

To: Chief Administrative Officer **Date:** September 6, 2022
From: Doug Stewart, Director of Finance
Subject: **LAN.40(C) Financial Contributions for Community Amenities**

Recommendation(s)

That Council provide direction to staff regarding a revised Financial Contributions for Community Amenities policy. Various options regarding several components of the policy are listed for Council's consideration. To provide Council with additional information to consider, further details for each component can be found in the Discussion and Analysis section of the report.

- 1A) Base the target residential Community Amenity Contribution amount on the size of the property being rezoned and Official Community Plan designation of the land being considered, **OR**

1B) Base the target residential Community Amenity Contribution amount on the number of single-family and multi-family units being developed, **OR**

1C) Base the target single-family residential Community Amenity Contribution amount on the number of units being developed and the target multi-family Community Amenity Contribution amount on the physical size of the development.

- 2A) The per unit, or equivalent, Community Amenity Contribution sought from multi-family residential development will be less than the per unit, or equivalent, contribution sought from single-family residential development, **OR**

2B) The per unit, or equivalent, Community Amenity Contribution sought from multi-family residential development will be the same as the per unit, or equivalent, contribution sought from single-family residential development.

- 3A) The Community Amenity Contribution sought for each residential unit be \$9,700, or equivalent if based on the land area, **OR**

3B) The Community Amenity Contribution sought for each residential unit (or equivalent if based on the land area) be:

 - \$9,700 per single-family residential unit;
 - \$6,700 per townhouse or other attached ground-oriented dwelling unit; and
 - \$5,200 per apartment dwelling unit.

4A) The OCP designations to be included in the Community Amenity Contribution policy are:

- Rural
- Rural Residential
- Suburban
- Urban Residential
- Urban Compact
- Attached Multi-Unit, Apartment Residential, High Density Townhouse and Townhouse Residential
- Neighbourhood Centre
- Mixed-Use – Mid Rise
- Commercial
- Mission City Downtown, **OR**

4B) The OCP designations to be included in the Community Amenity Contribution policy are:

- Rural
- Rural Residential
- Suburban
- Urban Residential
- Urban Compact
- Attached Multi-Unit, Apartment Residential, High Density Townhouse and Townhouse Residential
- Neighbourhood Centre
- Mixed-Use – Mid Rise
- Mission City Downtown

And for any mixed used development a proportionate reduction will be considered for any non-residential components.

5A) The amount of the Community Amenity Contribution sought from commercial development be \$705,300 per developable hectare, **OR**

5B) The amount of the Community Amenity Contribution sought from commercial development be \$48 per square metre of the proposed building, **OR**

5C) The amount of the Community Amenity Contribution sought from commercial development be \$1,368,200 per developable hectare, **OR**

5D) The amount of the Community Amenity Contribution sought from commercial development be \$92 per square metre of the proposed building, **OR**

5E) The City will not seek Community Amenity Contributions from the proportional amount of commercial development in a Mixed-Use designation.

6A) That the exemption from Community Amenity Contributions in the Mission Downtown Development Incentive Program be removed and the applicable bylaws and policies be amended, **OR**

6B) That the exemption from Community Amenity Contributions in the Mission Downtown Development Incentive Program be continued as provided in the applicable bylaws and policies.

7A) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional \$35,700 Community Amenity Contribution (or equivalent if based on the land area) be sought from each residential unit proposed, **OR**

7B) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, the per unit amount (or equivalent if based on the land area) of Community Amenity Contribution sought be:

- \$35,700 per single-family residential unit;
- \$24,100 per townhouse or other attached ground-oriented dwelling unit; and
- \$18,400 per apartment dwelling unit.

8A) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional Community Amenity Contribution sought from commercial development equal to \$2,595,300 per developable hectare, **OR**

8B) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional Community Amenity Contribution sought from commercial development equal to \$174 per square metre of the proposed building, **OR**

8C) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional Community Amenity Contribution sought from commercial development equal to \$5,035,300 per developable hectare, **OR**

8D) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional Community Amenity Contribution sought from commercial development equal to \$336 per square metre of the proposed building.

9A) That the Community Amenity Contribution received be used for the following purposes:

20% to be apportioned to the City's Affordable Housing Reserve and utilized in accordance with the Affordable Housing Reserve Policy.

And that 80% be apportioned to the Community Amenity Reserve and used to assist in the funding of public amenities deemed appropriate by Council, including, but not limited to:

- Acquisition of land for the provision of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Heritage conservation
 - Public Art
 - Trails
- Design and construction of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Neighbourhood Parks
 - Trails
- Acquisition of Public Art
- Heritage conservation
- Conservation of significant ecological features and environmental enhancements, **OR**

9B) That the Community Amenity Contribution received be used for the following purposes:

20% to be apportioned to the City's Affordable Housing Reserve and utilized in accordance with the Affordable Housing Reserve Policy

And that 80% be apportioned to the Community Amenity Reserve and used to assist in the funding of public amenities deemed appropriate by Council, including, but not limited to:

- Acquisition of land for the provision of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Heritage conservation
 - Public Art
 - Trails
- Design and construction of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Neighbourhood Parks
 - Trails
- Acquisition of Public Art
- Heritage conservation
- Conservation of significant ecological features and environmental enhancements
- Green initiatives

10) That on March 1st of each subsequent year, the target rates in the Community Amenity Contribution policy be increased by the percentage change in the Vancouver consumer price index of the immediately preceding calendar year, rounded up to the nearest \$100 if based on land area or units and rounded up to the nearest dollar if based on the size of the development in square meters.

11) That LAN.40(C) Financial Contributions for Community Amenities policy be reviewed in conjunction with an update of the City of Mission Development Cost Charge Bylaw 6115-2022, or within 5 years of the date of approval, whichever is sooner.

- 12A) That staff proceed with stakeholder consultation regarding a revised LAN.40(C) Financial Contributions for Community Amenities policy as determined by Council during the August 15, 2022 regular Council meeting, **OR**
- 12B) That staff be directed to bring a revised to LAN.40(C) Financial Contributions for Community Amenities policy as determined by Council during the August 15, 2022 regular Council meeting to the September 6, 2022 Regular Council meeting,

Purpose

The purpose of this report is to seek direction from Council regarding a revised Financial Contributions for Community Amenities policy.

Background

On July 11, 2022 staff presented a report to Council with proposed changes to LAN.40(C) Financial Contributions for Community Amenities Policy (Attachment A). Discussion ensued on how the Community Amenity Contribution (CAC) calculations are set, the list of items CACs can pay for, the downtown area development, and reviewing the CAC policy annually. Council passed the following resolutions:

SC22-015

That the recommendation to bring forward LAN.40(C) be deferred to the August 15, 2022 Regular Council Meeting pending additional information from staff in regard to:

- *a "per door" Community Amenity Contribution calculation rather than a "per hectare", per townhouse or per apartment;*
- *the impact on the development of downtown if Council does not continue with the Downtown Action Plan;*
- *green amenities to be added, i.e. EV Charging stations, recycle facilities;*
- *Consumer Price Index (CPI) increase be included in the Policy; and*
- *Policy to include a "Review" timeline.*

SC22-016

That staff provide recommendations regarding an interim contribution target or surcharge fee for development applications received by the City after third reading, and prior to adoption, of the Development Cost Charge Bylaw.

Discussion and Analysis

To allow for the deliberation and the decisions of Council regarding the various aspects of the CAC policy, the following is proposed for discussion:

- Basis for calculating the contribution amounts
- Different contribution amounts for different residential construction types
- Target contribution amounts for residential development
- Inclusion or exclusion of other development activity
- Impact of removing the Downtown Development Incentive Program exemption
- Additional temporary contribution amount until the updated the City of Mission Development Cost Charge (DCC) Bylaw 6115-2022 is adopted
- Uses of CAC reserve funds
- Inflationary increase and policy review dates

Basis for calculating the contribution amounts

In the July 11, 2022, report, staff proposed that the target CAC contribution be based on the size of the property being rezoned and Official Community Plan (OCP) designation of the land being considered.

Staff believe the benefits of this approach are:

- It is relatively easy for City staff, developers or potential buyers of land for development to calculate.
- It provides certainty to the developer of what the desired contributions will be at the time of rezoning.
- It does not discourage smaller sized units being built on a property as the contribution is based on the size of the land not the number of units built.
- Using the OCP designation creates a connection between the type and number of units that will be allowed on a particular property and the CAC to be offered.

This approach to determine an acceptable CAC amount is not used in any of the nearby municipalities selected for comparative purposes.

Council could elect to continue with the practice used in the current policy; which is to establish a target rate based on the number of units being proposed through the rezoning. In the current policy, a set rate has been established for each new single-family residential lot and each multi-family residential unit created (including duplex, mixed use and comprehensive developments).

Of the eight municipalities selected for comparative purposes, four chose to seek a fixed amount for both single-family and multi-family developments based on the number of units being created. In all cases, although fixed, the amounts for single-family, townhouses and apartments were different. The other four comparator municipalities selected chose to seek a fixed amount for each single-family lot created and the multi-family development amount is based on the physical size of the buildings.

Another option used by some municipalities (though none used as comparators in the July 11, 2022, report) is to calculate the increase (lift) in the property value created by a rezoning process and to encourage the developer to share this lift with the municipality. This approach can result in uncertainty for the developer as to what the municipality will consider to be the land value increase and what share the municipality would consider is as the fair amenity contribution amount. This approach is often expensive and time consuming as independent appraisers and consultants are hired to assist both sides in the negotiations. Staff do not recommend Council consider this option.

Staff are seeking direction from Council as to which calculation method it wants to include in the policy. The recommendation section of the report identifies the options to be considered as:

- 1A) Base the target residential CAC amount on the size of the property being rezoned and OCP designation of the land being considered, **OR**
- 1B) Base the target residential CAC amount on the number of single-family and multi-family units being developed, **OR**

- 1C) Base the target single-family residential CAC amount on the number of units being developed and the target multi-family CAC amount on the physical size of the development.

Different contribution amounts for different residential construction types

In the report presented on July 11, 2022, staff recommended different contribution amounts for different residential construction types. Staff originally considered recommending a per unit contribution rate for the proposed CAC policy as follows:

- \$8,000 per single-family lot created;
- \$6,500 per townhouse or other attached ground-oriented dwelling unit; and
- \$5,000 per apartment dwelling unit.

An analysis was done to determine what the contribution rate should be on a per hectare basis to approximate the per unit contribution rates originally considered. This per hectare basis was proposed to Council.

During the meeting it was suggested that multi-family homes may, in fact, require more amenities due to the lack of private outdoor land for the residents to utilize. Therefore, seeking a reduced contribution from townhouses and apartments may not be desired. The recommendation section of the report identifies the options to be considered as:

- 2A) The per unit, or equivalent, Community Amenity Contribution sought from multi-family residential development will be less than the per unit, or equivalent, contribution sought from single-family residential development, **OR**
- 2B) The per unit, or equivalent, Community Amenity Contribution sought from multi-family residential development will be the same as the per unit, or equivalent, contribution sought from single-family residential development.

Target contribution amounts for residential development

At the July 11, 2022, Special Council meeting it was suggested that the increase to the CAC amounts be equivalent to the proposed increase in the DCC levy. Staff have proposed increasing the DCC levy for single family residential development from \$14,732 per unit to \$50,438 per unit, an increase of 342%. A similar increase to the current CAC amount of \$2,815 would result in a contribution amount of \$9,627.

Should Council wish to seek a lesser CAC amount from multi-family development, a similar reduction as that used for the DCC levy could be considered. The proposed DCC rate for townhouses is 69% of the proposed rate for single family units and the proposed rate for apartments is 53% of the proposed single family rate. Using the same ratios, the CAC amount for townhouses would be \$6,643 and the amount for apartments would be \$5,102. For ease of calculation, staff recommend rounding the CAC amount up to the nearest \$100, therefore; the recommendation section of the report identifies the options to be considered as:

- 3A) The Community Amenity Contribution sought for each residential unit be \$9,700, or equivalent if based on the land area, **OR**
- 3B) The Community Amenity Contribution sought for each residential unit or equivalent if based on the land area be:

- \$9,700 per single-family residential unit;
- \$6,700 per townhouse or other attached ground-oriented dwelling unit; and
- \$5,200 per apartment dwelling unit.

Inclusion or exclusion of other development activity

In the report presented on July 11, 2022, staff proposed a method to determine a fair contribution rate that is based on the size of the property being rezoned and OCP designation of the land being considered. The OCP designations listed in the proposed policy were:

- Rural
- Rural Residential
- Suburban
- Urban Residential
- Urban Compact
- Attached Multi-Unit, Apartment Residential, High Density Townhouse and Townhouse Residential
- Neighbourhood Centre
- Mixed-Use – Mid Rise
- Commercial
- Mission City Downtown

Other OCP designations excluded from the CAC policy were:

- Future Employment Lands
- Industrial
- Agricultural
- Institutional

These four OCP designations were excluded in recognition of the positive social and economic benefit these types of developments provide to the City. During the discussion at the July 11, 2022, meeting it was suggested that Council consider excluding commercial development as well. This would mean CACs are only sought from residential development which is similar to the policies in most other municipalities.

The recommendation section of the report identifies the options to be considered as:

4A) The OCP designations to be included in the CAC policy are:

- Rural
- Rural Residential
- Suburban
- Urban Residential
- Urban Compact
- Attached Multi-Unit, Apartment Residential, High Density Townhouse and Townhouse Residential
- Neighbourhood Centre
- Mixed-Use – Mid Rise
- Commercial
- Mission City Downtown, **OR**

4B) The OCP designations to be included in the CAC policy are:

- Rural
- Rural Residential
- Suburban
- Urban Residential
- Urban Compact
- Attached Multi-Unit, Apartment Residential, High Density Townhouse and Townhouse Residential
- Neighbourhood Centre
- Mixed-Use – Mid Rise
- Mission City Downtown

And for any mixed used development, a proportionate reduction will be considered for any non-residential components.

It should be noted that Council decisions regarding the basis of calculation and whether to include or exclude commercial development will then lead to other decisions needing to be made. Specifically, if CACs are to be sought from commercial development, does Council want the amount to be based on the size of the land being developed, the size of the physical building or the number of units being built? Further, what is the contribution amount Council would seek from commercial development?

If Council chooses to include Commercial property in the CAC policy, staff recommend the target contribution amount be based on either the physical size of the development or the size of the land.

In the July 11, 2022 report, staff proposed seeking a CAC contribution from Commercial property based on the size of the property being rezoned. As there was no prior commercial rate to compare to, staff analyzed the actual residential units built on property zoned as commercial as allowed under the zoning bylaw. An equivalent per hectare amount was then calculated based on a revised amount of \$5,000 per apartment. This equivalent rate is \$705,300 per hectare. As the maximum floor space ratio for commercial property is 1.5, or 15,000 square metres per hectare, the \$705,300 could be converted to \$48 per square metre (\$4.46 per square foot).

If Council would prefer to set the target amount for multi-family development at \$9,700 per unit, the equivalent commercial rate is \$1,368,200 per hectare or \$92 per square metre (\$8.55 per square foot).

The recommendation section of the report identifies the options to be considered as:

- 5A) The amount of the Community Amenity Contribution sought from commercial development be \$705,300 per developable hectare, **OR**
- 5B) The amount of the Community Amenity Contribution sought from commercial development be \$48 per square metre of the proposed building, **OR**
- 5C) The amount of the Community Amenity Contribution sought from commercial development be \$1,368,200 per developable hectare, **OR**
- 5D) The amount of the Community Amenity Contribution sought from commercial development be \$92 per square metre of the proposed building, **OR**

- 5E) The City will not seek Community Amenity Contributions from the proportional amount of commercial development in a Mixed-Use designation.

Impact of removing the Downtown Development Incentive Program exemption

Staff suggested Council may want to consider whether it wants to continue the practice of not seeking CACs for any residential development in the designated downtown area. As the residential development in the downtown area would be multi-family construction, it is possible that the demand for the amenities funded with the contributions is higher than the demand from single family developments in a suburban neighbourhood. It should be noted that affordable housing and rental housing units proposed as described in exceptions section of the proposed policy would still not be expected to provided CACs.

In addition to not seeking CACs, the Downtown Development Incentive Program also offers the following:

- Property tax exemption for 10 years - 100% of assessed value of land and improvements above pre-development values for 5 years, with the exempt amount being reduced by 20% per year for the next 5 years.
- Municipal Fee Reductions - 50% reduction on some municipal fees and permits.
- Waive off-set costs under the Parking Strategy for varying off-street parking spaces.
- Waive Servicing Infrastructure Modeling Fees.
- Priority Processing.
- Free Land Title Searches and Filings.
- Brownfield Support – for Potential Grants.

Staff are unable to provide an opinion as to whether development activity would be reduced with the elimination the CAC exemption in the designated downtown area particularly if the other incentives were to remain in place.

The following chart provides a list of recent development in the downtown and the related deferred CACs based on the current target contribution amount of \$2,815 per unit:

Address	# of Units	Deferred CACs
P2022-074 – 3340 3rd Ave	90 units	\$253,350
P2015-001 – 33281 2nd Ave	86 units	\$242,090
P2020-019 – 7330 Horne St	40 units	\$112,600
P2020-034 – 33232 2nd Ave	92 units	\$258,980
P2019-128 – 33162 3rd Ave	33 units	\$92,895
P2021-142 – 32968 2nd Ave	83 units	\$233,645
*note – this is not a comprehensive list, and many of the projects have not been considered by Council at this time		

Staff will be updating the Downtown Development Incentive Program and the associated bylaws this fall given that the current DDIP's eligibility criteria for property tax exemption and CAC refund states that applicants must complete a Building Permit application prior to December 31, 2022 and complete construction by December 31, 2024.

The recommendation section of the report identifies the following options be considered:

- 6A) That the exemption from Community Amenity Contributions in the Mission Downtown Development Incentive Program be removed and the applicable bylaws and policies be amended, **OR**
- 6B) That the exemption from Community Amenity Contributions in the Mission Downtown Development Incentive Program be continued as provided in the applicable bylaws and policies.

Additional temporary contribution amount until the updated DCC bylaw is adopted

During the proposed DCC Bylaw Update presentation at the July 11, 2022 Special Council it was noted that there may be a large number of developers who may wish to get their applications into the City prior to adoption of the updated bylaw. The *Local Government Act* requires the City to charge the existing DCC rates for any completed subdivision application received prior to the date the new DCC bylaw is adopted. The grace period expires if final approval of the development application by Council does not occur within 12 months of the date of DCC Bylaw adoption. This exemption also applies to any building permit issued within 12 months of the new DCC Bylaw adoption related to any building permit application, development permit application or rezoning application received prior to adoption of the new DCC Bylaw.

Concern was raised that the City may not have enough resources to accept an abnormally large number of applications in a short period of time.

It was also noted that the large increase proposed for the DCC levy and the CAC contribution amount indicate that the amounts received from the development community for the provision of infrastructure and amenities required to support growth is not sufficient. Concern was raised that the requirement to provide a 12-month grace period simply exasperates the problem even more.

To address both of the concerns raised above, it was suggested that, in addition to the “regular” CAC amount, an amount equal to the foregone DCC levy be sought in the interim period between when the revised CAC policy is approved and the updated DCC Bylaw is adopted. The difference between the existing DCC levy and the proposed DCC levy for each residential housing type is:

- \$35,700 per single-family dwelling unit;
- \$24,100 per townhouse dwelling unit; and
- \$18,400 per apartment dwelling unit.

Council could choose to seek the same additional CAC amount for all residential construction types.

The recommendation section of the report identifies the options to be considered as:

- 7A) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional \$35,700 Community Amenity Contribution (or equivalent if based on the land area) be sought from each residential unit proposed, **OR**

7B) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, the per unit amount (or equivalent if based on the land area) of Community Amenity Contribution sought be:

- \$35,700 per single-family residential unit;
- \$24,100 per townhouse or other attached ground-oriented dwelling unit; and
- \$18,400 per apartment dwelling unit.

Depending on Council decision regarding whether to seek CACs from Commercial developments, the following resolutions may be required. Resolutions 8A and 8B are based on the CAC for an apartment being \$18,400. Resolutions 8C and 8D are based on the CAC for an apartment being \$35,700. If Council chooses not to seek CACs from Commercial development none of the following resolutions are necessary:

8A) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, additional Community Amenity Contribution sought from commercial development equal to \$2,595,300 per developable hectare, **OR**

8B) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional Community Amenity Contribution sought from commercial development equal to \$174 per square metre of the proposed building, **OR**

8C) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, an additional Community Amenity Contribution sought from commercial development equal to \$5,035,300 per developable hectare, **OR**

8D) In the interim period between approval of this policy and adoption of the City of Mission Development Cost Charge Bylaw 6115-2022, additional Community Amenity Contribution sought from commercial development equal to \$336 per square metre of the proposed building.

Uses of CAC reserve funds

In the July 11, 2022 report, staff recommended that 20% of all Community Amenity contributions be used to support Affordable Housing initiatives.

Staff further recommended that 80% be used to assist with the funding of public amenities such as:

- Acquisition of land for the provision of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Parks
 - Trails

- Design and construction of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
- Park or trail construction and/or maintenance
- Public Art
- Heritage conservation
- Conservation of significant ecological features and environmental enhancements

During the discussion of the potential use of the CAC funds to assist with the funding of public amenities, it was suggested that “Green Amenities” such as, but not limited to, EV charging stations, recycling facilities and composting facilities, be added to the list.

The following two resolutions are provided for Council’s consideration. The only difference between the two is the addition of Green Amenities in the option 9B.

9A) That the CAC received be used for the following purposes:

20% to be apportioned to the City’s Affordable Housing Reserve and utilized in accordance with the Affordable Housing Reserve Policy

And that 80% be apportioned to the Community Amenity Reserve and used to assist in the funding of public amenities deemed appropriate by Council, including, but not limited to:

- Acquisition of land for the provision of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Heritage conservation
 - Public Art
 - Trails
- Design and construction of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Neighbourhood Parks
 - Trails

- Acquisition of Public Art
- Heritage conservation
- Conservation of significant ecological features and environmental enhancements, **OR**

9B) That the CAC received be used for the following purposes:

20% to be apportioned to the City's Affordable Housing Reserve and utilized in accordance with the Affordable Housing Reserve Policy

And that 80% be apportioned to the Community Amenity Reserve and used to assist in the funding of public amenities deemed appropriate by Council, including, but not limited to:

- Acquisition of land for the provision of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Heritage conservation
 - Public Art
 - Trails
- Design and construction of:
 - Civic facilities
 - Community facilities
 - Cultural facilities
 - Libraries
 - Recreation facilities
 - Neighbourhood Parks
 - Trails
- Acquisition of Public Art
- Heritage conservation
- Conservation of significant ecological features and environmental enhancements
- Green initiatives

Inflationary increase and policy review dates

The policy presented to Council included a section suggesting that, on March 1st of each year, the CAC amount be increased by the percentage change in the Vancouver consumer price index (CPI) of the immediately preceding calendar year, rounded up to the nearest \$100.

As Provincial regulation allows a municipality to increase its DCC bylaw levy by the CPI of the preceding year, staff recommend the CAC amounts be increased by the same amount.

The CAC policy also noted that the policy should be reviewed in June 2024. As the original intention was to have the policy reviewed every two years, this date could be changed to September 2024. Alternatively, considering there is a proposal to increase the CAC amount by the Vancouver CPI amount each year, Council could direct staff to bring the CAC policy forward for review at the same time an updated DCC bylaw is brought to Council for consideration. Best practice suggests a DCC bylaw should be updated every 4 to 5 years.

To confirm Council's direction, staff suggest the following recommendations be considered by Council:

- 10) That on March 1st of each subsequent year, the target rates in the CAC policy be increased by the percentage change in the Vancouver consumer price index of the immediately preceding calendar year, rounded up to the nearest \$100 if based on land area or units and rounded up to the nearest dollar if based on the size of the development in square meters.
- 11) That LAN.40(C) Financial Contributions for Community Amenities policy be reviewed in conjunction with an update of the City's DCC bylaw or within 5 years of the date of approval, whichever is sooner.

Next Steps

As LAN.40(C) Financial Contributions for Community Amenities is a Council policy no public input, such as that for a Financial Plan Bylaw or a DCC Bylaw, is required. Due to the large increase in the proposed CAC amounts being proposed, Council may wish to seek input from the development community including the Development Liaison Committee.

At the July 11, 2022, Special Council meeting the following resolution was passed,

That staff proceed with stakeholder consultation regarding an update to the Development Cost Charge Bylaw as detailed in the Draft Background Report attached to the report from the Director of Finance dated July 11, 2022,

The proposed CAC policy updates could be presented at the same stakeholder consultation meeting(s). Alternatively, Council could direct staff to bring the policy, based on the direction provided by Council as a result of this report, to the next Council meeting for approval.

The recommendation section of the report identifies the options to be considered as:

- 12A) That staff proceed with stakeholder consultation regarding a revised LAN.40(C) Financial Contributions for Community Amenities policy as determined by Council during the August 15, 2022 regular Council meeting, **OR**
- 12B) That staff be directed to bring a revised to LAN.40(C) Financial Contributions for Community Amenities policy as determined by Council during the August 15, 2022 regular Council meeting to the September 6, 2022 Regular Council meeting.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

Receiving increased Community Amenity Contributions from development applicants seeking rezoning will provide the City with more funds to assist with the funding of public amenities and to support affordable housing initiatives.

Communication

If directed to by Council, staff will discuss the proposed policy with the development community to seek input for Council's consideration, otherwise; the revised policy will be brought forward to a regular Council meeting for discussion and approval.

Summary and Conclusion

On July 11, 2022 staff presented a report to Council with proposed changes to LAN.40(C) Financial Contributions for Community Amenities Policy. Discussion ensued on how the Community Amenity Contribution calculations are set, the list of items CACs can pay for, the downtown area development, and reviewing the CAC policy.

As a result of that meeting staff are seeking direction from Council regarding the following:

- Basis for calculating the contribution amounts
- Different contribution amounts for different residential construction types
- Target contribution amounts for residential development
- Inclusion or exclusion of other development activity
- Impact of removing the Downtown Development Incentive Program exemption
- Additional temporary contribution amount until the updated DCC bylaw is adopted
- Uses of CAC reserve funds
- Inflationary increase and policy review dates

The Discussion and Analysis section of this reports outlines all of the items listed above and provides information for Council to consider to revise the CAC policy.

Report Prepared by: Doug Stewart, Director of Finance

Approved for Inclusion: Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: LAN.40(C) Financial Contributions for Community Amenities update report dated July 11, 2022 from the Director of Finance