



## ADMINISTRATIVE REPORT

Report Date: November 14, 2017  
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Meeting Date: November 28, 2017

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: CAC Policy Update: Simplifying CACs on New Rental Housing and Commercial Development

### **RECOMMENDATION**

THAT Council amend the City-wide Community Amenity Contribution (CAC) Policy to streamline secured market rental and commercial rezoning applications, generally as presented in Appendix A, to:

- A. Exempt routine, lower density secured market rental rezoning applications from CACs provided that they align with the Secured Market Rental Housing Policy (2012), Rental Incentive Guidelines (2017) the criteria established in this report (Exhibit 2).
- B. Remove CAC negotiation on commercial-only rezoning in the Downtown, Rest of Metro Core, Grandview-Boundary Mixed Employment Area and South Vancouver Industrial Lands, except for applications proposing stratified commercial space and large site developments as per the Rezoning Policy for Sustainable Large Developments (2014),

AND,

Implement interim commercial linkage targets on net additional floor area for commercial-only rezoning applications in the Downtown and Rest of Metro Core areas (Exhibit 4).

- C. Implement Recommendations A and B to be effective upon Council approval.

- D. Direct staff to report back with an established set of commercial linkage targets following a review of anticipated growth, growth costs and development viability.
- E. Instruct staff to notify the development industry and affected stakeholders of any Council approved changes to the City-wide CAC Policy.

## **REPORT SUMMARY**

The proposed changes in this report are part of a broader initiative to update and simplify the City's development contribution system which includes DCLs, CACs, density bonusing and other mechanisms. The proposed changes will provide greater clarity and certainty on development contributions for rezoning applicants. The recommended changes will streamline the CAC process for both secured market rental and commercial-only rezoning applications to enable a majority of these project types to be brought to market sooner. The recommended change for secured market rental housing aligns with actions proposed in the Housing Vancouver Strategy (RTS 12153) which introduces new approaches, tools, and partnerships to ensure that the city can be a home to all incomes, households, and communities.

Recommendation A proposes to exempt routine, lower density secured market rental rezoning applications from CACs. This recommendation simplifies and speeds up the rezoning process for rezoning projects that comply with the City's Secured Market Rental Policy (2012) and Rental Incentive Guidelines (2017). This change is expected to apply to 80% of secured market rental rezoning applications (outside of Downtown). By exempting CACs and encouraging more market rental, developers receive greater cost certainty and avoid the process of having to negotiate CACs.

Recommendation B proposes to remove CAC negotiation on commercial-only rezoning applications, except for rezoning applications proposing stratified commercial space and large site developments as per the Rezoning Policy for Sustainable Large Developments (2014). The recommended change is aimed at simplifying the rezoning process, reducing the time spent in negotiations and making the CAC process more transparent and predictable. In the Downtown and Rest of Metro Core areas, the negotiated CAC process is proposed to be replaced with interim commercial linkage targets (see Exhibit 4). In the Grandview-Boundary Mixed Employment Area and in the South Vancouver Industrial Lands, CACs would be removed for all rezonings except large site developments that meet the Rezoning Policy for Sustainable Large Developments (2014).

Staff has reviewed the financial implications for the City as a result of the recommended changes to routine, lower density secured market rental rezoning applications and found no material impact. The proposed introduction of commercial linkage targets (in lieu of negotiated CACs) for commercial-only rezonings, is expected to generate ~\$3.0 million per year in revenue. This revenue will help provide childcare spaces and affordable housing to support new workers in the Metro Core area.

The recommendations in this report represent Part One of the City-wide CAC Policy Update. In the first half of 2018, staff will report back with more comprehensive and

substantial updates to City-wide CAC Policy. This report back will include a review and update to all parts of the CAC policy, including the CAC Allocation guidelines, the timing of CAC payments, and any updates to the Interim Target CACs.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

- Civic Child Care Strategy (1990)
- City-wide Financing Growth Policy (2004)
- Community Amenity Contributions Through Rezoning Policy (1999, 2016)
- Vancouver Economic Action Strategy (2011)
- Secured Market Rental Housing Policy (2012)
- Rezoning Policy for Sustainable Large Developments (2014)
- City-wide Development Cost Levy Update (2017)
- Rental Incentive Guidelines (2017)

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager, the General Manager of Planning and Development Services, the General Manager of Real Estate and Facilities Management, and the Director of Finance recommend approval of the foregoing.

The proposed changes in this report are part of a broader initiative to update and simplify the City's development contribution system which include DCLs, CACs, density bonusing and other mechanisms, and align with Council's desire, where possible, to simplify and streamline the CAC process for rezoning applications. The proposed changes align with actions proposed in the Housing Vancouver Strategy (RTS 12153) which introduces new approaches, tools, and partnerships to ensure that our City can be a home to all incomes, households, and communities.

In 2014, new provincial guidelines for CACs were provided to local governments. In light of the new CAC guidelines, the City's existing and emerging CAC policies and practices underwent a comprehensive internal review. The review concluded that the City's approach to CACs is generally consistent with the best practices recommended in the guide. The provincial guidelines recommend decreasing the reliance on negotiated CACs, and increasing the use of CAC targets and density bonus provisions. Since 2014, the City has implemented a number of new CAC target areas where rezoning policies apply. In addition, a number of new Density Bonus Zones with pre-set 'amenity share' contributions have been implemented to reduce reliance on rezoning policies providing more clarity and certainty for new development.

The recommendations provided in this report further the City's actions to address the provincial guidelines; first, by reducing CAC negotiations for most secured market rental and commercial rezoning applications, and second by implementing commercial linkage targets for commercial rezoning applications in lieu of negotiated CACs. The recommendations also address many of the development industry concerns around negotiations on rezoning

applications that have little potential to result in a CAC. The proposed changes offer a more transparent, predictable process around rezoning applications and CACs, and are intended to encourage the delivery of secured market rental housing and commercial projects.

## ***REPORT***

### ***Background/Context***

This report recommends amendments to City-wide Community Amenity Contribution (CAC) policy. This is part of an ongoing initiative to streamline and simplify the City's development contribution process. This report and the proposed recommendations represent part one of a two-step update to City-wide CAC Policy. In the first half of 2018, staff will report back to Council with a more comprehensive update to City-wide CAC Policy, including CAC allocation guidelines, timing of CAC payments, and an update to Target CAC areas).

Current City-wide CAC policy requires that all rezoning applications for secured market rental housing and commercial development be reviewed to determine if there is a potential for a CAC. To comply, all rezoning applicants must submit to the City a development pro-forma detailing all anticipated costs and sales revenue. The pro-forma is then reviewed by the City to determine the value as a result of rezoning as well as the impact of such rezoning on public amenity and infrastructure requirements. The City and the developer then negotiate the CAC. The negotiated CAC process can add time to the overall rezoning application process.

In recent conversations with the Urban Development Institute (UDI) and the National Association of Industrial and Office Properties (NAIOP), it has been suggested that the City review the practice of negotiating CACs on rental housing and commercial rezonings. Developers of rental housing are concerned that pro-forma reviews on many market rental housing rezonings slow the application process unnecessarily. Additionally market rental developers have suggested that the provision of secured market rental be considered the public benefit.

Commercial developers are also concerned about the potential impact that CACs have on development viability, and assert that the negotiated CAC process is time consuming, uncertain, results in delays, and lacks transparency. Commercial developers have asked for a more transparent, predictable process that encourages long-term momentum of office development in the city.

The City's Secured Market Rental Housing Policy (2012) and Rental Incentive Guidelines (2017) contain policies to encourage new purpose-built market rental housing. The policy applies to projects where 100% of the residential floor space is non-stratified rental housing. Since the program was launched in 2012, over 7,000 secured market rental units have been approved. The introduction of this policy has resulted in increased supply of secure market rental housing. Additionally, a number of other incentives have also been implemented by the City to create purpose-built rental housing. Some of the incentives are: allowing additional density, reducing parking requirements, waivers to the Development Cost Levy (DCL), relaxations on minimum units size, and faster processing of applications.

### ***Strategic Analysis***

This section of the report details the recommendations contained in this report.

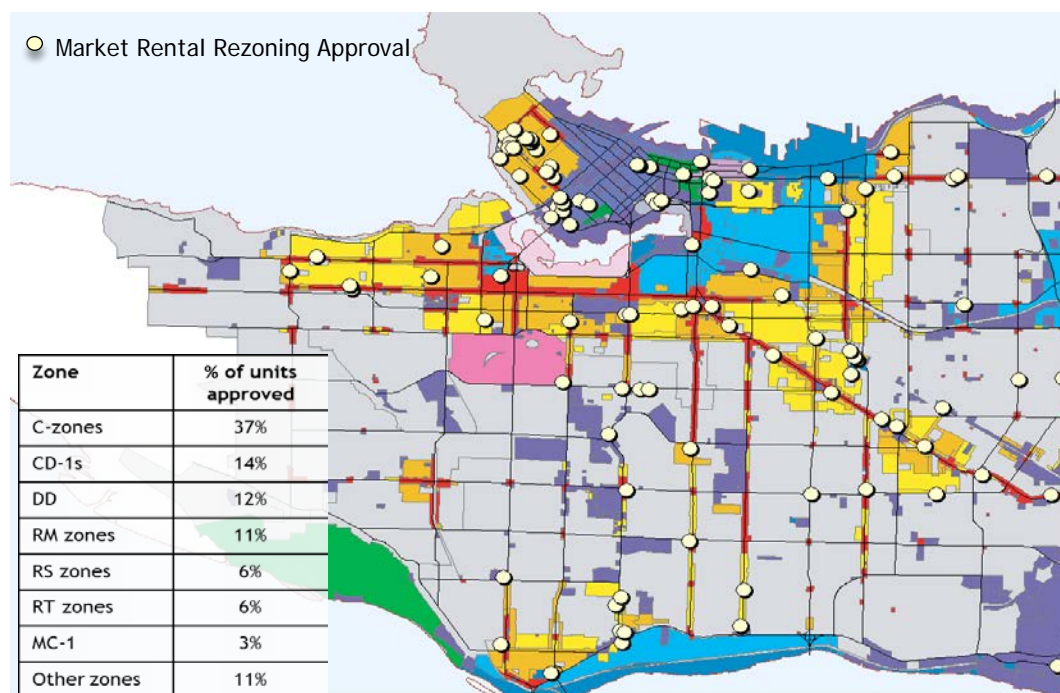
**Recommendation A: Exempt routine, lower density secured market rental rezoning applications from CACs provided that they align with the Secured Market Rental Housing Policy (2012), Rental Incentive Guidelines (2017) the criteria established in this report (Exhibit 2).**

Recommendation A responds to Council direction aimed at simplifying and streamlining the CAC process for secured market rental projects that comply with the City's Secured Market Rental Housing Policy (2012) and Rental Incentive Guidelines (2017). The proposed CAC exemption is expected to apply to 80% of secured market rental rezoning applications (outside of Downtown) enabling these applications to proceed through the rezoning process without a CAC.

After an extensive review of past secured market rental rezoning approvals, staff recommend that routine, lower density rental rezoning applications, which make up the majority of rental rezoning applications, be exempt from a CAC, while the larger and more complex rental projects, be subject to CACs with a priority for on-site affordability in lieu of cash CAC or other in-kind benefits where appropriate.

Since 2011, 93 rental rezoning applications were approved. Staff reviewed all of these approvals and in every instance except for 3, the City determined that no CAC was required (over and above the delivery of secured rental as a public benefit). These secured market rental rezoning approvals were located throughout the city (see Exhibit 1) with the highest concentration along commercial arterials (C-zones), followed by CD-1 zones, the Downtown District (DD), RM zones, RS zones (one family dwelling districts) and RT zones (two-family dwelling districts).

**Exhibit 1: Market Rental Rezoning Approvals (2011 - 2017)**



Upon review of past secured market rental rezoning approvals, most projects were found to be similar in height and scale and could be considered more "routine" in nature because they were consistent with the additional density guidelines set out in the City's Rental Incentive

Guidelines (2017) - generally 6 storeys or less and located in C zones, MC zones, RM zones or 12 storeys or less in the C-3A zone. Rental rezoning approvals in the RS and RT zones were considered through recently approved area plans (e.g. Cambie Corridor). Rental rezonings approved in the Downtown District were found to be variable in height with many reaching tower heights. Two downtown rental rezoning applications generated a CAC.

It is recommended that the CAC process be streamlined so that routine, lower density rental rezoning applications (outside the Downtown) be exempt from CACs. This approach would enable a majority of rental rezoning projects to proceed without a CAC and free rezoning applications from participating in the City's negotiated CAC process while also having the added benefit of allowing staff more time to work on complex, larger rezoning applications. Secured market rental rezoning applications that are larger and more complex in nature will continue to be administered through a negotiated CAC process as there is a greater potential for these projects to offer CACs to support the delivery of public amenities and infrastructure to address the impact of rezoning. Where a CAC is determined to be appropriate on large/complex rental rezonings, the priority is to secure on-site enhanced affordability over cash-in-lieu CAC or other in-kind public benefits where appropriate.

## Exhibit 2: CAC Exemption for Routine, Lower Density Secured Market Rental Rezoning Applications

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

### Notes:

(1) This table provides guidelines around the requirement for a CAC. It is not a policy to allow rezoning for secured market rental in different areas of the city. Rezoning applications seeking additional height and density will need to refer to *Secured Market Housing Policy (May 2012)*, *Rental Incentive Guidelines (2017)*, as well as any other Council approved policies and guidelines that apply.

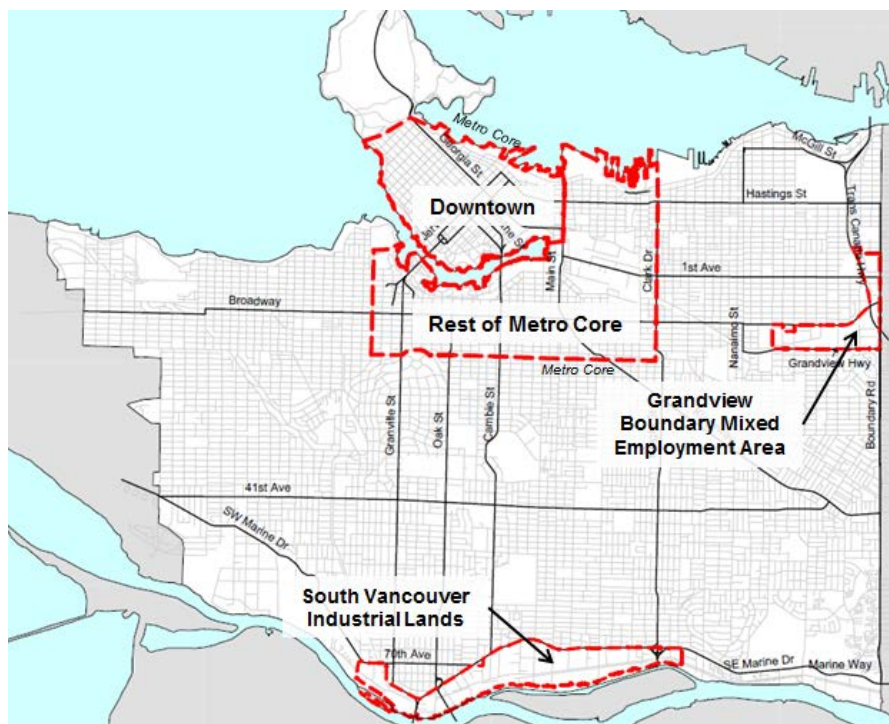
(2) Projects seeking the DCL waiver will need to meet the requirements for the waiver as set out in the DCL by-law; including maximum starting rents and construction costs.

(3) Excludes the Oakridge Municipal Town Centre area in the Cambie Corridor

**Recommendation B: Remove CAC negotiation on commercial-only rezoning in the Downtown, Rest of Metro Core, Grandview-Boundary Mixed Employment Area and South Vancouver Industrial Lands, except for rezoning applications proposing stratified commercial space and large site developments as per the Rezoning Policy for Sustainable Large Developments (2014), and implement interim commercial linkage targets on net additional floor area for commercial-only rezoning applications in the Downtown and Rest of Metro Core areas.**

Recommendation B responds to Council direction aimed at simplifying and speeding up the rezoning and CAC process for commercial-only rezoning applications. It also responds to commercial development concerns for a more transparent, predictable CAC process. The recommended policy exempts commercial-only rezoning applications in the Metro Core area from site-by-site CAC negotiations and introduces interim commercial linkage targets in the Metro Core area (except for rezoning applications proposing stratified commercial space). For commercial-only rezoning applications in the Grandview-Boundary and South Vancouver Industrial Lands, CACs would be removed for all projects except for large developments<sup>1</sup> (see Exhibit 3).

**Exhibit 3: Commercial-only Rezoning and Employment Areas Affected by CAC Policy Amendment**



The City of San Francisco developed a [jobs-housing linkage program](#) in 2015 to recover a share of growth-related costs to new commercial development and the need for workforce-related affordable housing. The revenues generated by San Francisco's linkage fee are used to help fund the development of affordable housing opportunities.

<sup>1</sup> Large developments are defined as sites measuring 8,000 m<sup>2</sup> (1.98 acres) or more, or projects containing 45,000 m<sup>2</sup> (484,375 sq. ft.) or more of new development floor area (Rezoning Policy for Sustainable Large Developments, 2014)



In Vancouver, the introduction of **commercial linkage targets** is intended to correlate the impact of additional commercial space on workforce-related childcare spaces and affordable housing. The City-wide DCL review (approved by Council in July 2017) included a comprehensive city-wide review of growth costs between 2017-2026 and revealed a funding gap of \$100M for childcare & \$130M for affordable housing. The same study revealed that approximately 9 million sq.ft. of new commercial floorspace is anticipated city-wide by 2026. Over the next 10 years, Downtown Vancouver is expected to have 16,000 more jobs, the Rest of the Metro Core area will have 13,500 more jobs and the Grandview Boundary/South Vancouver Industrial Lands will have 3,000 more jobs.

Commercial linkage targets are to be applied as \$/sq.ft. rates on net additional floor area for commercial-only rezoning applications in the Downtown and Rest of Metro Core areas. Revenue collected from commercial linkage targets would be allocated for childcare and affordable housing to support new workers in and around these areas. The linkage program replaces the need for CAC negotiations. The initial proposed targets have been set using CAC comparables from recent negotiated CACs and from amenity share rates in existing density bonus zones, but will be refined in early 2018 as the City will be engaging an independent third-party consulting firm to review commercial linkage targets, market impacts, project viability, with a possibility of resetting the target rates if warranted.

Staff reviewed all commercial-only CACs negotiated since 2011 as well as amenity share rates in commercial density bonus zones and used those as benchmarks in setting interim commercial linkage targets, recognizing that more thorough economic testing and public benefits review is needed to justify and calibrate the commercial linkage targets. Exhibit 4 outlines the recommended interim commercial linkage targets.

**Exhibit 4: Interim Commercial Linkage Targets for Commercial-only Rezoning (excludes rezoning applications with stratified commercial space)**

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

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

Commercial-only rezoning applications on large development sites would still be subject to CAC negotiation because these types of projects occur on increasingly rare large development sites that have the potential to generate thousands of jobs, and have an ability to accommodate in-kind public benefits (e.g. childcare) that benefit and serve new employees.



City childcare policy seeks to achieve childcare facilities from large site rezonings, particularly where sufficient demand is created from new employees to warrant a childcare centre. This policy is supported by the Vancouver Economic Action Strategy Target 3A which advocates enhancing the availability of childcare to attract, retain and support talent. The linkage program is applicable to rezoning applications that are commercial-only, which may include office, retail, hotel, mixed employment and industrial uses). Rezoning applications proposing stratified commercial space are subject to the negotiated CAC approach because these types of projects have entirely different project economics compared with commercial lease projects. While the commercial linkage program is not applicable on mixed residential/commercial rezoning applications, it may be used to benchmark the CAC expectation on commercial components of mixed-use projects.

## Implementation

If approved, the recommendations in the report would take effect upon Council approval. New rezoning applications submitted after Council amendment would be subject to new CAC criteria for screening secured market rental projects. New commercial-only rezoning applications submitted after Council amendment of this policy would be subject to the new interim commercial linkage targets. Rezoning applications submitted prior the policy change may continue to be processed under the negotiated CAC approach.

## Industry Consultation

The following steps were taken to notify stakeholders of the recommended changes:

- On October 10, 2017, the Urban Development Institute was notified of the intended policy amendment at a UDI Liaison meeting.
- On October 23, 2017, emails and letters were sent to the Urban Development Institute and the National Association of Industrial and Commercial Properties describing the proposed changes.
- On November 7, 2017, emails and letters were sent to the Urban Development Institute and the National Association of Industrial and Commercial Properties providing details on the proposed staff recommendations and outlining the proposed commercial linkage targets.
- On November 21, 2017, the Urban Development Institute was provided with further explanation of the intended policy amendment at a UDI Liaison meeting.
- The week prior to this report going before City Council, City Clerks distributed a link to this Council report.

At the time of writing this report, staff received no comment or concern from development industry stakeholders regarding the proposed recommendations found in this report. Staff note that while it did not receive any letters from stakeholders, commentary posted on the [NAIOP Vancouver website](#) states that the proposed commercial linkage targets will significantly improve transparency, simplify approvals and expedite the rezoning process for its membership (see Exhibit 5).

**Exhibit 5: NAIOP Vancouver website (November 15, 2017)****OFFICE CACs**

In 2015, NAIOP Vancouver spearheaded discussions with the City of Vancouver regarding the CAC contributions for large scale office projects. The existing process is time consuming, lacks transparency and is not predictable. In NAIOP's opinion, the current system restricts office supply as it acts as a deterrent to investment in office development within the City of Vancouver. To support this point, we commissioned a study by Altus to determine the economic impact of a new office building in Vancouver. The report found that a typical downtown office project generates (during the initial construction and the first 10 years of operations) approximately \$180M in direct economic activity and \$29M in property tax. Any delay in delivery or restriction in the supply of new office space only serves to delay these benefits and encourage tenants to look to other markets where their new space requirements can be addressed in a timely manner.

This spring, our advocacy work paid off. The City of Vancouver advised us that they would present a revised CAC policy to Council for consideration this fall. On November 28th, Planning Staff will present Council with a revision to the CAC Policy that will replace the site by site CAC negotiations for office development with a 'linkage fee'. This change, if implemented properly, will significantly improve transparency, simplify approvals and expedite the rezoning process for our membership. At this time, we would like to thank the Planning Staff and Council for talking the time to consider NAIOP's perspective and working with us to find a solution that improves the City as a whole.

***Implications/Related Issues/Risk******Financial***

Development contributions such as DCLs, CACs and Density Bonus Contributions are the primary funding source for public amenities and infrastructure necessary to support growth, thereby reducing the impact on property taxes and other City funding sources. In particular, CACs play a significant role in addressing the impacts of rezoning and land use intensification. CACs are provided both in-kind and as cash contributions.

The proposed CAC exemption for routine, lower density secured market rental rezoning applications is not expected to have any material financial impact for the City, as 90 of 93 rental rezoning approvals since 2011 delivered no CACs beyond the secured rental housing as a public benefit. All non-routine, complex rental rezonings will continue to require CAC negotiation, with the priority of securing enhanced affordability onsite over cash CACs or other in-kind amenities where appropriate. Staff will review the application of this policy on an ongoing basis and recommend adjustments for Council consideration where appropriate.

The proposed interim ***commercial linkage targets*** for commercial-only rezonings are intended to address the impact of additional commercial space on workforce-related childcare spaces and affordable housing. The proposed targets (in lieu of negotiated CACs), anticipated to be ~\$3.0 million per year assuming commercial development activity remains steady, will be allocated to childcare and affordable housing to support new jobs in and around the Downtown and Rest of Metro Core areas. The proposed targets are set based on recent CAC comparables and current amenity share rates within commercial density bonus zones. The City will be engaging an independent consulting firm to review commercial linkage

targets considering market impacts and project viability, and will report back to Council should target rates need to be refined and adjusted.

## ***CONCLUSION***

The proposed changes in this report are part of a broader initiative to update and simplify the City's development contribution system which include DCLs, CACs, density bonusing and other mechanisms, and align with Council's desire, where possible, to simplify and streamline the CAC process for rezoning applicants. The proposed changes also align with actions proposed in the Housing Vancouver Strategy (RTS 12153) which introduces new approaches, tools, and partnerships to ensure our city can be a home to all incomes, households, and communities.

The recommendations provided in this report further the City's actions in complying with the Provincial CAC Guidelines by eliminating negotiations and CAC review for a significant share of rental and commercial rezoning applications and also by implementing interim commercial linkage targets for commercial rezoning applications in-lieu of negotiated CACs. The recommendations also satisfy many of the development industry concerns offering a more transparent, predictable process around rezoning applications and CACs, allowing developers to bring rental housing and commercial projects to the market sooner.

\* \* \* \* \*

## COMMUNITY AMENITY CONTRIBUTIONS - THROUGH REZONINGS

*Adopted by City Council on January 20, 1999*

*Amended June 24, 2003, February 12, 2004, June 15, 2006, May 9, 2011, May 29, 2013, June 17, 2013, September 24, 2013, April 29, 2014 and September 23, 2014, May 31, 2016, July 26, 2016, July 28, 2016, November 28, 2017*

### UPDATES:

#### **New Policy for Simplifying Market Rental Housing and Commercial Rezoning Applications (effective November 28, 2017)**

On November 28, 2017, City Council approved a CAC policy amendment that exempts CACs on routine, lower density secured market rental rezoning applications that align with the Secured Market Rental Housing Policy (2012) and Rental Incentive Guidelines (2017). For commercial-only rezoning applications, Council removed the requirement for CAC negotiation in the Downtown and Rest of Metro Core areas and replaced it with interim commercial linkage targets. In the Grandview-Boundary and South Vancouver Industrial Lands, the requirement for a CAC was removed except for large site developments as per the Rezoning Policy for Sustainable Large Developments (2014). Any commercial-only rezoning application proposing stratified commercial space will be processed under the negotiated CAC approach. These CAC policy changes take effect on November 28<sup>th</sup> and will be applied to all new rezoning applications received after that date.

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The following information has been extracted from the following sources: *Financing Growth Paying for City Facilities to Serve a Growing Population: The Role of City-wide Charges on New Development* (approved by Council in 2004) and policy for a variety of area specific CAC policies.

For more information visit [vancouver.ca/financegrowth](http://vancouver.ca/financegrowth) or contact the Financing Growth Planner at [financegrowth@vancouver.ca](mailto:financegrowth@vancouver.ca).

<http://former.vancouver.ca/commsvcs/planning/financinggrowth/pdf/fgchoices.pdf>

<http://former.vancouver.ca/commsvcs/planning/financinggrowth/pbs.htm>.

## 1 Application and Intent

Community Amenity Contribution (CAC) policies apply to private rezoning applications. Community amenities may be provided through rezonings, to help address growth costs, area deficiencies, and/or other community needs and impacts. CACs may be a cash contribution, or an amenity provided in-kind by the development. CACs are generally for capital facilities.

### 1.1 Rezoning Context

Rezoning applications are evaluated in the context of a wide range of public objectives, including land use, urban design, livability, public benefits, and engineering infrastructure and traffic impacts.

If you are unsure of how the CAC policies will apply to your rezoning, please discuss with the staff handling your rezoning inquiry.

### 1.2 Relationship to Development Cost Levies (DCLs)

CACs are in addition to Development Cost Levies (DCLs), in areas where DCLs apply. DCLs are specifically for growth costs for the following types of capital projects: parks, daycare, replacement housing (social/non-profit), transportation and utilities, as provided for in each DCL area. If CACs provide for a type of capital project that can also be funded by DCLs, this should be on prior approval of City Council and cannot be in lieu of payment of DCLs. (CACs may also provide for facilities that are not eligible for DCLs and/or they may help bridge the gap between what the DCL pays for and full cost recovery.) For more information on DCLs, see Information Bulletin: Development Cost Levies.

<http://vancouver.ca/home-property-development/development-cost-levies.aspx>.

### 1.3 Timing of Payment

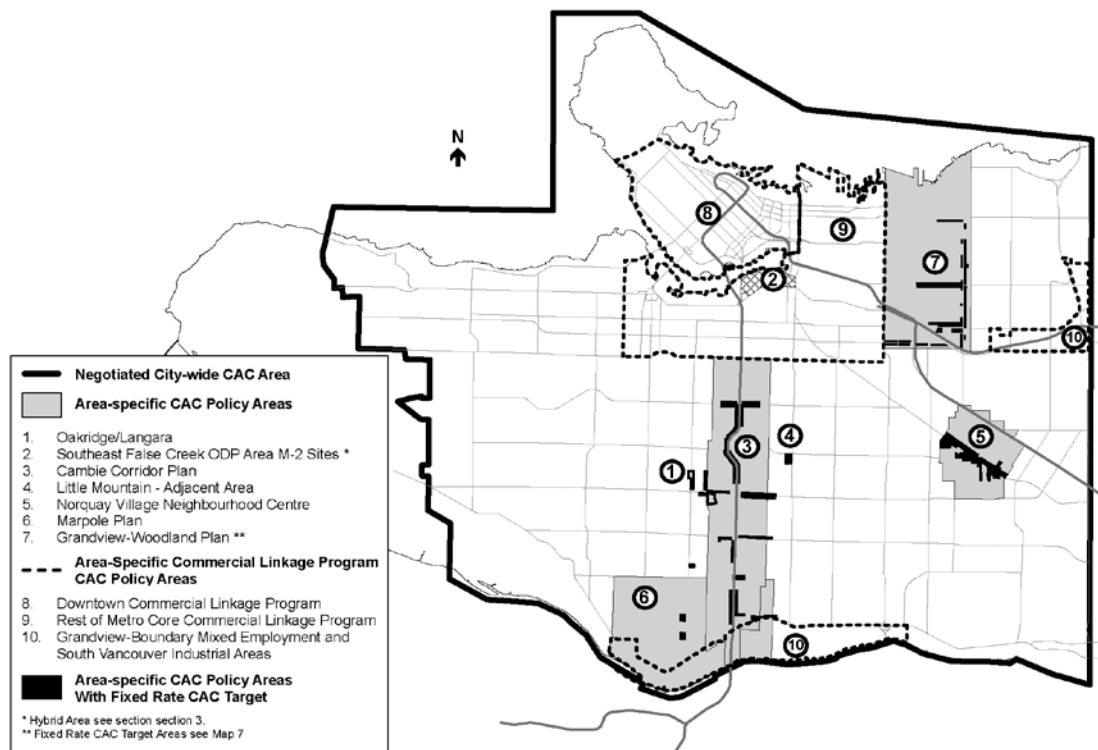
CACs are identified as prior-to conditions of rezoning enactment. Cash CACs are payable prior to rezoning enactment.

## 1.4 CAC Policy Areas

There are two types of CAC policy areas in Vancouver:

1. **City-Wide CAC Area (Negotiated):** Applies to most of the city, as shown in white on Map 1. For all rezonings in the City-wide CAC area, the CAC is determined through a negotiated approach.
2. **Area-Specific Policies (CAC Target and/or Negotiated):** Applies to areas with area-specific CAC and/or public benefit policies. These areas are numbered 1 through 10 on Map 1. For all rezonings in the Area-Specific CAC Policies, the CAC is determined through a CAC target and/or negotiated approach. The policies are described in Section 4.

Map 1 - CAC Policy Areas





## 2 Exemptions from CACs

- A. ***Rezoning*** *where there is no increase in total floor space and there is no residential.*

Note: This is one type of change of use rezoning (i.e., no increase in total floor space). Other types, as described above, do have CACs: commercial to residential rezonings, or for industrial to residential.

- B. ***Neighbourhood Housing Demonstration Projects*** as defined in City policy. (See *Land Use and Development Policies and Guidelines: CityPlan Rezoning Policy - Before and During Neighbourhood Visioning*, <http://former.vancouver.ca/commsvcs/guidelines/C022.pdf> - policy #6.)
- C. ***Social housing*** (subject to meeting DCL By-law definitions).
- D. ***Heritage***: Floor areas or bonus areas related to heritage preservation. This includes new floor space within a heritage building envelope (e.g., basement areas, mezzanines, etc.), and all heritage bonus space used on-site, transferred, or banked.
- E. ***Public schools*** (K-12).
- F. ***Community facility*** rezoning to the degree that the facility is: providing City-related social and/or cultural services; operated by a non-profit society; open and accessible to all; accepted by City Council as a Community Amenity; and secured through a legal agreement and/or City land ownership.
- G. ***Places of worship*** that are tax exempt (other uses on the property, e.g., residential, are not CAC exempt).

- H. ***Routine, lower density secured market rental rezoning applications:*** Secured market rental rezonings that meet the criteria below are not subject to a CAC. Eligible rezonings must comply with City of Vancouver's Secured Market Housing Policy (May 2012) and Rental Incentive Guidelines (2017) as well as any other Council approved policies and guidelines that may apply.

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

**Notes:**

- (1) This table provides guidelines around the requirement for CAC review. For direction on land use, refer to *Secured Market Housing Policy (May 2012)* and *Rental Incentive Guidelines (2017)* and other Council approved policies and guidelines.
- (2) Construction cost review still required for projects applying for a DCL waiver to for review of construction costs and DCL by-law requirement.
- (3) Excludes the Oakridge Municipal Town Centre area in the Cambie Corridor

### 3 Process for Determining Specific Amenities

The specific amenity to be provided, which must be approved by City Council, is determined by staff based the following guidelines. The CAC should be:

1. located in the community in which the rezoning takes place and/or serve the site;
2. growth-related, or meet past deficiencies or other community priorities;
3. operationally viable - i.e. long-term operating and maintenance costs are supportable;
4. within City servicing standards - i.e. a type of service normally provided or supported by the City and at a service level supported by City policy;
5. identified through an assessment of:
  - (a) the full range of City services and of the adequacy of existing City amenities in the area;
  - (b) opportunities to meet needs;
  - (c) City plans and policies;

- (d) the cost to provide the amenities;
- (e) community input obtained during the rezoning and through community plans or Visions, and/or city-wide plans and policies; and,
- (f) for negotiated rezonings, the development economics of the donor project.

If there is unallocated CAC cash, it is set aside in the CAC reserve account to be spent at a later date. This spending is also subject to the guidelines above, including Council approval.

**More Information:** The policies on City-wide CACs reflect Council decisions following consideration of options in *Financing Growth - Paying for City Facilities to Serve a Growing Population: The Role of City-wide Charges on New Development*.  
<http://former.vancouver.ca/commsvcs/planning/financinggrowth/pdf/fgchoices.pdf>

#### 4 Area-Specific CAC Policies

Area-specific CAC policies with a CAC Target (black areas shown on Map 1) as well as Commercial Linkage Targets are shown in Table 2. New inflation adjusted CAC targets came into effect on September 30, 2017. In order to ensure fairness to rezoning applications that have been submitted prior to the adoption of new inflation adjusted CAC targets, in-stream rezoning applications are exempt from CAC target increases provided that a rezoning application has been submitted to the City and a rezoning application fee has been paid.

**Table 2: CAC Targets within Area Specific CAC Policies**

Refer to Map 1 and Area Specific CAC policies in Table 3

| CAC Target Area  | CAC Targets<br>(effective Sept. 30, 2017)<br>(\$/sf, applied on net additional density) |
|--|---|
| Southeast False Creek  | \$172.40/m <sup>2</sup><br>(\$16.02/sf)   |
| Cambie Corridor  | \$733.90 /m <sup>2</sup><br>(\$68.18/sf)  |
| Little Mountain Adjacent   | \$306.90 /m <sup>2</sup><br>(\$28.51/sf)  |
| Norquay (Kingsway C-2)   | \$133.44 /m <sup>2</sup><br>(\$12.40/sf)  |
| Marpole  | \$716.33 /m <sup>2</sup><br>(\$66.55/sf)  |
| Grandview-Woodland: Nanaimo St/East 12th Ave shopping nodes  | \$722.57 /m <sup>2</sup><br>(\$67.13/sf)  |
| Grandview-Woodland: Mid-rise Multi-family sub-areas  | \$240.86 /m <sup>2</sup><br>(\$22.38/sf)  |
| Grandview-Woodland: Lower Density Townhouse/Multi-family sub-areas                                   | \$36.13 /m <sup>2</sup><br>(\$3.36/sf)  |
| Downtown Commercial Linkage Target<br>(target rate applicable to 100% commercial projects)           | \$161.46/ m <sup>2</sup><br>(\$15.00/sf)  |
| Rest of Metro Core Commercial Linkage Target<br>(target rate applicable to 100% commercial projects) | \$107.64 / m <sup>2</sup><br>(\$10.00/sf)   |

Note: CAC targets are applied on the net additional density permitted through rezoning.

Area-specific CAC policies (grey areas on Map 1) as well as Commercial Linkage Areas (dotted line in Map 1) are shown in Table 3. These areas have their own area-specific CAC policies.

If there are future rezoning applications that depart from what was anticipated by these area-specific plans and policies, an appropriate CAC will be determined as part of the rezoning process.

**Table 3: Area-Specific CAC Policies**

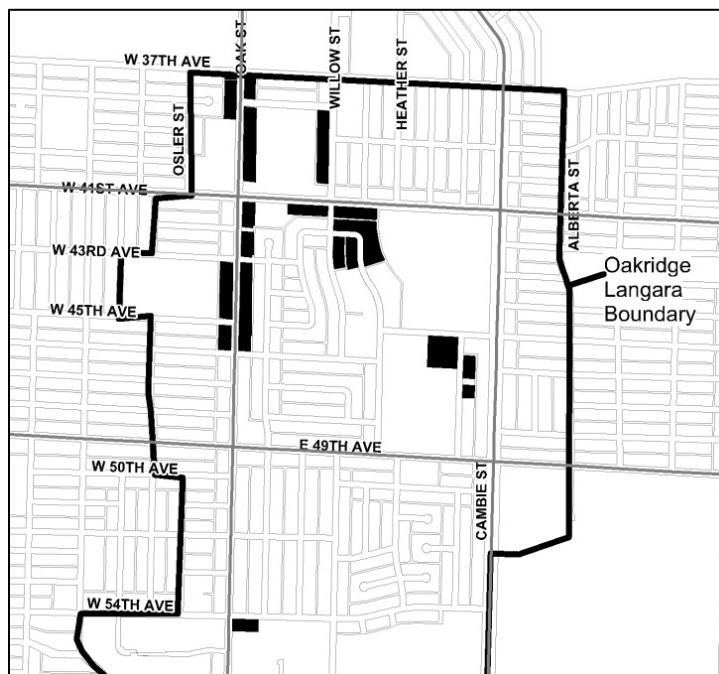
| Area # (on map) | Area                             | Area Policy   |
|-----------------|----------------------------------|---|
| 1               | Oakridge/<br>Langara             | CAC Policies described in <i>Information Bulletin: Oakridge Langara Density Policy- Community Amenity Contributions</i> .<br><a href="http://former.vancouver.ca/commsvcs/planning/infobul4.pdf">http://former.vancouver.ca/commsvcs/planning/infobul4.pdf</a>  |
| 2               | Southeast False<br>Creek         | Area-specific CAC target applies. CAC policy for cash or in-kind CAC. CAC target for private M-2 sites. CAC to be used for affordable housing. See <i>South East False Creek Public Benefit Strategy</i> . (Adopted June 15, 2006). See Table 1 for CAC target.<br><a href="http://council.vancouver.ca/20060615/documents/pe7.pdf">http://council.vancouver.ca/20060615/documents/pe7.pdf</a>  |
| 3               | Cambie<br>Corridor               | Area specific CAC target applies. CAC target for all 4-and 6-storey multiple dwelling rezoning proposals in the Cambie Corridor Plan, Phase 2 area. All other Cambie Corridor Phase 2 sites will be negotiated on a case-by-case basis as part of rezoning applications. See Section 11 of <i>Cambie Corridor Plan</i> (approved by Council on May 9, 2011). See Table 1 for CAC target.<br><a href="http://vancouver.ca/home-property-development/cambie-corridor-plan.aspx">http://vancouver.ca/home-property-development/cambie-corridor-plan.aspx</a> |
| 4               | Little Mountain<br>Adjacent Area | Area specific CAC target applies. CAC policy for cash or in-kind CAC equivalent for low to mid-rise apartments. See Table 1 for CAC target. For details see<br><a href="http://council.vancouver.ca/20130213/documents/ptec2.pdf">http://council.vancouver.ca/20130213/documents/ptec2.pdf</a><br>(adopted February 13, 2013)   |

|    |  |  |
|----|--|--|
| 5  | Norquay Village Neighbourhood Centre                                     | Area specific CAC target applies. A CAC target for sites within the Kingsway Rezoning Policy Area. CACs for all sites within the Neighbourhood Centre boundaries which are 1.0 acre or more are to be negotiated at the time of rezoning. See Table 1 for CAC target. See <i>Norquay Village Neighbourhood Centre Plan Implementation - Public Benefits Strategy and Apartment Transition Area Rezoning Policy</i> , <a href="http://council.vancouver.ca/20130516/documents/cfsc1.pdf">http://council.vancouver.ca/20130516/documents/cfsc1.pdf</a> (approved by Council on May 16, 2013) |
| 6  | Marpole  | Area specific CAC target applies. CAC target for 6-storey residential-only rezoning proposals in the Marpole Community Plan area. All other Marpole rezoning proposals will be negotiated on a case-by-case basis as part of rezoning applications. See Table 1 for CAC target. See Chapter 18 of the Marpole Community Plan <a href="http://council.vancouver.ca/20140402/documents/ptec6-optimized.pdf">http://council.vancouver.ca/20140402/documents/ptec6-optimized.pdf</a> (adopted April 2, 2014)   |
| 7  | Grandview-Woodland   | Three CAC Targets apply:<br>Nanaimo Street/East 12th Avenue shopping nodes;<br>Mid-rise Multi-family sub-areas;<br>Lower Density Townhouse/Multi-family sub-areas. See Table 1 for CAC Target rates. See Chapter 17 of Grandview-Woodland Community Plan <a href="http://vancouver.ca/files/cov/grandview-woodland-community-plan.pdf">http://vancouver.ca/files/cov/grandview-woodland-community-plan.pdf</a> (adopted July 28, 2016)   |
| 8  | Downtown Commercial Linkage Program                                      | A set \$/sf target rate applied to 100% commercial rezonings in Downtown Vancouver. Linkage program provides a direct correlation between rezoning for additional commercial space and increased need for childcare and affordable housing. Rezoning applications proposing stratified commercial space will be processed using a negotiated CAC.  |
| 9  | Rest of Metro Core Commercial Linkage Program                            | A set \$/sf target rate applied to 100% commercial rezonings in the Rest of Metro Core area. Linkage program provides a direct correlation between rezoning for additional commercial space and increased need for childcare and affordable housing. Rezoning applications proposing stratified commercial space will be processed using a negotiated CAC.   |
| 10 | Grandview-Boundary Mixed Employment and South Vancouver Industrial Areas | All commercial-only rezonings that are not deemed large developments are not required to make CAC payments. Large developments will be processed under a negotiated CAC. The City will seek to achieve childcare facilities from large development rezonings, particularly where sufficient demand is created from new employees to warrant a childcare centre. Rezoning applications proposing stratified commercial space will be processed using a negotiated CAC.  |

*Detailed boundaries (see Area maps below):*

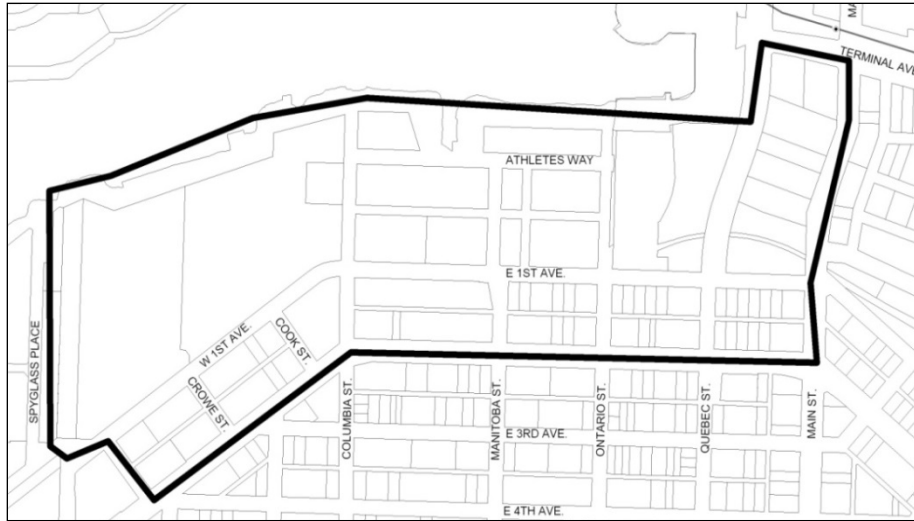
- Area 1: Oakridge/Langara
- Area 2: Southeast False Creek
- Area 3: Cambie Corridor
- Area 4: Little Mountain Adjacent Area
- Area 5: Norquay Village Neighbourhood Centre.
- Area 6: Marpole
- Area 7: Grandview Woodland
- Area 8/9/10: Downtown, Rest of Metro Core, Outside Metro Core Commercial Rezoning

**1. Oakridge/Langara**





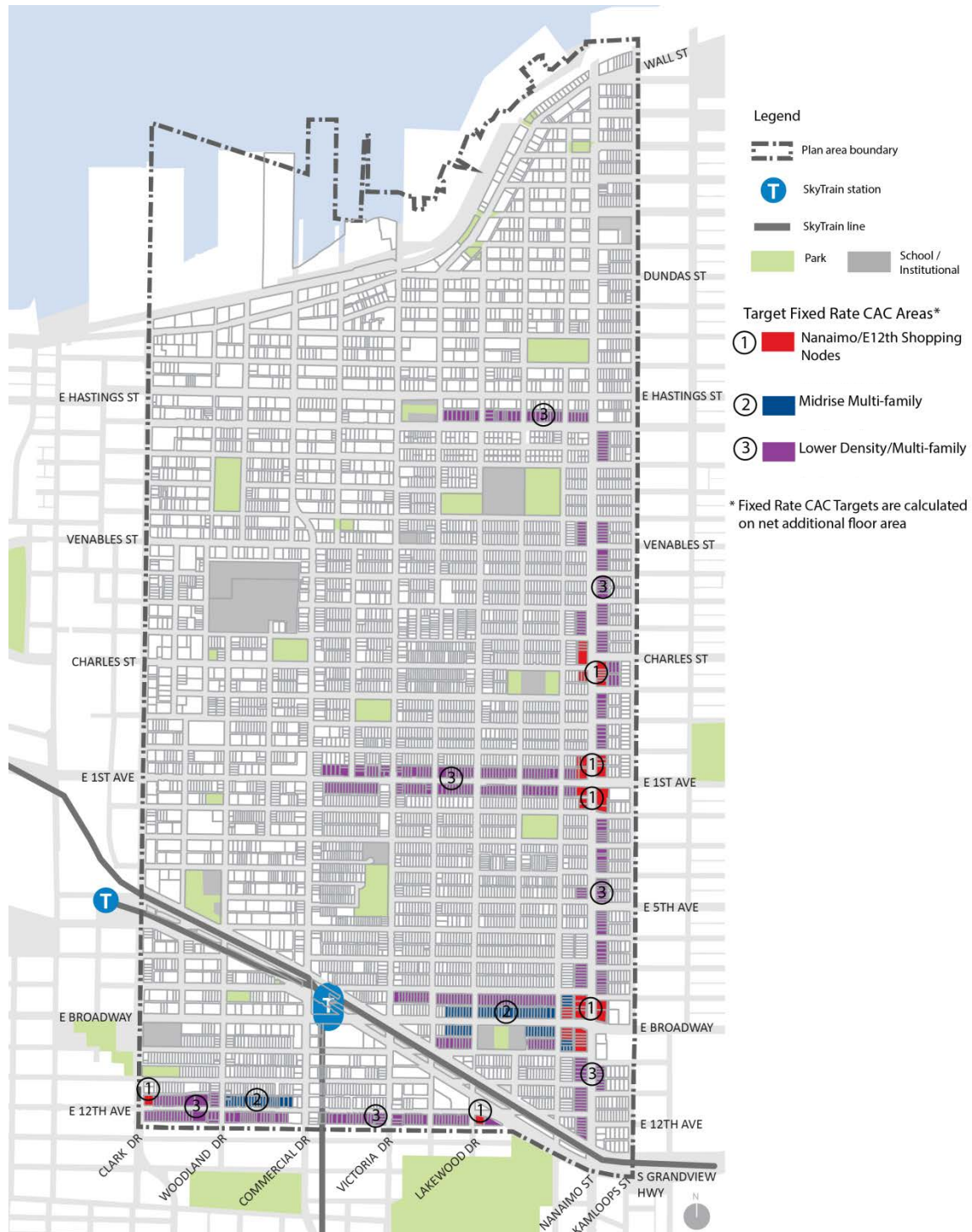
## 2. South East False Creek







## 7. Grandview-Woodland



**8/9/10. Downtown, Rest of Metro Core, Grandview Boundary Mixed Employment Area and South Vancouver Industrial Lands**

