



The Corporation of the District of Saanich

Report

To: Mayor and Council
From: Sharon Hvozdanski, Director of Planning
Date: March 29, 2021
Subject: Interim Community Amenity Contributions Policy
File: 2830-50 • Community Amenity Contribution

RECOMMENDATION

That Council adopt the Interim Community Amenity Contributions Policy (see Attachment A).

PURPOSE

The purpose of this report is to:

- Provide Council with an overview of the District's current practices for receiving Community Amenity Contributions; and
- Seek Council's approval of the Interim Community Amenity Contributions Policy.

DISCUSSION

Council Direction

On June 22, 2020 Council directed staff to develop an interim Community Amenity Contributions policy to document the District's current approach to CACs, and to follow that up with a process to develop a comprehensive Community Amenity Contributions policy and framework. The Council motions state:

"That Council direct staff to make it a priority to create the Terms of Reference for a consultant to do the work on a Community Amenity Contributions Policy and Inclusionary Zoning framework and to refer it to the Housing Task Force prior to returning it to Council.

That Council direct staff to prepare a report describing the current approach to negotiating Community Amenity Contributions and possible interim strategies for a policy."

Context

Community Amenity Contributions (CACs) are cash or in-kind contributions provided, through negotiations, by developers when additional density and/or a change in land use is achieved through a rezoning process. The value of the contribution is negotiated and is a means to receive a public benefit from new developments. Typically, contributions include amenities such as consideration of affordable and supportive housing, daycare facilities, community facilities,

park/plaza space, connections for pedestrians and cyclists, protection of natural areas, public art, public realm improvements or cash contributions towards local improvements.

Amenities are an important component of creating complete communities. When communities change and grow with new development and increased densities, there is an increased need for infrastructure and amenities to support new and existing residents and employees in the area and offset potential impacts. The process of negotiating CACs is separate from other District of Saanich requirements that are required of, and provided by, applicants during the rezoning process; CACs are distinct from Development Cost Charges (DCCs) and other required servicing costs.

The District of Saanich does not currently have a Council-adopted policy for considering Community Amenity Contributions (CACs). Currently, the District of Saanich administers CACs through application-specific negotiations as part of the rezoning process, with negotiations based on the OCP and Local Area Plan policies, defined Council objectives, community input, recent precedents and assumed local need.

Community Amenity Contribution and Inclusionary Housing Program

A process is being initiated to develop a comprehensive Community Amenity Contribution and Inclusionary Housing Program (“Program”), which will offer a long-term, more detailed approach to obtaining Community Amenity Contributions (CACs).

The purpose of the Program is to provide guidance and a transparent, efficient, balanced and predictable process by which the District of Saanich can receive amenities, in the form of CACs through the rezoning process, and/or Density Bonus Zoning through the Zoning Bylaw. An examination of available tools and priorities would aid in the development of an approach. By establishing a clear policy framework, the District of Saanich would provide consistency and transparency for both the development industry and residents and balance the financial impacts of new development for the existing population.

The draft Terms of Reference for the Program is being presented to Council as a companion report in conjunction with this Interim Policy report (refer to Draft Community Amenity Contributions and Inclusionary Housing Program Terms of Reference report).

INTERIM COMMUNITY AMENITY CONTRIBUTIONS POLICY

The Interim Policy for Community Amenity Contributions (CACs) will provide guidance for staff, developers, the public and Council on the process of negotiating and securing CACs. A primary intent is to compile existing practices to provide clarity on the parameters for CAC negotiations.

The Interim CAC Policy is intended to apply as part of all rezoning applications and those developments that seek additional height. To assist staff in the review and negotiation of CACs, the Interim Policy provides a list of relevant bylaw and policy documents and, through policy, guides the process, delineates priority amenities, and highlights key considerations of administering CACs (see Attachment A).

The Interim Policy is intended to be used in the short-term and will be replaced at such time that a structured Community Amenity Contributions and Inclusionary Housing Program is in place. While the Interim Policy increases clarity for negotiations, there are still areas, such as the appropriate value of CAC, that are not clearly established and will need to be developed through the analysis and engagement planned as part of the Program development.

The Interim Policy is organized into three categories: Process, Priorities and Contributions.

Process

The process section outlines when CACs contributions are expected and outlines the process for negotiating and securing amenities. CACs are applicable for projects where three or more units are requested and a rezoning or increase in height is required. Not-for-profit rental housing projects are specifically excluded from CAC negotiations.

Priorities

The Interim Policy identifies a flexible approach to guide priorities for CAC contributions, primarily guided by priorities established through existing plans and policies, site conditions and community engagement. The Interim Policy identifies the need to achieve a balance between localized amenities and affordable housing contributions

Contributions

The policies in this section outline requirements for community contribution statements and speak generally to the scope and nature of acceptable contributions.

ALTERNATIVES

1. That Council approve the recommendation as outlined in the staff report.
2. That Council provide alternate direction to Staff.

As noted, the proposed Interim Policy primarily documents current practice. Should Council wish, they could provide additional direction on the parameters of the Interim Policy. Possible alternatives for Council include:

- a) Setting an Interim per Unit Target Contribution Rate: Should Council wish they could establish an interim per unit target contribution rate for all residential applications. This approach would enhance clarity for applicants on the desired value of contributions and set clear parameters for the negotiation. A potential downside of this approach is that it may not account for site specific conditions and variability of market conditions among different municipal geographies.

Should Council wish to utilize this approach, staff would recommend using recent precedents as a basis for establishing this rate. In general, recent projects have contributed approximately \$2,000 - \$5,000 per unit. Based on this information, if Council did decide to set an interim rate, \$3,000 per unit is recommended

- b) Providing Interim CAC Exemptions for Additional Development Types: The proposed Interim Policy waives CAC considerations for not for profit rental housing. Should Council wish, they could consider exemptions for other development types, including commercial /industrial, 100% rental, rental with below market (discounted) units and/or strata with below market (discounted) units.

At this stage, insufficient information is available to support blanket exemptions for additional development types. The economic analysis that would be completed as part of the development of the Community Amenity Contribution and Inclusionary Housing Program will help provide data that could inform future exemptions or partial exemptions.

- c) Prescribing Interim Amenity Contribution Priorities: The Interim Policy identifies the need to achieve a balance between localized amenities and affordable housing contributions. The exact amenities would be determined through a site specific negotiation. Should Council wish, they could amend the Interim Policy to be more explicit about priorities (i.e. set a target of 50% of contributions towards localized amenities and 50% towards affordable housing).

This approach would provide clearer direction for negotiations, but may reduce some of the policy's flexibility. Note that some area plans have identified local community contribution priorities that could be impacted if Council provides more prescriptive direction around allocation of contributions.

FINANCIAL IMPLICATIONS

There are no immediate financial implications associated with adoption of this policy. As the Interim Policy largely captures existing practice, there should not be a major change in the value or scope of amenities obtained as part of the development process.

STRATEGIC PLAN IMPLICATIONS

The development of the Interim CAC Policy initiative works towards addressing the following Strategic Plan initiatives:

- Consider options on how community contributions can be negotiated in an equitable, clear and focused manner.
- Investigate inclusionary zoning guidelines as a means to providing more affordable housing in the District of Saanich
- Explore options to increase below-market and rental housing in the District of Saanich.

PLANNING IMPLICATIONS

Policy

The following District of Saanich policies are the most applicable to this initiative:

Official Community Plan (2008)

- 4.2.2.4 “Through the development review process consider the use of variances and density bonusing to secure public amenities such as open space, playgrounds, landmarks, focal points, activity centres or cultural features.”
- 4.2.3.3 “Through the development review process consider the use of variances, housing agreements, covenants, phased development agreements and density bonusing to secure public amenities such as open space, playgrounds, landmarks, focal points, activity centres or cultural features.”
- 7.1.4 “Develop an amenity contribution policy, considering the inclusion of, but not limited to, the following amenities:
- Affordable housing units;
 - Privately owned, publicly accessible open space;
 - Public art;

- Floor space designated for non-profit arts activities;
- Contributions towards the enhancement of natural areas, public recreation facilities & green/open space;
- Contributions towards street and boulevard enhancements, including street furniture and decorative lighting;
- Daycare facilities;
- Preservation of heritage structures or features;
- Transit-oriented development;
- Green construction, green roofs, energy conservation, reduced carbon footprint;
- Underground or concealed parking;
- Bicycle facilities; and
- Public safety improvements (e.g. school crossings).”

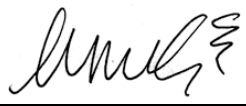
Local Area Plans and Centre/Corridor Plans

Within Local Area Plans and Centre/Corridor Plans, such as the Shelbourne Valley Action Plan, Uptown-Douglas Plan, and Draft Cordova Bay Local Area Plan, there are policies which identify priorities for CACs that were identified through the community planning process.

CONCLUSION

The Interim Community Amenity Contributions Policy looks to provide direction over the short-term to guide community contribution negotiations. The Interim policy is intended to act as a placeholder as a more comprehensive Community Amenity Contributions and Inclusionary Housing Program is developed. The Terms of Reference for the Program is being presented as a companion report to Council. The Program will include research, consultation with key stakeholders, and input from the public to develop a permanent Community Amenity Contributions Policy that will guide future the provision of public benefits in the long-term.

The Interim Policy seeks to formalize current practices and to provide clarity and guidance for Council, staff, developers and the public during the negotiation of Community Amenity Contributions for rezoning applications and those seeking changes to height and/or density. The Interim Policy addresses process, priorities and contribution considerations. In the short-term, it is recommended that Council adopt the attached Interim Community Amenity Contribution Policy which systemizes the District’s current processes.

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Approved by: _____
Sharon Hvozdzanski
Director of Planning

AM/jsp

Attachments: A. Interim Community Amenity Contributions Policy

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Planning.

Paul Thorkelsson, Chief Administrative Officer

DISTRICT OF SAANICH

INTERIM COMMUNITY AMENITY CONTRIBUTION (CAC) POLICY

March 29, 2021

1. PURPOSE

The purpose of the Interim Community Amenity Contribution Policy (the “Policy”) is to provide guidance for Council, staff, developers, and the public for the negotiation of CACs as part of applications for rezoning in the District of Saanich.

A process is underway to develop a comprehensive Community Amenity Contribution and Inclusionary Housing program, which will provide more detailed direction for obtaining amenity contributions. The Policy is intended to be used in the short-term and would be replaced at such time that a structured community contribution program is in place.

2. OVERVIEW

Community Amenity Contributions (CACs) are cash or in-kind contributions provided, through negotiations, by developers when additional density and/or a change in land use is achieved through a rezoning process. The value of the contribution is negotiated and is a means to receive a public benefit from new developments. Typically, contributions include amenities such as consideration of affordable and supportive housing, daycare facilities, community facilities, park/plaza space, connections for pedestrians and cyclists, protection of natural areas, public art, public realm improvements, or cash contributions towards local improvements.

Amenities are an important component of creating complete communities. When communities change and grow with new development and increased densities, there is an increased need for infrastructure and amenities to support new and existing residents and employees in the area and offset potential impacts. The process of negotiating CACs is separate from other District requirements that are required of, and provided by, applicants when additional density and/or a change in land use is achieved through a rezoning process; CACs are distinct from Development Cost Charges (DCCs) and other required servicing costs.

3. DISTRICT OF SAANICH CONTEXT

The District’s Official Community Plan (OCP) identifies a broad range of potential CACs that could be considered as part of the application review process (see OCP Policy 7.1.4). Potential CACs currently considered as part of development applications include not-for-profit housing or projects with an affordable housing component.

Currently, Saanich administers CACs through application-specific negotiations as part of the rezoning process, with negotiations based on the OCP and Local Area Plan policies, defined

Council objectives, community input, and assumed local need. Establishing a structured Program will enable staff to effectively negotiate public benefit commitments, achieve many of the District's objectives, and provide clarity for Council, developers and the community.

4. LEGISLATIVE CONTEXT

Provincial legislation enables local governments to require services, collect fees and/or obtain land from new development to address certain impacts of new growth. The following sections of the "Local Government Act" enable local governments to require new development to provide:

- Divide, limit and regulate land use (s. 479);
- Residential rental tenure (s. 481.1);
- Density benefits for amenities, affordable housing and special needs housing (s. 482);
- DCCs for off-site services (s. 559);
- Money towards acquiring school sites (s. 572);
- On-site services related to subdivision (s. 506);
- Excess capacity or extended services (s. 507);
- Up to 5% of land being subdivided for park land, or cash-in-lieu (s. 510); and
- Land for roadways (s. 513)

Not all impacts of developments are covered by these legislative provisions. The District of Saanich, along with many other local governments, believes that new development should not be a burden on local taxpayers and supplement the above requirements with negotiated Community Amenity Contributions, which address items that fall outside those that are legislatively mandated.

5. RELATED BYLAWS & POLICY

- Development Cost Charge Bylaw (Bylaw No. 9553)
- Development Cost Charge Reduction Bylaw (Bylaw No. 9607)
- Local Area Plans and Centre/Corridor Plans, including:
 - Shelbourne Valley Action Plan (Appendix "O" to Bylaw No. 8940)
 - Uptown-Douglas Plan (Endorsed, in Principle)
- Sustainable Saanich Official Community Plan (Bylaw No. 8940)
- Zoning Bylaw (Bylaw No. 8200)

6. POLICY

The Policy, its approach, and the community amenities to which the District considers desirable, seeks to balance the need for affordable housing and localized amenities. The Policy is subject to change over time and in response to evolving community needs, priorities, and benefits.

6.1. PROCESS

- i. District staff will lead negotiations for CACs on an application-specific basis and as guided by this Policy.
- ii. Community Amenity Contributions (CACs) will be negotiated for applications that include three or more units and where a rezoning is required or height beyond Zoning Bylaw allowances is requested.
- iii. Community Amenity Contributions will be waived for secured not-for-profit rental housing.
- iv. The District has discretion to request an independent appraisal, at the cost of the applicant, to determine the value of Community Amenity Contributions that have been offered.
- v. Rezoning applications that include negotiated Community Amenity Contributions will be secured via covenant, and prior to acceptance/issuance of the Building Permit.

6.2. PRIORITIES

- i. Community Amenity Contributions offered as part of an application should reflect priorities of the District, align with bylaw and policy direction, and include consultation with the local community association, groups and/or organizations.
- ii. Community Amenity Contributions offered to the District should reflect policy and associated priority items, as identified in the Official Community Plan and relevant Local Area Plans or Centre/Corridor Plans.
- iii. Community Amenity Contributions may take the form of affordable or supportive housing units or support for affordable housing through financial contributions to the Saanich Affordable Housing Fund.
- iv. Community Amenity Contributions should seek to balance localized amenities that provide benefit to immediate area (i.e. park improvements) with contributions that address affordable housing.

6.3. CONTRIBUTIONS

- i. A Community Amenity Contribution (CAC) statement is expected for all rezoning applications to which CACs are applicable (see Policy 6.2.ii). The statement must outline:
 - a. Relevant policy guiding the contribution;

- b. Input received, including from staff, community associations, groups and/or organizations, which supports the CAC that has been offered;
 - c. Current financial value and future value of the CAC; and
 - d. Considerations for operating and full life-cycle costs.
- ii. Community Amenity Contributions should be commensurate with the scale and density of a proposed development.
 - iii. Community Amenity Contributions must demonstrate a community benefit that is relevant and valued by the community.
 - iv. Development servicing, frontage improvements or other standard requirements will not be considered a Community Amenity Contribution.
 - v. Community Amenity Contributions may be refused should the District consider the offer to not be in the best interest of the District, in the short or long term.

DEFINITIONS

Affordable housing is housing that does not exceed 30% of household income, as per general guidelines for social and subsidized housing in B.C. and an industry standard for lenders in determining feasibility of purchasing a home.

Community Amenity Contributions (CACs) are amenity contributions agreed to by the applicant/developer and the District of Saanich as part of a rezoning process and initiated by the applicant/developer. CACs can take several forms, including built assets, affordable housing units, and/or financial contributions towards infrastructure that cannot be obtained through Development Cost Charges.

Community Associations are independent groups that are guided under the Societies Act and not managed by the District of Saanich. They are comprised of local area residents who can provide valuable localized input to Council and staff on items of interest, such as land use planning and proposals.

Community Groups and Organizations can have an interest in parks, specific neighbourhoods or groups within the District of Saanich and work closely with Saanich Departments and Council.

Community Benefit is a benefit that is directly enjoyed by residents of the District of Saanich. For example, achieving a higher energy rating for a building that improves the physical and financial comfort of a building user is not considered a community benefit; a public plaza would be considered a community benefit