CITY OF VANCOUVER

REFERRAL REPORT

Report Date:	May 24, 2022
Contact:	Chris Robertson
Contact No.:	604.873.7684
RTS No.:	14972
VanRIMS No.:	08-2000-20
Meeting Date:	June 7, 2022

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: 2022 Annual Inflationary Rate Adjustments to Density Bonus Contributions

RECOMMENDATIONS

A. THAT the General Manager of Planning, Urban Design and Sustainability be instructed to make application to implement 2022 inflationary rate adjustments for density bonus contributions by amending Schedule F of the Zoning and Development By-law to be effective September 30, 2022, as shown in Appendix A;

FURTHER THAT the application be referred to a public hearing;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the amending by-law, generally in accordance with Appendix A, for consideration at the public hearing.

B. THAT Council direct staff to recalibrate Density Bonus rates supported by economic testing, and report back on an implementation plan in Q4 2022.

REPORT SUMMARY

This report seeks Council approval to adopt an inflationary rate adjustment to density bonus contributions (i.e. “affordable housing shares” and “amenity shares” in the Zoning and Development By-law) with new rates becoming effective September 30, 2022. Staff also recommend recalibrating Density Bonus rates after undertaking comprehensive economic testing to ensure the rates are current and appropriate.

The inflationary rate adjustment to development contributions (e.g. Community Amenity Contribution (CAC) targets, density bonus contributions) is an annual process that allows the City to keep pace with annual changes in property values and construction costs and helps

ensure the continued delivery of necessary growth-related amenities and infrastructure. The proposed 2022 inflationary rate adjustment represents an increase of 8.8%, reflecting changes in land and non-residential construction costs which are key factors in the costs of delivering the growth-related amenities and infrastructure. As shown in Sections 1 and 2 of the Strategic Analysis section in this report, staff have reviewed and concluded that the recommended 2022 inflationary rate adjustment is in line with current economic indicators.

The annual inflationary rate adjustment for CAC targets is the subject of a companion report that will be presented to Council on June 7th, 2022. Note that the 2022 inflationary adjustment will not be applied to Development Cost Levies (DCLs) since staff will be updating the rates as part of a comprehensive update that will be presented to Council for consideration in June 2022.

Recommendations in this report have been shared with development industry stakeholders (Urban Development Institute, National Association of Industrial and Office Properties, Homebuilders Association Vancouver). At the time of writing this report, staff has not received any correspondence on the proposed changes to the density bonus contributions.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- In June 2003, Council adopted the Financing Growth Policy that sets the framework for the collection and allocation of DCLs to help pay for eligible amenities and infrastructure needed for growth: parks, housing, childcare, and engineering infrastructure.
- In July 2008, Council approved an adjustment to City-wide DCL rates to reflect construction cost and property inflation, with the new rates to be effective in January 2010.
- In October 2009, Council adopted the annual inflationary DCL rate adjustment system for the City-wide DCL and Area Specific DCLs, with the new rates effective on September 30 of each year.
- Since 2010, Council has approved annual inflationary rate adjustments to DCLs.
- In March 2014, Council approved density bonus contributions in Marpole.
- In January 2016, Council approved density bonus contributions in Norquay.
- In May 2016, Council adopted the DCL annual inflationary rate adjustments system for density bonus contributions and CAC targets and directed staff to report back on a one-time catch-up for past inflation and the proposed new annual inflationary rates.
- In September 2016, Council approved density bonus contributions in Joyce-Collingwood.
- In February 2017, Council approved density bonus contributions in the Mount Pleasant Industrial Area.
- In July 2017, Council approved amendments to the Zoning and Development By-law and the Downtown Official Development Plan to add heritage amenity share contributions.

These heritage amenity share contributions are not subject to the annual inflationary rate adjustment system.

- In September 2017, Council adopted a formula and new process for updating the density bonus contribution rates.
- In October 2017, Council approved density bonus contributions in False Creek Flats.
- In June 2018, Council approved density bonus contributions to replace a CAC target in Grandview-Woodland.
- In July 2018, Council approved density bonus contributions in Cambie Corridor and Grandview-Woodland.
- In December 2019, Council approved rezoning of certain properties within Grandview-Woodland to density bonus zones.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

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.

Annual inflationary rate adjustments to DCLs, CAC targets, and density bonus contributions (excluding heritage amenity share contributions) help the City maintain its purchasing power from year-to-year so that development contributions continue to help deliver necessary growth-related amenities and infrastructure. This report outlines the 2022 inflationary rate adjustments to density bonus contributions, while the DCL rates are being comprehensively updated as part of the DCL Update that will be presented to Council in June 2022 for consideration. A companion report, also on the June 7th Council agenda, proposes the 2022 inflationary rate adjustments to CAC targets (RTS 14970). Staff also recommend recalibrating both CAC targets and density bonus contributions after undertaking comprehensive economic testing to ensure the rates are current and appropriate.

The annual inflationary index from 2013 to 2022 is shown on the following page.

Table 1: Annual Inflationary Index (2013 – 2022)

Annual Inflationary Index		Data used to calculate index *(for information only)*			
Year	**Annual Inflationary Index**	**Local Property Value Inflation**	**Local Construction Cost Inflation**	**Capital Plan Blend**	
				Land	**Construction**
2013	1.3%	1.3%	1.3%	65%	35%
2014	1.6%	0.8%	3.0%	65%	35%
2015	3.4%	8.6%	1.7%	25%	75%
2016	4.6%	16.5%	0.6%	25%	75%
2017	11.9%	29.2%	6.1%	25%	75%
2018	4.8%	5.1%	4.7%	25%	75%
2019*	5.2%	1.2%	6.0%	17%	83%
2020	-0.8%	-8.9%	0.8%	17%	83%
2021	1.2%	1.4%	1.2%	17%	83%
2022	8.8%	10.3%	8.5%	17%	83%

* In 2019, Council approved the 5.2% increase to non-residential rate categories, but opted not to proceed with the 5.2% increase to residential rate categories in response to weakening market conditions in this sector.

An overview of the annual inflationary rate adjustment system and detailed background information on density bonus contributions is presented in Appendix B. Recommended inflationary rate adjustments are presented in Appendix A.

Strategic Analysis

Sections below explain the rationale behind the recommended rate adjustments in this report.

1) Economic Indicators

As part of the annual inflationary rate adjustment process, current economic indicators were reviewed to validate that the proposed rate adjustments are in-line with current local market trends and forecasts. The market across both residential and non-residential sectors have largely recovered and exceeded pre-pandemic levels. See Appendix B for a review of current local economic indicators.

2) Validating rate adjustments with inflationary trends

When Council adopted the inflationary indexing system in 2009, it was recognized that if markets were to trend downwards, the system should be able to adapt so that rates are aligned with the current market and can adjust to market downturns.

It is important to note that the inputs into Vancouver's index calculation lag behind the most current market conditions. BC Assessment property values for 2022 are based on property values that were assessed in July 2021, and Statistics Canada's non-residential construction price index is based on data from the first quarter of 2022. This could occasionally result in situations where the inflationary rate adjustment as calculated by the index does not reflect shifting market conditions. Under these circumstances, the City would consider alternative approaches to better reflect changing market conditions.

In light of the review above and in Appendix B, staff have concluded that the recommended 2022 inflationary rate adjustment is in line with current economic indicators.

This section of the report discusses the proposed recommendations for Council consideration.

Recommendation A: THAT the General Manager of Planning, Urban Design and Sustainability be instructed to make application to implement 2022 inflationary rate adjustments for density bonus contributions by amending Schedule F of the Zoning and Development By-law to be effective September 30, 2022, as shown in Appendix A;

The proposed rate adjustments and rates for density bonus contributions are found in Table 1 with a complete list of density bonus rate adjustments by district available in Appendix A. Amongst the Density Bonus rates, the magnitude of the 8.8% rate increase ranges from a low of $0.30/ft^2 to a high of $10.62/ft^2.

Table 2: Recommended 2022 Rate Adjustments for Density Bonus Contributions
($/ft^2 on net additional density)

Density Bonus Area	Year Established	2021 Rate	Inflationary Adjustment (2021-2022)	Recommended 2022 Density Bonus Rate
Cambie Corridor (RM-8A and RM-8AN: 0.75 to 1.2 FSR)	2018	$55.20/ft^2	$4.87/ft^2	**$60.07/ft^2**
Grandview-Woodland (RM-8A and RM-8AN: 0.75 to 1.2 FSR)	2018	$3.37/ft^2	$0.30/ft^2	**$3.67/ft^2**
Grandview-Woodland (RM-11 and RM-11N: 0.75 to 1.7 FSR)	2018	$3.37/ft^2	$0.30/ft^2	**$3.67/ft^2**
Grandview-Woodland (RM-12N: 0.75 to 1.7 FSR)	2018	$3.37/ft^2	$0.30/ft^2	**$3.67/ft^2**
False Creek Flats (I-3)	2017	$10.56/ft^2	$0.93/ft^2	**$11.49/ft^2**
False Creek Flats (FC-2)	2017	$120.44/ft^2	$10.62/ft^2	**$131.06/ft^2**
Mount Pleasant (I-1A, I-1B zones: 3.0 to 5.0 FSR)	2017	$6.64/ft^2	$0.58/ft^2	**$7.22/ft^2**
Mount Pleasant (I-1B zone: 5.0 to 6.0 FSR)	2017	$47.58/ft^2	$4.19/ft^2	**$51.77/ft^2**
Joyce-Collingwood (RM-9BN zone: 0.7 to 2.0 FSR)	2016	$3.53/ft^2	$0.31/ft^2	**$3.84/ft^2**
Joyce-Collingwood (RM-10 and RM-10N zone: 0.9 to 2.6 FSR)	2018	$15.05/ft^2	$1.33/ft^2	**$16.38/ft^2**
Norquay (RM-9A and RM-9AN zones: 0.7 to 2.0FSR)	2016	$19.56/ft^2	$1.73/ft^2	**$21.29/ft^2**
Marpole (RM-8 and RM-8N zones: 0.75 to 1.2 FSR)	2014	$20.07/ft^2	$1.77/ft^2	**$21.84/ft^2**
Marpole (RM-9 and RM-9N zones: 0.75 to 2.0 FSR)	2014	$66.79/ft^2	$5.89/ft^2	**$72.68/ft^2**

In-Stream Rate Protection

For density bonus contribution increases, the City provides in-stream rate protection for building permit applications that have been submitted prior to a rate change, provided that a building permit application has been submitted in a form satisfactory to the City and an associated application fee has been paid. There is no timeline requirement for applications to reach building permit issuance before in-stream rate protection expires.

Recommendation B: THAT Council direct staff to recalibrate Density Bonus rates supported by economic testing, and report back on an implementation plan in Q4 2022.

Staff conduct comprehensive updates to development contribution target rates (CACs and density bonus contributions) once every four years to ensure policies keep pace with market changes. This aligns with the Council-approved framework for updating the DCL program every four years to be integrated with the City's 4-year Capital Planning cycle, which will be presented to Council for consideration in June 2022.

A number of Density Bonus rates were introduced between 2014 and 2018 which have not been recalibrated to-date. Staff recommend recalibrating the existing Density Bonus rates based on economic testing to reflect any market changes. Staff aim to bring an implementation plan back for Council approval in Q4 2022.

Implications/Related Issues/Risk

Financial

Rate adjustments for density bonus contributions have financial implications for the City and the development industry.

Should Council not approve the recommended inflationary increase in density bonus contributions by 8.8%, the City would forego approximately $350,000 a year.

Financial Implications for the City

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.

Consistent with Council policy, the rates are typically adjusted on an annual basis to preserve the City's ability to deliver much needed public amenities and infrastructure in light of land and construction cost inflation, and to avoid large rate changes that might be triggered by less frequent adjustments. The 2022 inflationary adjustment will not be applied to DCLs since staff are updating the DCL program to be presented to Council for consideration in June 2022.

In addition to annual indexing, recalibrations of DCLs, CAC targets, and density bonus contributions are generally done every four years to align with public benefit strategies and the 10-year Capital Strategic Outlook, while considering potential impacts on development viability. Staff also recommend that a comprehensive update be done on the CAC targets and density bonus contributions since it has been over four years since the rates have been calibrated.

Financial Implications for Development

The City's Financing Growth policies are based upon the principle that, while development should pay for growth, development contributions should not deter development or harm housing affordability. Independent review found the primary impact of development contributions in Vancouver is to put downward pressure on the value of land for redevelopment. Affordability should not be negatively affected as long as rates are set so they do not impede the steady supply of development sites.

Engagement and Communications Plan

The following steps were taken to ensure broad notification prior to consideration by Council:

- Website posting of proposed rates on the City's Financing Growth web page;
- Notice of proposed changes in the City's Density Bonusing Information Bulletins as well as the CAC Policy (available online);
- Advertisements describing the proposed rate adjustments, together with details on how to provide feedback, are placed in the Vancouver is Awesome and Business in Vancouver newspapers;
- Staff notification to local industry groups (Urban Development Institute, National Association of Industrial and Office Properties (NAIOP), Homebuilders Association Vancouver), and,
- City Clerks notification to a list of stakeholders who have expressed interest in Financing Growth matters informing them of this report and the companion report on CAC targets, and where they can review the reports online prior to the Council meeting.

At the time of finalizing this report, staff has not received any correspondence from industry stakeholders on the recommended rate changes to density bonus contributions.

CONCLUSION

As part of the annual inflationary rate adjustment, this report seeks Council approval to adopt the proposed density bonus contribution rates with new rates becoming effective September 30, 2022. The report also seeks direction for staff to recalibrate Density Bonus rates and report back on an implementation plan later this year.

Development contributions are a key funding source for growth-related amenities and infrastructure. The inflationary rate adjustment to density bonus contributions is an annual process that allows the City to keep pace with annual changes in property values and construction costs and helps ensure the continued delivery of necessary growth-related amenities and infrastructure. The proposed 2022 inflationary rate adjustment represents an increase of 8.8%, reflecting changes in the cost of land and non-residential construction costs which are key factors in the costs of delivering the growth-related amenities and infrastructure.

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BY-LAW NO.

A By-law to amend Zoning and Development By-law No. 3575 regarding 2022 Annual Inflationary Adjustments to Density Bonus Contributions available in certain zoning districts

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This By-law amends the indicated provisions of the Zoning and Development By-law.

2. Council replaces Schedule "F" to the By-law, by adopting the Schedule "F" attached to this By-law as Schedule "A".

3. A decision by a court that any part of this By-law is illegal, void, or unenforceable severs that part from this By-law, and is not to affect the balance of this By-law.

4. This By-law is to come into force and take effect on September 30, 2022.

ENACTED by Council this day of , 2022

Mayor

City Clerk

"Schedule A"
Schedule F
Affordable Housing and Amenity Share Cost Schedule

This is Schedule "F" to By-law No. 3575, being the "Zoning and Development By-law".

Zoning District	Affordable Housing Share Cost	Amenity Share Cost
RM-8 and RM-8N (Marpole)	\$235.08 per m^2	\$235.08 per m^2
RM-8A and RM-8AN (Cambie Corridor)	\$646.56 per m^2	\$646.56 per m^2
RM-8A and RM-8AN (Grandview-Woodland)	\$39.48 per m^2	\$39.48 per m^2
RM-9 and RM-9N (Marpole)	\$782.30 per m^2	\$782.30 per m^2
RM-9A and RM-9A/N (Norquay)	\$229.15 per m^2	\$229.15 per m^2
RM-9BN (Joyce-Collingwood)	\$41.37 per m^2	\$41.37 per m^2
RM-10 and RM-10N (Joyce-Collingwood)	\$176.28 per m^2	\$176.28 per m^2
RM-11 and RM-11N (Grandview-Woodland)	\$39.48 per m^2	\$39.48 per m^2
RM-12N (Grandview-Woodland)	\$39.48 per m^2	\$39.48 per m^2
I-1A (Mount Pleasant)	-	\$77.77 per m^2 (to a max FSR of 5.0 above 3.0 FSR)
I-1B (Mount Pleasant)	-	Level 1 - \$77.77 per m^2 (to a max FSR of 5.0 above 3.0 FSR) Level 2 - \$557.30 per m^2 (to a max FSR of 6.0 above 5.0 FSR)
I-3 (False Creek Flats)		\$123.65 per m^2
FC-2 (False Creek Flats)		\$1,410.72 per m^2

In May 2016, Council adopted the DCL annual inflationary rate adjustment system for making annual adjustments to Amenity Share Contributions (Density Bonus Contributions). The annual inflation index is based on a blend of annual property value inflation (BC assessment net property values for the City of Vancouver) and annual construction cost inflation (Statistics Canada non-residential construction price index for Vancouver) and calculated using public, third-party data. The formula used to calculate the inflationary rate adjustment is as follows:

ANNUAL INFLATION ADJUSTMENT OF AMENITY SHARE COST AND AFFORDABLE HOUSING SHARE COST = (ANNUAL CONSTRUCTION INFLATION x 0.83) + (ANNUAL PROPERTY VALUE INFLATION x 0.17)

Rates are adjusted in accordance with this formula annually. The rate adjustment will be presented in a Report to Council every July, with new rates effective and enforceable on September 30 of every year. To view the Council adopted inflation index, refer to the City website at: http://vancouver.ca/home-property-development/annual-inflation-index.aspx.

Background Information

1. Overview of Inflationary Index System
2. Review of Current Local Economic Indicators
3. Density Bonus Zoning Contributions

1. Overview of Inflationary Index System

The annual inflationary rate adjustment system was developed using local and national best practices and is guided by a set of Council-adopted principles that require the system to:

- use publicly accessible, third party data;
- use transparent calculations that are accessible to external stakeholders;
- adjust rates upward or downward based on inflationary trends;
- adapt to changes in the market; and
- be supportable by industry & stakeholders

The annual rate adjustment is initiated with reports to Council in June or July proposing new DCL, CAC target, or density bonus contribution rates that have been adjusted for inflation. If approved, these new rates come into effect annually on September 30th.

The system itself consists of two components. The first component is an index calculation based on year-over-year changes in property value (BC Assessment property roll) and a non-residential construction price index (Statistics Canada Non-Residential Construction Price Index). These inputs are blended together to reflect the City's current Capital Plan program and anticipated expenditure on land acquisition and construction (see Table 2).

Linking rates to an annual inflationary index results in rate increases when inflation is positive and rate decreases when inflation is negative. The 2022 BC Assessment[1] property roll for the City of Vancouver indicated a 10.3% increase in assessed property value, while the Statistics Canada[2] Non-Residential Construction Price Index for Q1 2022 recorded an increase of 8.5% from 2021. The City's 2019-2022 Capital Plan[3] is anticipated to invest 17% towards land acquisition and 83% on construction.

Table 3 shows the annual inflationary index from 2013 to 2022.

[1] BC Assessment, Property Roll for the City of Vancouver, 2022
[2] Statistics Canada, Non-Residential Building Construction Price Index for Vancouver, Q1 2022
[3] City of Vancouver, 2019-2022 Capital Plan

Table 3: Annual Inflationary Index (2013 – 2022)

Annual Inflationary Index		Data used to calculate index *(for information only)*			
Year	Annual Inflationary Index	Local Property Value Inflation	Local Construction Cost Inflation	Capital Plan Blend: Land	Capital Plan Blend: Construction
2013	1.3%	1.3%	1.3%	65%	35%
2014	1.6%	0.8%	3.0%	65%	35%
2015	3.4%	8.6%	1.7%	25%	75%
2016	4.6%	16.5%	0.6%	25%	75%
2017	11.9%	29.2%	6.1%	25%	75%
2018	4.8%	5.1%	4.7%	25%	75%
2019*	5.2%	1.2%	6.0%	17%	83%
2020	-0.8%	-8.9%	0.8%	17%	83%
2021	1.2%	1.4%	1.2%	17%	83%
2022	8.8%	10.3%	8.5%	17%	83%

Note: Vancouver's DCLs have used this index to adjust rates since 2009. Density bonus contributions and CAC targets have been adjusted since 2016. For more information on the annual inflation index: http://vancouver.ca/home-property-development/annual-inflation-index.aspx
* Council approved the 5.2% increase to non-residential rate categories, but opted not to proceed with the 5.2% increase to residential rate categories in response to weakening market conditions in this sector.

A further step in the annual inflationary rate adjustment system is a review of local economic indicators to ensure that rates are aligned withinflationary trends. A review of economic indicators is included in Section 2 of this Appendix.

The annual inflationary rate adjustment system was initially adopted for DCLs in October 2009 and implemented across all DCL districts in 2010. Since then, Vancouver's development contribution system has expanded to include new tools that provide additional certainty and transparency. These tools included CAC targets and density bonus contributions and were introduced as new area plans were approved by Council. The share of rezonings with CACs using CAC targets is now about 60%, representing an increase from 2013 where the usage was only 10%. Staff will continue to explore opportunities to further expand CAC targets and density bonus contributions. In May 2016, the annual inflationary rate adjustment system was expanded to apply to CAC targets and density bonus contributions and Council also approved a one-time catch-up for past inflation as part of the new rate adjustments. A similar one-time rate catch-up for DCLs was approved by Council in 2009 when the inflationary rate adjustment system was first adopted.

This system has provided more predictability/certainty to both the development industry and the City, and has been broadly supported by industry stakeholders. Over the years, Council has approved inflationary rate adjustments with average rate increases of approximately 4% between 2013 and 2021 (see Table 2). It is important to note that in 2019, Council approved the 5.2% increase to non-residential rate categories, but opted not to proceed with the 5.2% increase to residential rate categories in response to weakening market conditions in this sector. In 2020, the inflationary index was -0.8%, which is the first time rates have decreased under the inflationary index system.

For more information on the Council approved annual inflationary rate adjustment system, see http://vancouver.ca/home-property-development/annual-inflation-index.aspx.

In addition to annual indexing, recalibrations of DCLs, CAC targets, and density bonus contributions may be required from time to time to align with public benefit strategies and

Capital Plans while considering potential impacts on development viability. These recalibrations are often done every four years. Staff are bringing an update on the City-wide DCL and Utilities DCL to Council on June 22, 2022.

2. Review of Current Local Economic Indicators

As part of the annual inflationary rate adjustment process, current economic indicators were reviewed to verify that the proposed rate adjustments are in-line with current local market trends and forecasts.

Economic Context

- Central 1 Credit Union is forecasting a 3.9% increase in British Columbia's Gross Domestic Product (GDP) for 2022 (5% increase seen in 2021)[4]
- Vancouver CMA (Metro Vancouver) employed labour force has increased 16,600 since April 2021, while the region's unemployment rate is 5.4% (was previously 13.6% in July 2020)[5]

Market Indicators:

- According to City data, the value of year-to-date building permits issued for commercial/industrial new builds (as of Apr 2022) has increased by over 1,200% from last year's value while year-to-date values for new residential has increased by 235%[6]
- According to CMHC, year-to-date housing starts in Vancouver (as of March 2022) have decreased by 37% compared to 2021[7]
- According to CMHC, year-to-date new housing completions in Vancouver (as of March 2022) have increased by 9% compared to 2021[7]
- According to data from the Real Estate Board of Greater Vancouver (April 2022), resale activity for Vancouver apartments has decreased 3% when comparing Jan-April volumes between 2021 and 2022. All property types saw annual price increases from April 2021 (Detached: 8-16%, Townhouse: 14-18%, Apartment: 9-11%)[8]
- Colliers Q1 2022 office market report shows Downtown Vancouver vacancy at 7.0% and the Broadway Corridor at 5.3%, an increase from a year ago, although market activity increased in Q1 2022 as workers return to the office. Annual rental rates in the Downtown and Broadway markets have increased 24% and 11% respectively[9]
- Colliers Q1 2022 industrial market report shows Vancouver vacancy at 1.4%, continuing a trend of decreasing vacancy rates at record low levels[10]

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[4] Credit 1 Central Union, BC Economic Outlook 2022-2024, Feb 2022
[5] Statistics Canada, Labour Force Characteristics Table 14-10-0380-01, Mar 2022
[6] City of Vancouver, Statement of Building Permits Issued, Apr 2022
[7] CMHC, Housing Information Portal, Mar 2022
[8] Real Estate Board of Greater Vancouver, Monthly Market Report, Apr 2022
[9] Colliers, Vancouver Industrial Market Reports Q1 2022
[10] Colliers, Vancouver Office Market Report Q1 2022

3. Density Bonus Zoning Contributions

Density bonus zoning contributions are used as a zoning tool that permits developers to build additional floor space, in exchange for amenities and/or affordable housing needed by the community. Amenities can be community centres, libraries, parks, childcare centres, affordable housing and more.

Density bonus zones allow for:

- Outright density (or base density) with no density bonus contribution.
- Additional density, up to a limit set in a zone, with a contribution towards amenities and affordable housing.

Financial contributions are determined by the ‘affordable housing and amenity share’ contribution rate set out in Schedule F of the Zoning and Development By-law. New community plan areas are actively pursuing new Density bonus zoning contributions areas. Density bonus zoning contributions are currently approved in select zones in Norquay, Marpole, Joyce-Collingwood, Mount Pleasant Industrial Area, False Creek Flats, Grandview-Woodland, and Cambie Corridor.

In 2017, Council approved amendments to the Zoning and Development By-law and the Downtown Official Development Plan (ODP) to add Density bonus zoning contributions provisions related to heritage to select existing zones. These amended zones are functionally similar to other Density bonus zoning contributions, except that the ‘amenity share’ is narrowly defined as heritage conservation and that contribution rates are set out in Schedule G of the Zoning and Development By-law and Section 3.15 in the Downtown ODP. The annual inflationary adjustment system does not apply to these heritage amenity shares because the costs associated with heritage conservation are fundamentally different from the capital costs to deliver new/expanded community centres, libraries, parks, childcare centres, affordable housing and other types of amenities.