



ADMINISTRATIVE REPORT

Report Date: May 3, 2013
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Meeting Date: May 16, 2013

TO: Standing Committee on City Finance and Services
FROM: General Manager of Planning and Development
SUBJECT: 2012 Annual Report on Public Benefits from Approvals of Additional Density

RECOMMENDATION

THAT Council receive the "2012 Annual Report on Public Benefits from 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 2012, there were 44 approvals of additional density resulting in a net increase in floor area of 2.4 million square feet. The 2012 floor area figure is below the 2011 figure of 4.2 million square feet but almost equal to the 2010 figure. These fluctuations reflect the variable impact of rezonings on a year-to-year basis.

The 2012 approvals of additional density will result in public benefits valued at approximately \$68 million (2011 - \$180 million), plus 1,011 secured market rental units (2011 - 402 units). The City typically allocates the public benefits to various categories when the project is approved; 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 2012, the \$68 million in public benefits were allocated as follows:

Table 1: 2012 Public Benefit Contributions by Category

Public Benefit Category	Contribution Value (\$Millions)
Heritage Preservation	\$23M
Affordable Housing	\$17M (+ 1,011 secured market rental units)
Community Facilities	\$13M
Parks and Open Spaces (incl. Public Art)	\$7M
To be allocated	\$8M
Total:	\$68M

In addition to the \$17M allocation for affordable housing noted above, the City approved six projects in 2012 that will lead to the construction of 1,011 units of secured market rental housing.

Approvals of additional density occur infrequently, representing only 3% of overall development permits issued in 2012. The vast majority of new development is approved within existing zoning. See Appendix A for a complete list of additional density approvals in 2012.

The annual report on public benefits from 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
- Secured Market Rental Housing Policy (2012) (which replaces Short Term Incentives for Rental (STIR) program (2009))
- "Accounting for Density" Council motion (2010)
- 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)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

This report, along with the *Annual Report on Development Cost Levies*, describe and explain the City's financing growth tools and how they fit within the City's capital planning framework. The annual reports provide an opportunity to link current planning approvals with Council priorities and help align these public benefit commitments with the 10-year Strategic Outlook, 3-year Capital Plan, and annual capital budgets. This work also relates to an on-going initiative to streamline and improve the development processing system, and to enhance the accountability and transparency related to public benefit decision making.

REPORT

Background/Context

Vancouver has a long history of achieving a comprehensive array of public benefits through planning and development processes. Public benefits from new development contribute significantly to the sustainability and liveability of Vancouver. Public benefits are capital facilities and services that improve the social and physical well-being of city residents that are typically provided or supported by the City. 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 used 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 may generate new demands for city services that result 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, affordable replacement housing, and engineering infrastructure.
- **Community Amenity Contributions (CACs):** CACs are voluntary contributions toward public benefits provided by new development as part of rezoning approvals. CACs are offered by developers as in-kind or cash contributions and are payable at enactment of new zoning. 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, a new format was developed 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 investments. 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 investments. 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 annual report is a summary of public benefit contributions arising from approvals of additional density in 2012. These benefits are secured at rezoning enactment or when a project is completed and the on-site benefit is delivered; not all public benefits are under City ownership (e.g. rental housing secured under the Secured Market Rental Housing 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). Unlike the DCLs discussed in the *Annual DCL Report*, the public benefits secured from approvals of additional density represent developers' obligations to be realized over time and the values attributed to these public benefits are not reflected in the City's financial statement until they have been realized.

This section of the report is divided into two 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:

Approvals and Time Frame

- Rezoning approvals 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).

- This report addresses all additional density approvals from January 2012 to December 2012. To identify the public benefits secured from additional density, all rezoning and development applications where existing density thresholds were exceeded and where conversions of land use took place were reviewed.

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 provided for in rezoning reports that proceed to Council. However, for non-City owned housing projects, the projects are quantified and reported by the number and type of housing units only. Examples of this type of public benefit include supportive housing, non-market housing, not-for-profit rental or Secured Market Rental Housing Program.
- 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 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 vary significantly from year-to-year due to the variable and cyclical nature of rezoning applications and approvals. Approval of major projects will have an 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.

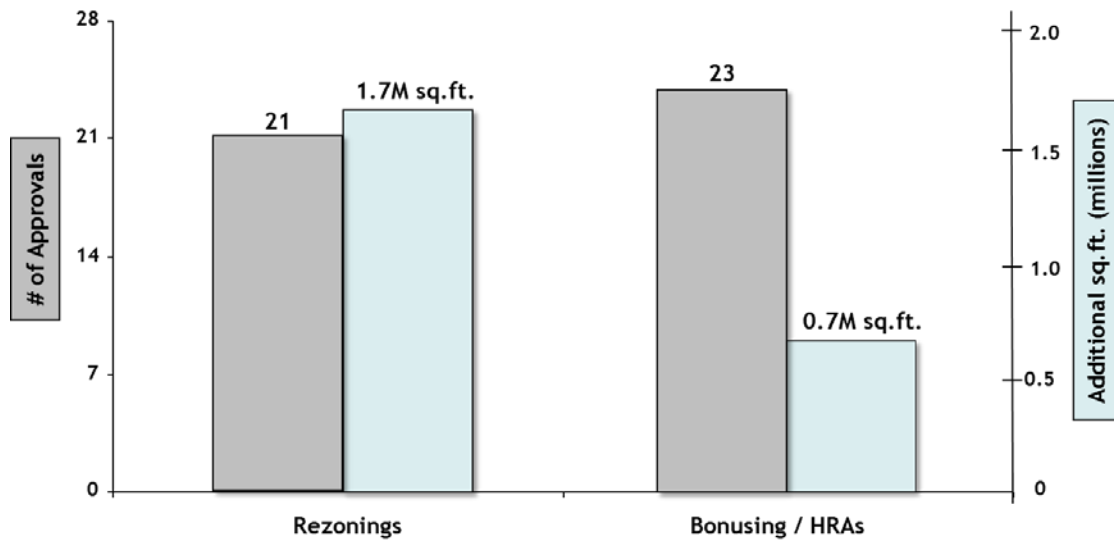
2) Analysis of 2012 Public Benefit Contributions

In 2012, there were 44 project approvals resulting in 2.4 million sq.ft. of additional density (see Appendix A for project details).

Approvals of additional density occur infrequently. In 2012, there were approximately 1,500 building permits for new construction issued within existing zoning. The 44 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 can be significant.

As shown in Chart 1, rezonings accounted for nearly 50% of additional density approvals and 70% of the additional square feet approved in 2012. See Appendix D for a detailed description of approval mechanisms for additional density.

Chart 1: Approval Mechanisms and Additional sq.ft. (2012)



Source: City of Vancouver rezoning and development permit board approvals (2012)

In 2012, there were 44 approvals of additional density resulting in contributions totalling \$68 million towards public benefits. This is down from 2011 when there were approvals for \$180 million in public benefit contributions, but up from 2010 (see Table 2).

Table 2: Comparison of Public Benefits Secured (2010 to 2012)

Year	# of Approvals	Additional Density (sq.ft.)	Total Value of Public Benefits Secured \$
2010	23	2.2M	\$27M
2011	36	4.2M	\$180M
2012	44	2.4M	\$68M

The year-to-year fluctuation and project-to-project variation of public benefits provided are due to the individual nature of rezonings (or bonusing). Projects differ based on: existing land use; proposed uses, density and heights; location and proximity to existing amenities; and, other factors which influence the nature and amount of public benefit offered.

Consistent with the trend seen in previous years, the majority of additional floor area and contributions secured originated from a small group of rezoning approvals. In 2012, five large rezoning approvals accounted for 40% of all additional floor area approved and 70% of all contributions committed (see Table 3).

Table 3: Large Project Approvals in 2012

Project Name	Additional Density Approved (sq.ft.)	Value of Contribution (\$ millions)	Public Benefits Committed
475 Howe Street	149,000	\$16	Heritage Restoration, Public Art
955 East Hastings Street	176,000	\$10	Social Housing (70 units), Public Art
1265 Howe Street	112,000	\$10	Artist Studios, Affordable Housing Fund, Public Art
228 East Broadway	137,000	\$7	Cultural, Affordable Housing Fund, Public Art
8018 Cambie Street	341,000	\$6	Rental Housing (110 units), Cambie Corridor Public Benefits Fund, Public Art
Total: Large Project Approvals	0.9M sq.ft.	\$49M	

Of the \$68 million secured in 2012, Council allocated \$59 million or approximately 88% 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 the 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 through capital planning and budgeting processes.

Chart 2 indicates the value of allocated contributions grouped by public benefit category (unallocated contributions removed).

Chart 2: 2012 Allocated Contributions by Public Benefit Category
 Total = \$59.4M allocated towards Public Benefits

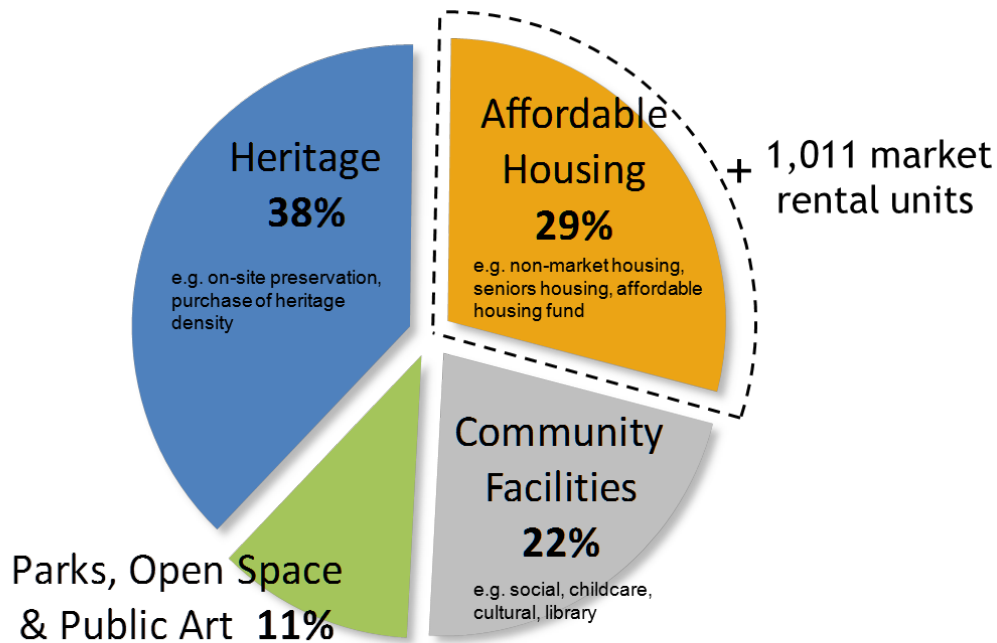


Chart excludes \$8.4M in unallocated contributions
 (allocation subject to towards Cambie Corridor and SEFC Public Benefit Strategies)

The chart shows:

- **Affordable Housing** was the largest recipient of public benefit contributions when combining the 1,011 units of secured market rental housing and the 29% of public benefit value assigned to affordable housing. This reflects Council's priority to increase housing supply for low and modest income households. Significant affordable housing commitments in 2012 included 70 units of City-owned social housing secured through the rezoning at 955 East Hastings Street, as well as a number of contributions to affordable housing funds throughout the City.
- **Heritage** through on-site preservation, accounted for 38% of overall value allocated. Over one-third of all 2012 approvals included an element of heritage as a public benefit (along with other public benefits in several cases). The largest heritage project secured in 2012 is the restoration, rehabilitation and designation of the Former Stock Exchange Building at 475 Howe Street. The on-site heritage works associated with this approval were valued at approximately \$15 million.

In 2009, Council decided to put a hold on the creation of new transferable density and opted to draw down the inventory of 'banked' transferable density. Since July 2009, there have been transfers approved of over 475,000 sq. ft. involving more than 35 projects. At year end 2012, the 'bank' balance stood 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 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.

- **Community Facilities** at 22% of overall allocated value was the next largest recipient of public benefit contributions. These community facility commitments included: an approximate 11,000 sq. ft. artist studio production space to be provided in Downtown South (conveyed to the City); a future cultural/arts facility to be located in Mount Pleasant valued at \$4.5 million; and a \$1.1 million contribution towards the operation and maintenance of a new daycare in Kitsilano.
- **Parks, Open Space and Public Art** commitments totaled 11% of overall allocated value with the majority coming from 12 required public art contributions totalling \$5.6 million. 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 \$8 million in contributions not yet allocated (which represents 12% of the overall \$68 million total). Of the contributions not yet allocated, approximately \$5 million will be directed towards the Cambie Corridor Public Benefit Strategy and \$3 million towards the Southeast False Creek Public Benefit Strategy. 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 through capital planning and budgeting processes. 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.

Since 2010 when the City began tracking public benefit contributions from approvals of additional density, Council has allocated approximately \$213 million to the following public benefit categories (excludes \$62 million in contributions not yet allocated):

- 30% towards Heritage (on-site preservation, transfers of heritage density);
- 28% towards Affordable Housing (plus 1,519 secured market rental housing units);
- 24% towards Community Facilities (social, childcare, cultural, library);
- 16% towards Parks and Open Space (including public art); and,
- 2% towards Transportation.

Secured Market Rental Housing

There were six approvals of secured market rental housing in 2012, resulting in the approval of 1,011 market rental housing units. Each of the market rental projects shown in Table 4, were approved as rezonings with additional density. These rental units were secured as rental for the life of the building or 60 years, whichever is greater. When approved under the Secured Market Rental Housing Policy, the 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. 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.

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

Table 4: Secured Market Rental Housing Units Approved in 2012

Address	# of Units
800 Griffiths Way	614
1401 Comox Street	186
8198 Cambie Street	110
1388 Continental Street	89
4837 Cambie Street	6
1041 SW Marine Drive	6
TOTAL UNITS	1,011

Financial

With growth in the city comes the need for additional public amenities and services. 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.

Over the last three years, the public benefits secured from approvals of additional density were substantial: \$275 million (in-kind and cash) plus 1,519 units of secured

market rental housing. In 2012, the public benefits secured was \$68 million (in-kind and cash) plus 1,011 units of secured market rental housing. While some of the public benefits are achieved in the year when the additional density is approved, most public benefits are achieved in future years as the delivery of the benefits is linked to project construction. Unlike the DCLs discussed in the Annual DCL Report, these public benefits represent developers' obligations to be realized over time and hence the values attributed to these public benefits have not yet been reflected in the City's financial statement.

Some of the public benefits secured will have ongoing financial implications to the City. In-kind CACs are constructed by the developer and turned over to the City, such as childcare, affordable housing, social or cultural facilities. Cash CACs are collected from developers and allocated to specific projects as part of the capital planning and budgeting processes. As these amenities come on stream, there will be budget implications resulting from operating, programming and asset maintenance and rehabilitation. Other public benefits such as secured market rental, public art on private sites, and transfer of heritage density are the responsibility of the developer.

Information from this report will provide input into the City's long-term financial planning framework and help 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).

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.

CONCLUSION

This report focuses on all approvals of additional density occurring in 2012 and it describes the type and value of public benefits secured from these projects.

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Appendix A: Approvals of Additional Density in 2012

ID#	Address	Local Area	Approval Type	Density increase (net ft ² increase)	Public Benefit(s)	Total Public Benefit Value (\$)
1	475 Howe St	Downtown	Rezoning/HRA	149,275	- Heritage: on-site preservation - Public Art	\$15,711,941
2	955 E Hastings St	Downtown Eastside	Rezoning	176,000	- Housing: non-market rental (70 units) - Public Art	\$10,315,715
3	1265 Howe St	Downtown	Rezoning	112,245	- Cultural - Housing: contribution towards affordable housing - Public Art	\$9,725,546
4	228 E Broadway	Mount Pleasant	Rezoning	136,691	- Cultural - Housing: contribution towards affordable housing - Public Art	\$6,788,404
5*	8018 Cambie St	Marpole	Rezoning	341,469	- Housing: market rental (110 units) - Unallocated Funds: Cambie Corridor - Cultural - Public Art	\$6,335,959
6	2001 W 10 Ave	Kitsilano	Rezoning	117,165	- Child Care - Housing: contribution towards affordable housing - Public Art	\$4,812,000
7	1695 Main St	Mount Pleasant	Text Amendment	25,490	- Allocated to City reserve fund for affordable housing in SEFC - Unallocated Funds: SEFC	\$3,109,780
8	4500 Oak St	South Cambie	Rezoning	402,471	- Public Realm and Greenway Improvements - Public Art	\$1,728,000
9	1155 Hornby St	Downtown	Development Permit Bonus	26,253	- Heritage: on-site preservation	\$1,706,457
10*	4837 Cambie St	South Cambie	Rezoning	28,663	- Housing: market rental (6 units) - Unallocated Funds: Cambie Corridor	\$1,020,500
11	6010 Oak St	Oakridge	Rezoning	14,745	- Housing: contribution towards affordable housing - Transportation improvements	\$980,000
12*	800 Griffiths Way	Downtown	Rezoning	382,602	- Housing: market rental (614 units) - Public Art	\$727,074
13	1975 W 15th Ave	Kitsilano	HRA	930	- Heritage: on-site preservation	\$573,244
14	960 Howe St	Downtown	Rezoning	124,908	- Public Art	\$485,237
15	334 W 14th Ave	Mount Pleasant	HRA	1,283	- Heritage: on-site preservation	\$448,722
16	1720 Waterloo St	Kitsilano	HRA	830	- Heritage: on-site preservation	\$364,000
17	1077 Great Northern Way	Mount Pleasant	Rezoning	0	- Public Art	\$328,946
18	305 W 13th Ave	Mount Pleasant	HRA	1,234	- Heritage: on-site preservation	\$320,000
19	1906 W 11 Ave	Kitsilano	HRA	687	- Heritage: on-site preservation	\$280,000

ID#	Address	Local Area	Approval Type	Density increase (net ft ² increase)	Public Benefit(s)	Total Public Benefit Value (\$)
20	2435 W 5th Ave	Kitsilano	HRA	560	- Heritage: on-site preservation	\$266,000
21	238 W Broadway	Mount Pleasant	Development Permit Bonus	3,954	- Heritage: purchase of density	\$239,580
22*	1401 Comox St	West End	Rezoning	98,392	- Housing: market rental (186 units) - Public Art	\$225,037
23	177 Robson St	Downtown	Development Permit Bonus	7,384	- Heritage: purchase of density	\$217,088
24	658 Keefer St	Strathcona	HRA	530	- Heritage: on-site preservation	\$187,875
25	470 E 10th Ave	Mount Pleasant	HRA	683	- Heritage: on-site preservation	\$182,567
26	1616 W 7th Ave	Shaughnessy	Development Permit Bonus	0	- Heritage: purchase of density	\$163,734
27	2627 W 7th Ave	Kitsilano	HRA	271	- Heritage: on-site preservation	\$140,000
28	3837 Point Grey Rd	West Point Grey	Text Amendment	32,523	- Parks and Open Spaces	\$93,327
29	1927 W 17th Ave	Shaughnessy	HRA	516	- Heritage: on-site preservation	\$92,000
30	5761 St George St	Sunset	Rezoning	9,466	- Housing: contribution towards affordable housing	\$80,000
31	2001 Nanton Ave	Arbutus Ridge	Text Amendment	28,913	- Parks and Open Spaces	\$65,054
32	345 N Boundary Rd	Hastings - Sunrise	HRA	68	- Heritage: on-site preservation	\$52,546
33	837 Keefer St	Downtown Eastside	HRA	148	- Heritage: on-site preservation	\$38,490
34	1618 Quebec St	Mount Pleasant	Text Amendment	17,029	- Public Art	\$30,822
35*	3212 E Boulevard	Shaughnessy	Rezoning	2,598	- Housing: contribution towards affordable housing	\$25,000
36	1041 SW Marine Dr	Marpole	Rezoning	48,928	- Housing: market rental (6 units)	\$0
37	998 W 26th Ave	South Cambie	Rezoning	41,222		\$0
38	4350 Oak St	South Cambie	Rezoning	29,381	- Social/Community	\$0
39	2610 Victoria Dr	Kensington - Cedar Cottage	Rezoning	25,472		\$0
40	851 Boundary Rd	Hastings - Sunrise	Text Amendment	23,520		\$0
41*	6110 Oak St	Oakridge	Rezoning	16,859		\$0
42	1388 Continental St	Downtown	Rezoning	16,826	- Housing: market rental (89 units)	\$0
43	2298 Galt Street	Renfrew - Collingwood	Rezoning	3,169		\$0
44	2118 W 15 Ave	Kitsilano	Development Permit Bonus	2,000		\$0
TOTAL				2,453,353		\$67,860,645

*Value of market rental housing is not included in total public benefit value
Source: City of Vancouver rezoning and development permit board approvals (2012)

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, 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. Examples of major projects include.

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: \$35 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.

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.

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 zones, 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.