One of the larger heritage projects secured in 2011 is the on-site restoration of heritage structures at Shannon Mews in Shaughnessy. Purchase of heritage density accounted for 22% of overall public benefit value.

This allocation is consistent with Council's direction (2009) to put a hold on the creation of new transferable density and instead to draw down the inventory of 'banked' transferable density. Since July 2009, there have been transfers approved of over 400,000 sq. ft. involving more than 30 projects. During that same time Council approved the York Theatre proposal as a special circumstance which added just over 100,000 sq.ft. to the density bank. The current 'bank' balance stands at 1.2 million sq. ft. (this represents a 30% decrease since July 2009). While the majority of transferable density in the 'bank' is from heritage projects, there is also some density from projects involving amenity spaces. See Appendix D for the heritage transfer of density system detail or the [Transfer of Density Program](#) web page.

- Parks and Open Space commitments at 17% totalled \$22.2 million with the largest park contribution originating from the Telus Gardens rezoning which has been allocated to the acquisition of a new site for a downtown park. Secured park commitments in 2011 reflect Council's priority on environment and implementation of the Greenest City Action Plan. Public Art commitments, which are grouped within the Parks and Open Space category, had 15 required contributions totalling \$10.7 million in 2011. Public Art differs from other public benefits in that participating rezonings are required to make a specified per square foot contribution, and these public art funds are in most cases spent on (and benefit) the development site.

Chart 2 does not include \$49 million in contributions not yet allocated (which represents 27% of the overall \$180 million total). All unallocated funds received by the City are set aside in a CAC reserve account, and these funds can only be spent on public benefits upon Council approval. Council approved guidelines for unallocated cash contributions can be found in Council policy entitled: [Community Amenity Contributions -Through Rezoning](#)s. In most cases, where specific public benefit projects were not identified at the time of project approval Council assigns unallocated funds to specific geographic areas where the redevelopment has been approved. An example of this is approximately \$4.7 million in unallocated funds directed to be spent in the Marpole and West End neighbourhoods once the Community Plans currently under development are more advanced. Another example is approximately \$6.5 million in unallocated funds that are to be directed towards the Southeast False Creek Public Benefit Strategy.

STIR Projects

There were five [Short Term Incentives for Rental Housing](#) (STIR) program approvals in 2011, resulting in the approval of 402 market rental housing units. Each of the STIR projects shown in Table 2, were approved as rezonings with additional density. Under the program, the rental units are legally secured as rental for the life of the building or 60 years, whichever is greater. The STIR program offers a number of incentives for developers, namely: DCL waiver on rental units; parking reductions; expedited processing; rental property assessment; and bonus density incentives.

From the City’s perspective, new rental housing represents an important public benefit. Developing new rental housing projects is closely aligned with the City’s priorities to address homelessness and affordable housing, building safe and inclusive communities, and improving environmental sustainability.

On May 15, 2012 Council approved the [Secured Market Rental Housing Policy](#) which replaces the STIR pilot program which was designed to last 2.5 years. The new policy is aimed at providing incentives for projects where 100% of the residential development is rental.

Table 2: STIR Project Approvals in 2011

Address	# of Units
3522 Porter St	194
1650 Quebec St	91
400 SW Marine Dr (Marine Gateway)	46
2730 East 41st Ave	40
8495 Granville St (Marpole Safeway)	31
TOTAL UNITS	402

Implications/Related Issues/Risk

Financial

With growth in the city comes the need to provide additional public benefits and services. To meet these needs without affecting current levels of service, new facilities are required. New developments contribute significantly to the provision of growth-related benefits and affordable housing, and relieve what would otherwise fall on to property taxes and other City funding.

In 2011, contributions from market projects resulted in approximately \$180 million secured (in-kind or cash) from approvals of additional density. In addition, the 402 units of STIR rental housing approvals (not included in the \$180 million) adjoin to the public benefits secured from the 2011 additional density approvals.

COMMUNICATIONS PLAN

Staff maintains a contact list of all stakeholders involved with, and interested in, development-related funding and policy. City Clerks notifies this list of stakeholders to inform them of this report and where they can review it online prior to the Council meeting. Notices are also posted on the City's [Financing Growth](#) website.

CONCLUSION

This report focuses on all approvals of additional density occurring in 2011 by type and value of public benefits secured in 2011.

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Appendix A: Approvals of Additional Density in 2011

ID#	Address	Local Area	Approval Type	Density increase (net ft ² increase)	Public Benefit(s)	Total Public Benefit Value (\$)
1	4255 Arbutus St	Arbutus Ridge	Rezoning	721,740	- Housing: non-market rental (100 units) - Social/Community facility - Facility reserve fund - Public Art - Parks & Open spaces - Contribution not yet assigned	\$47,773,518
2	7101 Granville St	Kerrisdale	Rezoning/HRA	416,861	- Heritage: on-site preservation - Public Art - Housing: market rental (187 units/60 yrs, 15 units/20 yrs) - Contribution not yet assigned	\$31,319,637
3	105 W 2nd Ave	Mount Pleasant	Rezoning	132,306	- Childcare facilities - Housing: contribution towards affordable housing - Heritage: purchase of density - Cash facility reserve - Public Art - Contribution to be assigned to SEFC	\$20,200,164
4	5515 Boundary Rd	Renfrew - Collingwood	Rezoning	579,997	- Social/Community facility - Public Art - Public realm/Greenway improvements - Housing: contribution towards affordable housing - Parks & Open spaces	\$17,245,620
5	555 Robson St	Downtown	Rezoning	635,649	- Parks & Open spaces - Heritage: purchase of density - Cultural - Public realm/Greenway improvements - Public Art	\$17,037,126
6	400 SW Marine Dr	Marpole	Rezoning	876,971	- Public Art - Public realm/Greenway improvements - Cash facility reserve - Housing: market rental (46 units STIR) - Contribution not yet assigned	\$9,021,318
7	10 Terry Fox Way	Downtown	Rezoning	303,209	- Parks & Open spaces - Public Art - Contribution to be assigned to NEFC	\$6,584,108
8	1075 W Hastings St	Downtown	Development Permit Bonus	55,462	- Heritage: on-site preservation	\$3,605,030
9	1305 Burrard St	West End	Rezoning	31,085	- Heritage: purchase of density - Contribution to be assigned to West End	\$3,421,460
10	1700 Manitoba St	Mount Pleasant	Rezoning	26,661	- Contribution assigned to SEFC Public Benefit Strategy - Housing: contribution towards affordable - Public Art	\$3,006,294
11	1650 Quebec St	Mount Pleasant	Rezoning	68,273	- Housing: contribution towards affordable housing - Contribution assigned to SEFC Public Benefit Strategy - Public Art - Housing: market rental (91 units STIR)	\$2,771,054
12	8495 Granville St	Marpole	Rezoning	40,044	- Public Art - Housing: market rental (31 units STIR) - - Contribution to be assigned to West End	\$2,455,783
13	99 W 2nd Ave	Mount Pleasant	Rezoning	21,120	- Contribution assigned to SEFC Public Benefit Strategy - Housing: contribution towards affordable	\$2,381,491

					housing - Public Art	
14	6311 Cambie St	Oakridge	Rezoning	41,860	- Housing: contribution towards affordable housing - Childcare facilities	\$2,200,000
15	104 E 1st Ave	Mount Pleasant	Rezoning	0	- Housing: contribution towards affordable housing - Public Art	\$1,689,412
16	1030 Denman St	West End	Rezoning	0	- Social/Community - Housing: contribution towards affordable housing - Public realm / Greenway improvement	\$1,622,000
17	1250 Salsbury Dr	Grandview - Woodland	HRA	6,764	- Heritage: on-site preservation	\$1,535,428
18	564 Beatty St	Downtown	HRA	22,841	- Heritage: on-site preservation	\$1,484,665
19	1795 Napier St	Grandview - Woodland	HRA	4,082	- Heritage: on-site preservation	\$926,614
20	1196 W 59th Ave	Marpole	HRA	2,410	- Heritage: on-site preservation	\$641,872
21	1025 Robson St	Downtown	Rezoning	20,342	- Contribution to be allocated to West End	\$622,000
22	984 W Broadway	Fairview	Rezoning	41,625	- Heritage: purchase of density	\$473,625
23	2803 W 41st Ave	Kerrisdale	Text Amendment	126,871	- Housing: seniors	\$432,000
24	428 Terminal Ave	Strathcona	Rezoning	0	- Public Art	\$395,496
25	788 Jervis St	West End	Development Permit Bonus	7,913	- Heritage: purchase of density	\$340,732
26	2699 Kingsway	Renfrew - Collingwood	Rezoning	35,282	- Public Art - Child care facilities	\$292,515
27	538 W 7th Ave	Fairview	Development Permit Bonus	3,861	- Heritage: purchase of density	\$250,952
28	3522 Porter St	Kensington-Cedar Cottage	Rezoning	4,473	- Public Art - Housing: market rental (192 units STIR)	\$218,043
29	2211 Cambie St	Fairview	Development Permit Bonus	2,175	- Heritage: on-site preservation	\$135,135
30	1460 Bute St	West End	Development Permit Bonus	347	- Heritage: purchase of density	\$45,000
31	1237 E 14th Ave	Mount Pleasant	HRA	165	- Heritage: on-site preservation	\$42,000
32	1880 Renfrew St	Hastings - Sunrise	Rezoning	8,961	- Social/Community	\$26,883
33	620 Keefer St	Strathcona	Development Permit Bonus	393	- Heritage: on-site preservation	\$25,545
34	1784 E 14th Ave	Kensington - Cedar Cottage	Development Permit Bonus	322	- Heritage: on-site preservation	\$20,930
35	430 Princess Ave	Strathcona	HRA	152	- Heritage: on-site preservation	\$9,880
36	2730 E 41st Ave	Victoria - Fraserview	Rezoning	16,258	- Housing: market rental (40 units STIR)	\$0
TOTAL				4,256,474		\$180,422,178

Source: City of Vancouver rezoning and development permit board approvals (2011)

Appendix B: 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 \$300 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 11 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.

All rezonings downtown are processed with negotiated CACs on a site-by-site basis (see map).

The rest of the city is covered by the City-wide CAC Policy, which sets out a framework for standard rezonings, non-standard rezonings, and exemptions from CACs. Standard rezonings use a flat rate approach (currently set at a target of \$3.00 per square foot of additional density). Non-standard rezonings use a negotiated approach on a site-by-site basis. Certain areas of the city have their own area-specific CAC and/or public benefit policies determined as part of Area Plans (e.g. Arbutus Neighbourhood and Southeast False Creek both have fixed rate targets for CACs).

Major projects 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. Examples of major projects include Southeast False Creek and East Fraserlands.

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.

Summary Comparison of DCLs and CACs

	DCLs	CACs
To what development does it apply?	All development	Development undergoing rezoning (also pays DCLs)
When is it payable?	At building permit issuance	Prior to zoning enactment
What can it provide?	Restricted by Vancouver Charter to recover a portion of growth costs for: parks, child care, replacement housing, engineering infrastructure	Unrestricted by Vancouver Charter to provide or contribute to community amenities such as libraries, daycares, community centres, park and park improvements, and neighbourhood houses.
What is the financial significance to the City?	10-year average annual revenue: \$25 M	CACs are increasingly significant. CACs help address site-specific impacts of a rezoning, and, especially on large sites, may provide significant assets on the site (in-kind facilities) versus cash.
What is the economic impact on development?	In Vancouver, DCL rates are carefully set so they do not deter development or hurt affordability	Same as DCLs—plus more economic "room" to provide a CAC if a rezoning increases land value
What rate approaches are used?	Flat rate (\$/sq. ft.) on floor space to be built	Various approaches including site-specific negotiation and flat rate targets

Appendix C: Heritage Transfer of Density

What is Transferable 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. If it is, see [“How To” Brochure 2 for information on the development permit process](#) and [“How To” Brochure 3 for information on Major Development Permit Applications](#).

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. See [“How To” Brochure 5 for rezoning procedures](#).

Appendix D: 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 City staff following a policy planning study, or by the public 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 City staff 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. The CAC Policy applies differently to development in different areas of the City. For example, all rezonings downtown are processed with negotiated CACs, while rezonings outside of downtown may be negotiated, flat rate or exempt from CACs depending on the size of development, location, amount of additional floor space being requested, land use changes and the type of development.

Community Amenity Contributions (CACs) are voluntary contributions provided by developers through privately-initiated rezonings that typically grant additional development rights. CACs provide a wide range of amenities/benefits and help address the impacts of a rezoning on the surrounding community. CACs are provided often as in-kind facilities which are incorporated into the new development, or may be as cash toward such facilities.

CACs provide opportunities not provided by Development Cost Levies (DCLs). Although DCLs apply to all development (not just rezoning), the DCL revenue is restricted to a specific set of facilities, while CACs are not. Also, because DCLs cannot legally collect 100% of growth costs, CACs can help to fill in the gaps. In addition, DCLs can only address new growth, not existing deficiencies, while CACs can address broader needs and impacts.

In some zoning by-laws, there is the ability for the Development Permit Board or the Director of Planning to use discretion to award additional density.

Development Permit Bonusing

Director of Planning discretion for additional density generally applies to applications seeking small amounts of additional density in single and two family residential areas. Larger development applications in zoning districts in and around 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 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 Downtown District Official Development Plan) 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 the 10% allowed under existing zoning generally is approved by City Council through a rezoning process (see below).

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.

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.