

Community Benefits from Development: Improving Neighbourhoods & Enabling Affordable Housing



Introduction

One of the key challenges facing a growing city like Vancouver is providing community facilities, services and infrastructure that keep pace with the arrival of new residents and workers.

Public amenities play a large role in making Vancouver one of the most livable cities in the world as well as supporting a robust economy. Delivering and maintaining the wide array of facilities in our extensive recreation system – parks, playfields, pools, rinks and community centres, as well as other key infrastructure in which we partner with others – affordable housing, daycares, schools, neighbourhood houses, and cultural spaces, is fundamental to making our city a healthy city for all.

To help deliver new facilities and infrastructure so vital to the well-being of residents, the City looks to ensure that new development contributes to neighbourhoods where change is occurring. These community benefits are sometimes built within a new project – such as a childcare facility or cultural space, or in other cases, a developer makes a payment in lieu so that funds from a number of projects can be pooled to deliver benefits somewhere in the city.

Development contributions provided by new development help deliver facilities faster so our residents can enjoy the benefits of growth. These contributions also reduce the pressure on taxpayers who fund the majority of the capital plan.

The City prepares annual reports on development contributions – containing important details of what contributions were made and how they were allocated, enabling the public as well as the development community to see the benefits contributed to our city. *Community Benefits from Development* explains the broader context of Vancouver’s approach to development contributions, and helps residents better understand what kinds of community benefits accompany new development in our neighbourhoods.

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Section 1

Meeting the Needs of a Growing City



Vancouver is one of the best places in the world to live and has a robust and growing economy with world leading innovators in a number of areas.

The demand for job space continues to grow in our city. Our business community is clear that the broad array of recreation and cultural facilities in our city is crucial to attracting workers to Vancouver, and the ongoing need for childcare and affordable housing is critical for the City to address to sustain our success.

Over the next 20–30 years, the Metro Vancouver region is expected to grow by more than one million people. Vancouver anticipates growth of about 150,000 people and 100,000

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

There are obviously costs related to growth. More people means increased needs for new facilities and infrastructure. The City undertakes careful long-term planning and capital budgeting to provide for the needs of a growing city.

Quick Fact: In 2014, more than 2,000 people participated in the City’s Capital Planning process. The top investment priorities from the public were affordable housing, rapid transit, childcare and community facilities.

BELOW Cityscape – Vancouver in the Fall



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

- 4,200 affordable housing units
- 3,400 licensed childcare spaces
- 100 kilometres of bikeways

The three main funding sources for the City’s capital projects are:

PROPERTY TAX AND USER FEES

Operating revenue such as property taxes, utility fees (e.g. water and sewer fees) and parking revenue;

DEVELOPMENT CONTRIBUTIONS

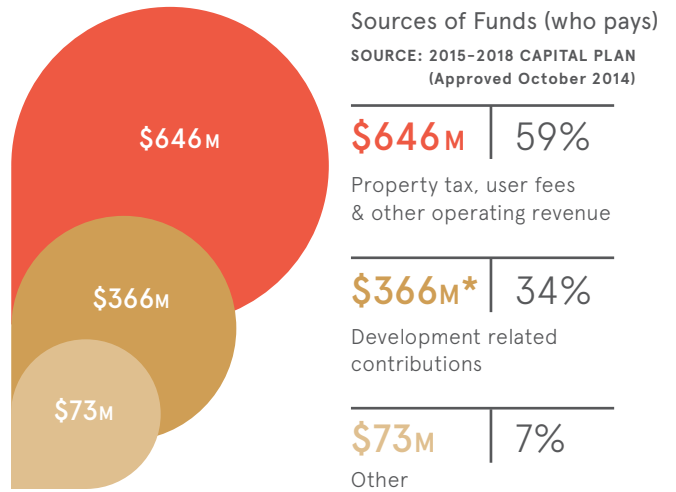
Development Cost Levies (DCLs) and Community Amenity Contributions (CACs); and

CONTRIBUTIONS FROM PARTNERS

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

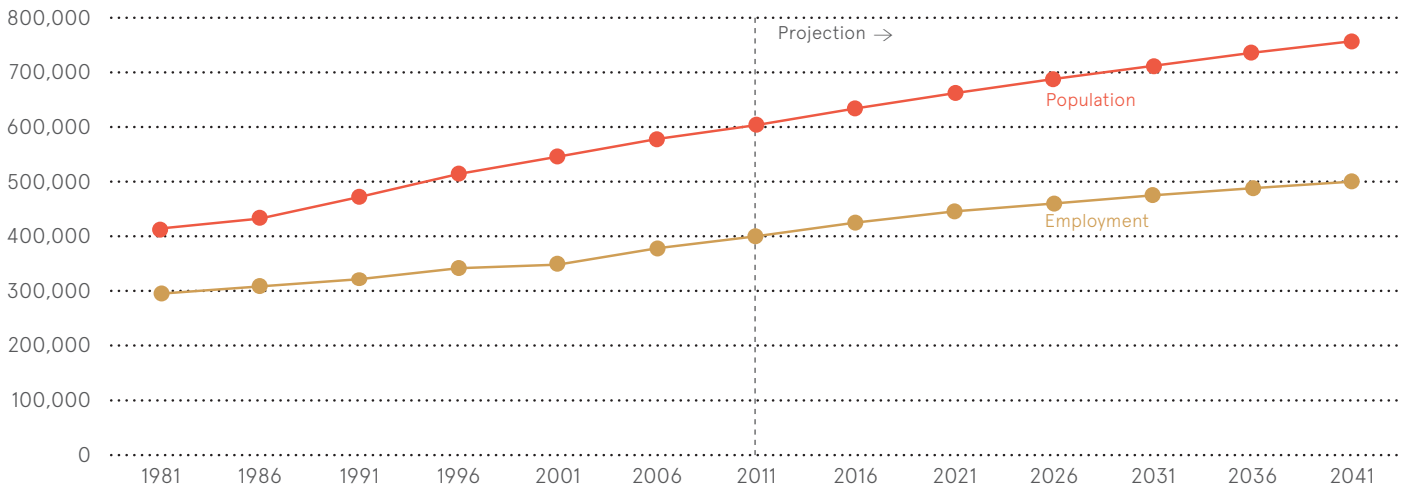
It is critical for the City to maintain excellent services for residents and to be able to expand or provide new civic amenities as the city grows. Keeping Vancouver as one of the most livable cities in the world is essential to support our economic growth as well as the health and well-being of our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

How does the City fund facilities and infrastructure?



* Includes \$63M in water-sewer connection fees
 Note: Funding source proportions can vary with each capital plan

A Growing City



Section 2

Vancouver's Approach to Development Contributions

Quick Fact: The City issues annual reports on both DCLs and CACs which enhance transparency and clarity for residents and developers.

The process of robust engagement through community planning and the ongoing development of city-wide policies to effectively manage change are Vancouver's primary approach to ensuring that new development contributes in a positive way to our communities to meet public needs as the city grows.

a) Brief history of development contributions

Significant contributions from development in Vancouver began with several major projects along the False Creek North and Coal Harbour waterfronts following the World's Fair Expo '86. These new neighborhoods delivered substantial contributions to public infrastructure and overall livability of these two areas of the city, including: extensions of the seawall around False Creek; parks; new community centres; childcares; a mix of housing – including social housing sites; school sites; public art; as well as essential public works (engineering) infrastructure related to the developments. These benefits also made neighbourhood housing and retail more marketable by providing facilities and amenities that residents, workers and visitors from across the city and beyond could enjoy. Integrating community amenity contributions (CACs) into the development process, thus enabling the construction of important public infrastructure as the city grows, has become a signature part of "Vancouverism", an urban development process and style for which the city has become world famous.

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

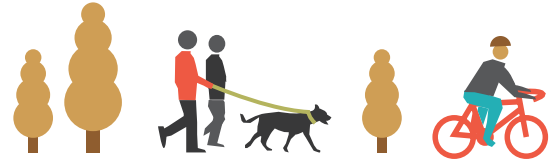
Vancouverism is an urban planning and architectural phenomenon in Vancouver, British Columbia, Canada, that is unique to North America. It is characterized by a large residential population living in the city centre with mixed-use developments, typically with a medium-height, commercial base and narrow, high-rise residential towers, significant reliance on mass public transit, creation and maintenance of green park spaces, and preserving view corridors. Source: Wikipedia



- 1 Coal Harbour Public Realm and Seawall
- 2 False Creek North Seawall and George Wainborn Park
- 3 Beach Neighbourhood Seawall

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

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



In 2003, after an extensive public process, Council approved a city-wide financing growth policy that established a comprehensive system of DCL areas across the city (DCLs are enabled through the Vancouver Charter) as well as established a new city-wide CAC system (CACs are enabled through City Council). CACs were established by Council to be incremental to DCLs and to be allocated to a wider range of community benefits. This policy provided a way to help address the cost of growth as well as a comprehensive guide for the collection and spending of DCLs and CACs.

As noted earlier, Vancouver’s policy is based on the principle that new development should pay its fair share of growth-related costs. Financing growth principles and associated policies are reviewed and adapted over time to meet the changing needs of the city and, over time, new options for funding growth related amenities are established to provide more flexibility for the development community.

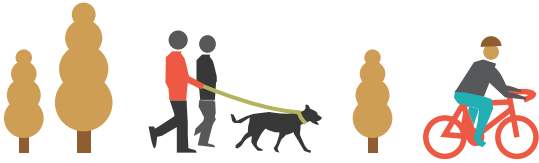
b) Development contributions today

Over the last few years the City has completed a number of community plans encompassing neighbourhoods across the city (e.g. Plans for the West End, Mount Pleasant, Norquay Village, Marpole, and the Downtown Eastside), all accompanied by specific plans for public amenities. These plans provide a clear outline of the role development contributions have in funding growth related amenities, all of which are now integrated into the City’s Capital Plan and Budget. Along with the public input related to all development in the city, the comprehensive multi-year Capital Plans also involve extensive public consultation adding to the transparency to planning for public amenities.




In order to simplify and provide clarity and certainty for property owners and developers, the City has moved to establish, where appropriate, more areas of the city with fixed rate target CACs thus reducing the need for negotiation at the time of each rezoning. In addition, the City has recently moved to reduce the large number of small DCL areas in the city by integrating them into a single, city-wide DCL district.

Density bonus zoning has recently been introduced by the City as a new tool in the most recent Community Plans. This tool involves a form of zoning which allows the city to define a base and an upper density limit within a zoning by-law, thus allowing new development with the option to achieve the upper density in exchange for providing needed community amenities such as childcare, cultural facilities, and affordable housing, all of which were articulated in the Plan itself. This approach reduces the need for individual site rezoning which reduces the cost and time involved in new development.



Quick Fact: Between 30 and 40 rezoning applications result in CAC contributions each year.

A summary of the current tools used to provide growth related amenities through development is provided below:

		
Development Cost Levies	Community Amenity Contributions	Density Bonus Zoning
<p>APPLIES TO</p> <p>All developments, in all zones - including those being rezoned.</p>	<p>APPLIES TO</p> <p>Only developments that are being rezoned.</p>	<p>APPLIES TO</p> <p>All development seeking the allowed additional density within certain zones.</p>
<p>DUE DATE</p> <p>When the building permit is issued.</p>	<p>DUE DATE</p> <p>Before rezoning enactment.</p>	<p>DUE DATE</p> <p>When the building permit is issued.</p>
<p>ALLOCATION & DELIVERY</p> <p>DCLs partially fund parks, childcare facilities, replacement housing, and engineering infrastructure. Projects are delivered via the City's capital program.</p>	<p>ALLOCATION & DELIVERY</p> <p>CACs contribute to community centres, daycares, affordable housing, libraries, park improvements, neighbourhood houses, cultural facilities, and more. Projects can either be delivered as in-kind facilities, or as payments in lieu.</p>	<p>ALLOCATION & DELIVERY</p> <p>Amenities and affordable housing are allocated in the public benefits strategies of community plans (e.g. parks, community facilities, daycare, etc.). Projects can either be delivered as in-kind facilities, or as payments in lieu.</p>
<p>CONTRIBUTION TYPE</p> <p>A flat rate, per square foot of floor space to be built.</p>	<p>CONTRIBUTION TYPE</p> <p>Various approaches are used, including fixed rate targets and site-specific negotiation.</p>	<p>CONTRIBUTION TYPE</p> <p>A flat rate, per square foot of 'bonus density' to be built.</p>



Quick Fact: Over 1,500 building permits make DCL payments each year.

When the City considers a new development, especially one where a project proposes a new public facility or amenity on site, a number of factors come into play:

fit within the community, city-wide and regional plans

impacts on traffic, parking, water, drainage and sewage infrastructure

capacity of public facilities to accommodate increased demand

proposed on-site facility linkage to the City's capital plan program and priorities

Involving the Public

The public has a role at several different points in the approval process. Their involvement and input usually begins with participating in the local community planning process but may also involve input in other critical public policy plans which apply to all parts of the city – such as the Transportation 2040 Plan (2012), the Housing and Homelessness Strategy (2011), the Healthy City Strategy (2014) and others. Recent community plans provided many opportunities for residents to share their thoughts on the content of public benefit strategies which detailed community priorities and the potential for development contributions.

Quick Fact: On average, over 3,000 residents per year attend public open houses concerning rezoning applications.

Do CACs impact housing affordability?

To get an independent perspective on this important question, Coriolis Consulting was contracted by the City in 2014. The report found no evidence that CACs are causing housing prices to rise and impact affordability in Vancouver. By looking at local development activity, it was concluded that CACs have had no direct impact on new housing supply or on the pace of new housing development. The consultant found that to the contrary, CACs have been associated with a very large increase in the City's capacity to absorb new apartment development and in some cases have been used to achieve the creation of affordable housing units that would not otherwise have been built.

The study also found no difference in new housing unit prices when comparing projects that provided a CAC and those that did not. Coriolis' report concludes that it is much more likely that other factors such as international attractiveness, strong demand and low interest rates are combining to drive up housing prices in Vancouver rather than the City's CAC policy.

Source: Coriolis Consulting Ltd., CAC Policy and Housing Affordability: Review for the City of Vancouver, 2014

For any development project seeking a change to existing zoning (i.e., rezoning), residents can: attend pre-application meetings with the developer; be notified of a formal application; attend public open houses; view web-based information which evolves over the course of the rezoning application; provide written or web-based feedback; and, when a rezoning report is finally considered at Public Hearing, speak directly to Council.



For additional information please reference the Rezoning Process & CAC Process Chart located on pages 16 & 17.

Section 3

Examples of Development Contributions



New development creates demand for increased City services and facilities. In Vancouver, a wide array of community benefits are provided by development contributions including:

- Parks
- Libraries
- Childcare facilities
- Bikeways, greenways, streets and other transportation infrastructure
- Cultural facilities
- Community centres, rinks, and pools
- Social facilities (e.g. neighbourhood houses)
- Non-profit and social housing
- Police stations and fire halls
- Heritage preservation
- Basic infrastructure including water, sewer and drainage projects.



SYMPHONY MUSIC SCHOOL AND ORPHEUM THEATRE ANNEX

Downtown Vancouver

- Completed in 2011
- School for Musical Excellence, new rehearsal hall, and a 150 seat studio theatre
- Community benefits were in exchange for bonusing a mixed-use high-density development



TERRY TAYLOR CHILDCARE CENTRE

Upper Kingsway

- Completed in 2012
- 37-space childcare centre
- Provided by developer as an in-kind CAC offering for mixed-use development at Kingsway and Nanaimo



SEASIDE GREENWAY AND YORK BIKEWAY PROJECTS

- Completed in 2014
- Bikeway with connections through northern Kitsilano between the Burrard Bridge, Kitsilano Beach Park, and Jericho Beach Park. The projects include a significantly traffic calmed Point Grey Road, expansion of Volunteer and Tatlow Parks, sections of protected bike lane and off-street bicycle paths, and new or wider sidewalks
- Funding sources included DCLs



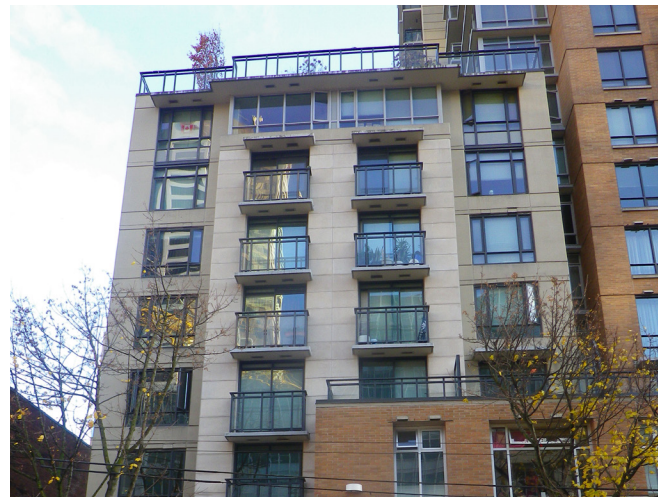
JERICO BEACH RESTORATION Photo credit: Moffatt & Nichol

- Completed in 2013
- Park Board restored the historic beach around the former Jericho Marginal Wharf (a remnant of a former Royal Canadian Air Force station)
- The restored Jericho Beach site includes a lookout with viewing binoculars, walking trails, seating, and interpretive signs to reflect the area's rich and varied history from First Nations settlement to a public beach park
- Funding sources included DCLs



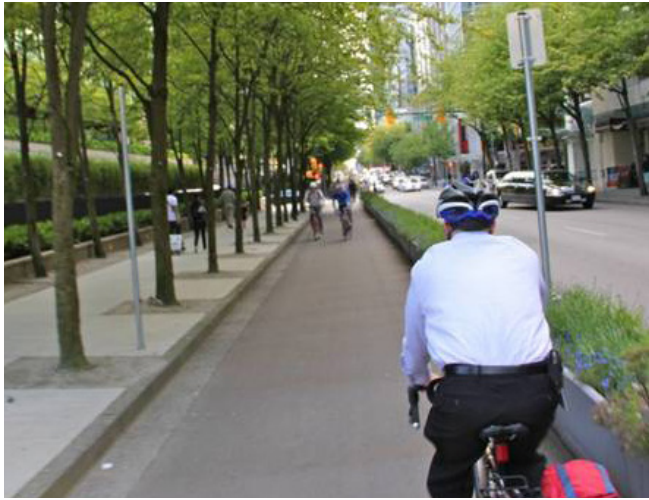
WOODWARDS SOCIAL HOUSING Downtown Vancouver

- Completed in 2010
- 200 units of non-market housing (75 units of family and 125 units for singles) incorporated into the Woodward's mixed-use redevelopment
- Funding sources included DCLs



DOUG STORY APARTMENTS Downtown Vancouver

- Completed in 2008
- 46 units of low cost housing
- Built alongside a mixed use residential/hotel development as an in-kind CAC offering



HORNBY SEPARATED BIKEWAY Downtown Vancouver

- Completed in 2010
- North/south bike connection through Downtown Vancouver connecting False Creek and Coal Harbour
- Funding sources included DCLs



CREEKSIDE COMMUNITY & CHILDCARE CENTRE Southeast False Creek

- Completed in 2010
- Full service community centre delivered as part of the new Olympic Village neighborhood
- 37-space childcare located on roof of building
- Built as an in-kind CAC offering with DCL funding



KENSINGTON LIBRARY East Vancouver

- Completed in 2009
- Space for a new Kensington Library provided as in-kind CAC offering from the development of a mixed-use development at the southeast corner of Kingsway, King Edward and Knight



EMERY BARNES PARK Downtown Vancouver

- Built over three phases, from 2003 to 2012
- 0.85 hectare park assembled over a 10 year period funded primarily from DCLs

Quick Fact: CAC priorities are shaped by feedback during a community planning process. Over the last three years, the City undertook this planning process in four neighbourhoods, involving more than 15,000 residents.

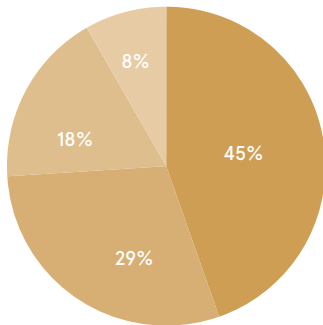
Quick Fact: Since 2004, the City has exempted/waived over \$36 million in DCL payments which helped to create over 2,300 units of social housing, 1,000 units of for-profit affordable rental housing, and assisted in preserving 10 heritage buildings.

How have development contributions been allocated?

On an annual basis, detailed annual reports are brought forward to Council outlining the contribution of DCLs, CACs, and Density Bonusing toward new and expanded public facilities and infrastructure in our city.

DCLs ALLOCATED

1992-2014



45%

Parks

29%

Housing

18%

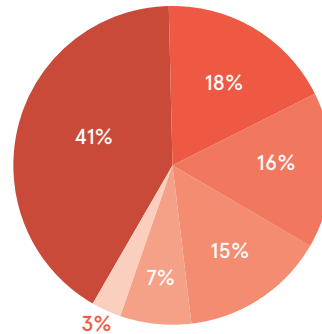
Engineering

8%

Childcare

CACs ALLOCATED

2010-2014



41%

Affordable Housing + 3,721 market rental units

18%

Community Facilities (Social, Cultural, Library)

16%

Heritage

15%

Parks & Open Space (includes Public Art)

7%

Childcare

3%

Transportation

Quick Fact: In 1992, the City implemented its first DCL district in Downtown South.

Quick Fact: All major Metro Vancouver municipalities use Development Cost Charges to help fund amenities and infrastructure.

Section 4

Building the City of Tomorrow



A growing city brings both challenges and opportunities. Vancouver has set high expectations for maintaining its enviable quality of life and livability in the face of continued growth. The City has set goals and priorities so that it can be a prosperous, sustainable, affordable, and inclusive place to live, play, work, do business, and visit.

Vancouver’s approach to development contributions is a key part of the city’s successes to date. While new development has impacts on the city, it also delivers significant benefits that add to Vancouver’s well-being.

By using an innovative mix of funding tools, applied under a common set of guiding principles, new development helps deliver the necessary community benefits, amenities and services to serve new residents, workers and visitors. Guided by community planning and city-wide policies, development contributions and tax-supported revenue combine to deliver on the City’s priorities.

Quick Fact: Rezoning approvals represent about three percent of overall building permits issued. The vast majority of new development is approved within existing zoning.

Quick Fact: Both DCL and CAC cash payments are deposited into designated reserve accounts that can only be spent on public benefits authorized by City Council.



Appendix

How Public Input, CACs and Affordable Housing Combine in the Rezoning and Development Approval Process

Rezoning Steps	Public Consultation and Engagement	CAC & Affordable Housing Considerations
1 – WRITTEN REZONING ENQUIRY		
Submitted to City.		May include an in-kind public benefit including an affordable housing proposal.
2 – PRE-APPLICATION REVIEW		
Assess proposal for consistency with applicable city-wide and or area policy. A formal response is provided indicating support (or not) and any additional considerations.	If supportable based on policy review, the developer may be required to hold a public meeting/ open house to gauge community support and identify possible issues before making a formal application.	Applicable CAC and/or affordable housing policy is identified.
3 – REZONING APPLICATION SUBMITTED		
Rezoning fee is paid.	Rezoning application signage erected on site. Notification letters sent to surrounding properties. Application posted on City website.	
4 – TECHNICAL REVIEW OF APPLICATION		
Planning review for land use policy and urban design. Technical review for traffic, parking, sustainability, servicing, etc.	City-wide and area policies reflect earlier public processes as well as Council direction.	If applicable, CAC evaluation begins, i.e., negotiated rezoning projects.
5 – FORMAL PUBLIC INPUT		
	Public open house(s) organized/ hosted by City staff. Input from Council’s advisory committees, Urban Design Panel, and stakeholder groups is sought. Written comments sought (website, mail).	Public comment is sought on the type of community benefits needed in neighbourhoods.



Rezoning Steps	Public Consultation and Engagement	CAC & Affordable Housing Considerations
6 – STAFF RECOMMENDATION		
<p>Staff compile all technical and public input and make recommendations for support/non-support and conditions for approval.</p>	<p>Public input is a key consideration in staff recommendation.</p>	<p>If applicable, CAC negotiations are concluded and a CAC offer is made.</p>
7 – COUNCIL REFERRAL		
<p>Report to Council with a recommendation to refer the application to a public hearing. Council decides if application gets referred to public hearing.</p>	<p>Public notification provided by City to all interested parties. Report is posted on City website in advance of hearing.</p>	<p>CAC and/or affordable housing are clearly identified in referral report, including an estimate of value, where available.</p>
8 – PUBLIC HEARING		
<p>After hearing from public, applicant and staff, Council decides on rezoning and conditions of approval including CAC offering (if applicable).</p>	<p>Council hears from all interested members of the public. Applicant may also make a presentation. Staff respond to questions.</p>	<p>All information about community benefits and CACs (where applicable) is provided.</p>
9 – REZONING CONDITIONS & BY-LAW ENACTMENT		
<p>Rezoning conditions include: legal agreements, site servicing, and CAC (if applicable). When conditions are met, Council enacts by-law.</p>	<p>If Council approves a rezoning in principle, there is no more public input into a rezoning.</p>	<p>CAC payment in-lieu is due prior to rezoning enactment. On-site CACs and affordable housing are typically delivered at project completion.</p>
10 – PROJECT DEVELOPMENT		
<p>Applicant can apply for development permit to approve design. A building permit is then required to allow construction.</p>	<p>Development permit signage erected on site. Notification letters sent to surrounding properties. Public comment is sought on building design and function. Large projects are approved by Development Permit Board where public comments can be heard.</p>	<p>On-site CACs, such as a childcare, and affordable housing are incorporated into building design. Community facility details, such as leases and operators, are established.</p>

**Comments and inquiries
concerning this publication
may be directed to:**

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