



City of Richmond

Report to Committee

To: Planning Committee
From: Terry Crowe
Manager, Policy Planning

Date: May 8, 2003
File: 4055-01

Re: **FINANCING AFFORDABLE HOUSING, CHILDCARE AND PUBLIC ART**

Staff Recommendation

That staff consult with the Urban Development Institute, Richmond Community Services Advisory Council, Richmond Seniors Advisory Council (Housing Working Group), Richmond Childcare Development Board, and Richmond Public Art Commission regarding the proposed affordable housing, childcare and public art funding policies and options, and report back to Council.

Terry Crowe
Manager, Policy Planning

TTC:keh

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Law	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Parks	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Facility Planning & Construction.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

Staff Report

Origin

In the summer of 2002, Council directed staff to prepare developer funding options for affordable housing, childcare and public art.

While Council requested staff to address only private sector contributions to affordable housing, childcare and public art, staff are also presenting funding formulas for City contributions.

This report presents for Council's consideration, a balanced and sustainable approach to financing affordable housing, childcare and public art.

Analysis

PART A - INTRODUCTION

1. The Problem

The City's current funding policies for affordable housing, child care facilities and public art are insufficient and need to be revised.

Currently, developers primarily, but sporadically, contribute to these services. The City contributes little financially to these services. This approach has resulted in the depletion and foreseeable depletion of funds for these services.

For example:

- ❑ In 2003, the child care funds will be totally depleted.
- ❑ While there is currently approximately \$5 million in the affordable housing reserve, the increasing demand for affordable housing and project costs, which occur at \$1 million per project and between \$1 - 2 million per year, will soon result in the reserve being depleted.
- ❑ Currently, for public art, developer contributions are the main source of funding, but they are voluntary and hence sporadic. The City has not contributed to public art in recent years.

This means that the City's ability to ensure that these services are provided in the community will be jeopardized. A new funding policy is required and timely.

2. The Funding Vision

The City's Corporate Vision is to be the most appealing, livable and well managed City in Canada.

An appropriate funding vision for affordable housing, child care facilities and public art is that there will always be funds available, in a sustainable manner, to provide needed affordable housing, child care facilities and public art in Richmond.

An improved City and developer funding policy will best ensure sustained funding for affordable housing, child care facilities and public art. With such funding, an effective and ongoing ability to provide these services will be achieved. The alternative, to run out of

money for these services, is not suggested because it would not result in the kind of city which Richmond chooses to be.

3. The Solution

While both developers and Council want to avoid increased costs and taxation, increases are necessary to ensure that these services are provided over the long term.

4. Preferred Option

A balanced City and developer funding policy is recommended.

Developers should, it is suggested, contribute to affordable housing, child care and public art because:

- ☐ The new residents, which new development brings, need these services,
- ☐ As developers profit from their ventures, they can be expected to contribute to the community by assisting in providing these services.

The City should, it is suggested, contribute to providing affordable housing, child care facilities and public art because Council represents existing residents and taxpayers who also need these services.

As well, a balanced policy:

- ☐ Avoids excessive developer costs and City taxation, and
- ☐ Increases the sustainability of the funds during fluctuating economic seasons and development cycles.

5. Other Options

The alternatives to this balanced approach include:

Options	Comment
<input type="checkbox"/> Maintain the status quo	<input type="checkbox"/> Funding will be depleted <input type="checkbox"/> Services not provided
<input type="checkbox"/> City to totally fund by raising taxes	<input type="checkbox"/> Taxes would increase unacceptably
<input type="checkbox"/> City to totally fund from a portion of the annual sales of City owned land	<input type="checkbox"/> City needs these funds for other priorities (e.g. community safety buildings)
<input type="checkbox"/> Developers to totally fund through development	<input type="checkbox"/> Development cost would increase unacceptably

Note:

In the next several months, staff will bring forth a report outlining developer requirements for indoor and out door amenity spaces in residential developments.

PART B – NEED

1. Reduced Senior Government Support

The past decade has seen a steady decline in senior government funding for affordable housing, and for low and moderate income families and children. Senior government housing programs which now exist place a greater emphasis on an equity contribution by local government and other community partners, including the private and non-profit sectors. Support services to families and children requiring childcare have seen a similar decline.

Given this context, local governments are being challenged to examine their roles in providing affordable housing and childcare. It is timely for Richmond Council to consider its role and that of community partners in providing affordable housing, childcare and public art.

2. Growth

Currently, the City's Official Community Plan (OCP) identifies growth for Richmond as follows:

- ❑ Population: currently 168,000 - to increase by 44,000 - to 212,000, and
- ❑ Employment: currently 100,000 - to increase by 50,000 - to 150,000 by 2021.

Richmond is attracting an increasing number of seniors. For instance, seniors will comprise 21% (42,452 seniors) of the population of Richmond by 2020 (Affordable Seniors Supportive Housing Study (June 2001)).

With this increase in population, employment and seniors, there is a corresponding need for increases in social and cultural services and amenities, including affordable housing, childcare and public art.

Both the City and the private sector can be expected to contribute to assisting the needs of this growth.

3. Affordable Housing Issues in Richmond

General

The Richmond Affordable Housing Policy was endorsed by Council on September 26, 1994 (see **Attachment 1**).

The Policy defines Affordable Housing as follows:

"Affordable housing refers to housing that costs no more than 30% of the gross income of those households in the lower two income quartiles in Richmond."

Income quartiles relate to income analysis where the total number of individuals with recorded income in a federal census are divided into 4 equal groups or quartiles. For example, if there were 100,000 people with recorded income in Richmond in 2001, this total group would be divided into four groups of 25,000 people each. The top quartile would include 25,000 individuals with the highest incomes, the second quartile of 25,000 people would include those people with the next highest incomes and so on until the bottom quartile or 25,000 people with the lowest incomes in the City.

Homelessness

In 1996, there were 3,630 households or 10,555 individuals in Richmond identified as at risk of homelessness through the INALH definition (In Core Housing Need & Spending at Least Half Their Income on Shelter) (Source: "Richmond Homelessness Needs Assessment and Strategy, May, 2002).

Seniors

According to the Affordable Seniors Supportive Housing Study (June, 2001), more than half of all seniors (65+) living in Richmond cannot afford the cost of private sector supportive housing, which currently is about \$31,000 to \$37,000 per year (e.g. 19,000 +/- seniors).

The proportion of seniors who cannot afford market supportive housing will likely remain unchanged to 2021.

Poverty

In 1996, of the 40,570 families in Richmond, 22.9% had incomes below the Low Income Cut-Off (Source: Poverty in Richmond: A Sense of Belonging, November, 2000). People in poverty need affordable housing.

Affordable Housing Unit Cost

An average cost of a typical 92.9 sq. m (1,000 sq ft) two bedroom unit of basic quality for:

- Wood frame townhouse is \$85,000 to \$90,000 per unit, or \$7.90 to \$8.36 per buildable square metre (\$85 to \$90 per buildable square foot).
- Wood frame apartment is \$90,000 to \$95,000 per unit, or \$8.36 to \$8.82 per buildable square metre (\$90 to \$95 per buildable square foot) (Source: GVHC).

Summary

Richmond's affordable housing projects are intended to help provide affordable housing, emergency housing and shelter for the homeless.

The average City contribution to affordable housing projects is approximately \$1 million per project. Each year the City spends \$1 - 2 Million on affordable housing

Both the City and private sector can contribute to addressing these needs.

4. Childcare Need in Richmond

General

The City of Richmond Childcare Policy was endorsed by Council on November 22nd, 1982 and December 9th, 1991 respectively (see **Attachment 2**).

Childcare Need

According to the 2001 – 2006 Summary Child Care Needs Assessment (June 2002) the demand for childcare in 2003 continues to exceed the supply in Richmond despite the finding that the number of regulated child care spaces in the City increased by 33% between 1995 and 2001, from 2,439 spaces to 3,216 spaces (including occasional childminding spaces). By contrast, the population of children under thirteen in the City grew by 3.5 percent over the last six years.

The study identifies that the City needs to prioritize the development of child care spaces for school-age children across the City, particularly for nine to twelve year olds. School age care represents by far the most significant service gap in Richmond, followed by less significant shortages of Kindercare and Infant/Toddler spaces.

Childcare Facility Cost

The average cost of a childcare facility is \$450,000 (estimated development cost of the City childcare facilities at Southcove and Dover Crossing). The estimated average childcare space cost is approximately \$30,000, which is calculated on the amenity space provided during rezoning. In addition, there is an additional cost of \$2,000 per space for start-up cost for equipment, toys, etc. (Source: City of Vancouver).

Summary

Both the City and the private sector can contribute to addressing childcare space and playground equipment needs.

5. Public Art Need in Richmond

General

The Richmond Public Art Program was endorsed by City Council on June 23, 1997.

Private Sector Contribution Formula

On September 14, 1998, The Percent for Public Art Policy (voluntary Developer Contribution for Public Art) was endorsed by Council (**see Attachment 3**), which contains the development criteria and calculation formula for voluntary private contributions to public art (i.e. actual site or financial contributions to the Public Art Statutory Reserve).

City Contribution Formula

The initial City funding formula was up to 1% of the City's annual capital program (to a maximum of \$235,000).

However, the annual contribution averaged about \$100,000 in two of the three years with no funding contribution in one.

It lapsed in 2001 and a new funding formula is needed.

Summary

Since its inception in 1997, the Public Art Program has resulted in 10 completed or planned public art projects, totalling \$429,000, with most private contributions being at \$25,000 per project (i.e. 2 per year).

The 2001 public art survey of Richmond residents showed that 75% of the respondents liked the direction of the Public Art Program, and the variety of private and public art projects being created. The public has welcomed public art in Richmond and expects continued innovation and ongoing support for it, because it adds to the excitement, vibrancy and appeal of the City.

Both the City and the private sector can contribute to public art needs.

PART C – SOLUTION

1. Principles

Any solution to establishing private sector and City contributions for affordable housing, childcare and public art is to be based on the following principles:

- ☐ Legality (jurisdictional authority),
- ☐ Transparency (openness, accountability),
- ☐ Balance (demand with supply),
- ☐ Fairness,
- ☐ Consistency,
- ☐ Partnerships (city, developers, and community contributions),
- ☐ Effectiveness (securing amenities and/or funds), and
- ☐ Administration efficiency.

2. Community Charter

In 2003, the second phase of the Community Charter, focusing on land use is expected to be released for public comment. The land use section of the new charter may outline new ways that the City can require financial contributions from the private sector for City services and amenities. City staff will monitor this possibility.

3. Law Department Comments

The Local Government Act allows for "bonus zoning" for the provision of amenities and affordable housing.

"Density Bonusing" means that a zoning bylaw may establish increasing density regulations for a zone, one regulation that is generally applicable and another regulation that will apply if a developer wants increased density and meets conditions that are specified in the bylaw (e.g. provisions to provide affordable housing units, or childcare spaces).

The Act does not however have any provisions that allow, in a Zoning Bylaw, taking a cash payment in lieu of the provisions of such amenities or affordable housing units.

Thus any approach that looks at accepting developer money in lieu of providing amenities cannot directly be part of the Zoning and Development Bylaw regulations. Any funding in lieu arrangement would be based on City policies (such as the policies being proposed) and the result of negotiations leading up to the introduction of any zoning amendments. The negotiation would reflect the increased density allowed without the provision of amenities or affordable housing on site and with cash in lieu payment.

Council can have and needs a policy to better guide staff in such negotiations. Each negotiation for money in lieu of the actual provision of amenities and affordable housing on site would have to be reviewed and accepted by Council.

Thus a policy of coordinated policy negotiation and rezoning can be used to obtain amenities and for money-in lieu contributions.

4. **Proposed Private Sector Contribution Policy to Affordable Housing, Childcare & Public Art**

Options

Attachment 4 presents the legally achievable policy options for private development contributions to affordable housing, childcare and public art.

Proposal

Attachment 4 identifies the proposed policy for private sector funding of affordable housing, childcare and public art.

5. **City Financial Proposed Contribution Policy to Affordable Housing, Childcare and Public Art**

To ensure that the City's approach is balanced, fair and effective in directing resources to affordable housing, childcare and public art, staff recommend that the City commit to annual contributions to the three statutory funds, as outlined in **Attachment 5**.

A summary of other City's contributions to affordable housing, childcare spaces, and public art are presented in **Attachment 6**.

A summary of other City's private sector contributions to affordable housing, childcare spaces, and public art are presented in **Attachment 7**.

6. **Overview of Proposed Private Sector and City Funding Policies**

A. Private Sector Funding Policies

(1) For affordable housing and childcare funding, it is proposed that private sector contributions be:

- Either built facilities or a funding contributions (Council to make the final choice),
- Related to higher and medium density (FAR) residential development of all types (e.g. high rise), and
- Required both:
 - when a rezoning occurs, and
 - when new such development occurs (e.g. Development Permit).

This approach is beneficial because it is based on:

- Balancing public need, demand and expectations with supply,
- The principles presented in this report (e.g. consistency and transparency),
- Placing the required contribution fairly on all such new developments,
- Achieving the desired results (facilities and funds), and
- Taking advantage of the City's development potential in a reasonable manner particularly in the City Center, where growth is expected.

To administer above approach, it is proposed that a density bonusing approach be established as identified in **Attachment 4**.

(2) For public art funding, it is proposed that:

- Developer participation in the Public Art Program continue to be voluntary, and
- When developers choose to provide public art funding, the formula be the existing formula (Council endorsed September 14, 1998) as identified on **Attachment 3**.

(3) Summary of Private Sector Funding Policies

From the private sector, the proposed funding policies (which are further discussed on **Attachment 4**) are as follows:

Statutory Fund	Applies To	Formula For Developer Contribution	Est. Average Funding Contribution Per Project	Est. Amount of Built Childcare Affordable Housing Space Per Project
Affordable Housing	<input type="checkbox"/> All new residential developments (i.e. development permit or rezoning) above .6 FAR	<input type="checkbox"/> \$6.46 per sq. m (\$.60 per sq. ft)	<input type="checkbox"/> up to \$107,236 (3 FAR buildings) <input type="checkbox"/> up to \$113,928 (2 FAR buildings)	<input type="checkbox"/> at least one built townhouse or apartment unit (one affordable housing unit costs \$85,000 to \$95,000).
Childcare	<input type="checkbox"/> All new residential developments (i.e. development permit or rezoning) above .6 FAR	<input type="checkbox"/> \$1.61 per sq. m (\$.15 per sq. ft)	<input type="checkbox"/> up to \$26,804 (3 FAR buildings) <input type="checkbox"/> up to \$28,393 (2 FAR buildings)	<input type="checkbox"/> up to nearly one built childcare space (one childcare space costs \$30,000).
Public Art	<input type="checkbox"/> Voluntary contribution on a case by case basis for rezoning and development permit applications, applies to: <ul style="list-style-type: none"> - residential developments 20 units or more, and - non-residential 2,000 sq. m total floor area or more. 	<input type="checkbox"/> \$6.46 per sq. m (\$.60 per sq. ft)	<input type="checkbox"/> \$25,000	<input type="checkbox"/> one public art project (approx.).

(4) Rationale For Formulas

The \$6.46 per sq metre for social housing and \$1.61 for childcare are low and based on reasonable and workable practices.

(5) Comparisons

Attachment 8 presents a comparison of four GVRD Cities' (Vancouver, Burnaby, Surrey and Richmond) estimated cost per sq foot charges for private sector contributions to social housing.

B. City Funding Policies**(1) General**

The proposed City funding contributions are based on:

- The principles presented in this report,
- Balancing public need, demand and expectations with supply,
- Achieving the desired results,
- Avoiding the depletion of the City reserves so that partnership opportunities can always be pursued, and facilities provided continuously to match continual growth, and
- Similar municipal practices.

(2) Proposed

From the City, the proposed annual space and/or funding contributions are as follows:

Statutory Fund	Proposed 2004 - 2021 City Annual Contributions	Rationale
Affordable Housing	<input type="checkbox"/> \$1,000,000/year (results in approx. 11 built affordable housing units).	<input type="checkbox"/> To meet the continuous and high demand for affordable housing, homelessness and poverty.
Childcare	<input type="checkbox"/> \$150,000/year <ul style="list-style-type: none"> - \$ 50,000 for equipment (results in 25 childcare spaces with start-up equipment, toys, etc.). - \$100,000 for facilities (results in the creation of 3 childcare spaces). 	<input type="checkbox"/> To meet the continuous demand for childcare facilities and playground equipment.
Public Art	<input type="checkbox"/> 2004 - \$125,000 (to be unfrozen). <input type="checkbox"/> 2005 - \$125,000 (to be unfrozen). <input type="checkbox"/> 2006 & onward 1% of City's annual capital plan for new and renovated civic buildings and facilities, and park improvement projects over \$1,000,000 will be dedicated to public art. <input type="checkbox"/> The amount would vary each year depending on funds approved for new civic buildings and facility construction and renovation, and park improvement projects over \$1,000,000.	<input type="checkbox"/> Note - \$250,000 frozen in the Public Art Statutory Fund is to be released for allocation for public art projects (in-lieu of the City's 2004 and 2005 allocation to the statutory fund). <input type="checkbox"/> Utilizes existing contributions. <input type="checkbox"/> Maintains program viability.

(3) Source

It is proposed that the source of the City's annual contributions would be as follows:

- for affordable housing - from taxation.
- for child care - from taxation.
- for public art - from 1% of the City's annual capital plan for new civic and renovated buildings and park improvements.

Note: From 1993 to 1997, Surrey funded affordable housing by allocating 5% from the sale of City owned land.

7. Annual Monitoring

Once Council approves the private sector and City funding policies and formulas for affordable housing, childcare and public art, it is proposed that staff will monitor activity and success, and report to Council annually.

8. Preferred Option Overview

At this time and for clarity, the preferred proposed overall policy is shown on **Attachment 9**.

9. Next Steps - Recommendation to Consult the Stakeholders

It is recommended that staff consult with the Urban Development Institute, Richmond Community Services Advisory Council, Richmond Seniors Advisory Council (Housing Working Group), Childcare Development Board, Public Art Commission, and Richmond School Board for their comments on the proposed funding policies and options and report back to Council.

10. Effective Date

It is recommended that after consultation, if Council endorses the proposed policies for private sector and City contributions as outlined in this report (e.g. affordable housing, childcare and public art), they would take effect on January 1, 2004.

11. Estimate of Total Annual Contributions

This chart illustrates the possible annual funding contributions for affordable housing, childcare and public art. These estimates will vary depending upon actual annual development activity, endorsed annual City building and park projects, and developer voluntary funding of public art projects.

Example Possible Annual Developer and City Funding Contributions for Affordable Housing, Childcare and Public Art				
Affordable Housing	2004 Est.	2005 Est.	2006 Est.	2007 Est. and on
<input type="checkbox"/> Private	\$1,000,000 (10 dev. est.)	\$1,000,000 (10 dev. est.)	\$1,000,000 (10 dev. est.)	\$1,000,000 (10 dev. est.)
<input type="checkbox"/> City	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Total	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Childcare				
<input type="checkbox"/> Private	\$270,000 (10 dev. est.)	\$270,000 (10 dev. est.)	\$270,000 (10 dev. est.)	\$270,000 (10 dev. est.)
<input type="checkbox"/> City	\$150,000	\$150,000	\$150,000	\$150,000
Total	\$420,000	\$420,000	\$420,000	\$420,000
Public Art				
<input type="checkbox"/> Private	\$80,000	\$80,000	\$80,000	\$80,000
<input type="checkbox"/> City	\$125,000 (unfrozen public art funds)	\$125,000 (unfrozen public art funds)	\$80,000 (1% est. of endorsed civic building & park projects over \$1,000,000)	\$80,000 (1% est. of endorsed civic building & park projects over \$1,000,000)
Total	\$205,000	\$205,000	\$160,000	\$160,000

Financial Impact

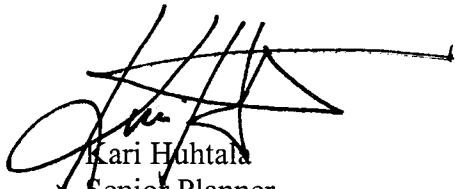
For consultation - none.

Conclusion

Establishing private sector and City funding policies for affordable housing, childcare, and art will ensure that these services are consistently and sustainably made available to the public to meet ongoing demand. This will help make Richmond the most appealing, liveable, and well-managed community in Canada.

A preferred developer and City funding policy is proposed.

Additional community consultation is recommended.



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THE RICHMOND AFFORDABLE HOUSING POLICY
ENDORSED BY COUNCIL ON SEPTEMBER 26, 1994

POLICY 5005:

It is Council policy that:

The City of Richmond shall respond to the need for "affordable housing" by taking a proactive role and prepare an action plan involving a series of initiatives in cooperation with the private and public sectors and non-profit groups.

For the purpose of this policy, affordable housing refers to housing that costs no more than 30% of the gross income of those households in the lower two income quartiles in Richmond.

1. The following goals shall be the basis for an affordable housing strategy:
 - a) Encourage the provision of a variety of housing types and tenure for a diversity of lifestyles at all income levels.
 - b) Facilitate opportunities for home ownership for moderate income households.
 - c) Facilitate opportunities for assisted housing for lower income households.
 - d) Ensure that the specialized housing needs of the elderly, disabled and single parent families are addressed in the previous goals.
 - e) Ensure a geographical distribution of affordable housing throughout the community.
2. Priorities for affordable housing are established as follows:
 - a) Low income households.
 - b) Elderly households.
 - c) Moderate income households.
3. Council shall take the following actions in the short term:
 - a) **Establish an Affordable Housing Property Acquisition Fund.**
 - b) Give priority to the development of non-market housing on City-owned land.
 - c) Adopt a resolution regulating conversion of existing rental housing stock pursuant to the Condominium Act.
 - d) Direct planning staff to identify new zoning regulations which could encourage starter homes, in consultation with the development community.
 - e) Adopt a resolution to participate in Greater Vancouver Regional District (GVRD) study on rental housing upon referral from GVRD Board.
 - f) Continue to encourage preservation and rehabilitation of older stock under the Residential Rehabilitation Assistance Program (RRAP).
4. Council shall take the following actions over the long term:
 - a) Review the feasibility of the other zoning and development control actions.
 - b) Review the feasibility of various public/private partnership initiatives.
 - c) Review appropriate City actions which may require amendments to the Municipal Act.

THE CITY OF RICHMOND CHILDCARE POLCIES
ENDORSED BY COUNCIL ON NOVEMBER 22ND, 1982 & DECEMBER 9TH, 1991

POLICY 4002:

It is Council policy that:

1. One of the goals of Richmond's Official Community Plan is: "To provide for the social needs of the community with adequate support services planning for increased services for the anticipated changes in the population mix of our community".
2. The City of Richmond acknowledges that child care is now an essential service in our community for residents, employers and employees.
3. The City of Richmond is committed to being an active partner with senior levels of government, parents, the private sector, and the community in the development and maintenance of a comprehensive child care system in Richmond. This system shall provide quality programs which are accessible and affordable.

POLICY 4015:

It is Council policy that:

Council supports and encourages child care services in the City by:

1. Promoting the development of a comprehensive system of good quality child care services throughout Richmond.
2. **Setting aside a parcel of land in each new community for a child care centre, integrated with school or park, if appropriate.**
3. Encouraging shopping centre managers to work with business to establish child-minding facilities in shopping centres.
4. Developing an introductory guide to City child care regulations.
5. Supporting a second Family Place Centre in Steveston, Seafair, or Blundell.
6. Encouraging child care program expansion through renewal of existing new community facilities.
7. Encouraging the Richmond School District to involve schools in the provision of child care services.
8. Requesting Kwantlen College to encourage students to volunteer in child care centres as part of their program.
9. **Requesting the Provincial Government to provide an indication of future funding allocation for child care.**

The Percent for Public Art Policy (excerpt)

**RICHMOND PUBLIC ART PROGRAM
(VOLUNTARY DEVELOPER CONTRIBUTION FOR PUBLIC ART
ADOPTED SEPTEMBER 14, 1998)**

Note:

Developer's contributions are voluntary.

A developer's contribution to public art is not a separate process, but is carried out as part of the rezoning, development permit and building permit approval process.

What Public Art Is

Public art can be many different features, including fountains, landscapes, wall reliefs, building elements, murals and functional elements (e.g. benches or sidewalk inlays, etc.).

Purpose of Program

The main objective of the City of Richmond's Percent for Public Art Policy is to encourage developers to provide 0.5% of the estimated construction costs of an eligible development to public art.

In this way, developers can enhance and humanize the public realm in private developments and in the City in general by:

- ☐ Providing high-quality art in publicly accessible spaces; and
- ☐ Creating exciting, harmonious and people friendly spaces, streets and development.

Eligible Developments

The developments for which developers are encouraged to contribute to public art include:

- ☐ Residential building proposals with 20 units or more; or
- ☐ Non-residential building proposals with a gross floor area of 2,000 m² or more.

The exceptions are:

- ☐ Calculation of public amenity spaces in new development;
- ☐ Developments which include care facility, congregate care facility, childcare facility, hospitals, schools and related uses;
- ☐ Purpose built rental, social and/or affordable housing projects and units;
- ☐ Parking, storage, and utility areas, except where they are a primary use; and
- ☐ industrial development warehouse and storage uses.

Roles

- ❑ Developers select a public art option, prepare a plan, select a public art site, identify the project parameters and implement the project.
- ❑ City Staff advise and work with developers to manage the public art selection as per the City's Public Art Program policies.
- ❑ The Public Art Commission assists the developer, City staff and artists in preparing a public art plan, approving the public art, recommending it to Council and advising on implementation.
- ❑ Council's role is to ensure that the Public Art Program is implemented appropriately, to approve developers' public art contributions at the rezoning and development or building permit stages, and to approve recommended public art.
- ❑ Jury's role is to select the best artist and artwork that meets the public art project's design parameters, theme and locational conditions, as outlined in the public art competition call terms of reference.

Developer's Public Art Budget

The amount encouraged for developer public art contribution is calculated as 0.5% of the estimated construction costs (as noted on the development and building permit forms) as determined by the Urban Development Division.

For example, if a development costs \$1,000,000.00, the developer's public art contribution would be $\$1,000,000 \times 0.05\% = \$50,000$.

Budget items for public art include:

- ❑ Preparing a public art plan;
- ❑ Artist selection and consultation costs;
- ❑ Art materials, fabrication and installation;
- ❑ A public relations program; and
- ❑ Administration costs.

Developer Public Art Options (Voluntary)

There are **three options** for developers to participate voluntarily in The Percent for Public Art Policy:

Option 1 - Developer Donates Cash to City's Public Art Statutory Reserve Fund

Developers may donate 0.5% of the value of an eligible development's estimated construction cost to the City's Public Art Statutory Reserve.

It is encouraged, that for public art budgets which are less than \$25,000 (e.g. for developments of less than \$500,000), a monetary contribution be made to the City's Public Art Statutory Reserve Fund.

This approach enables developers to support public art and the City to pool contributions. In this way, the benefits of these contributions are maximized and administration costs for all are reduced.

The City's intent is to spend these funds on public lands in the general vicinity of a developer's project.

Payment - Developers are asked to provide their cash contribution for public art to the City before a development or building permit is issued.

OR

Option 2 - Developer Funds and Manages Public Art

Developers may commission artworks through a City staff and Public Art Commission assisted juried public art competition equal to 0.5% of the estimated development construction cost.

A public art consultant is retained by the developer to work with the developer and City to manage the public art project process.

This public art project is actually owned by the development proponent.

OR

Option 3 - Developer Funds and the City Manages Public Art

Developers may allow the City to manage their public art project (e.g. planning, competition and selection process).

This option allows developers to dedicate funds to the creation of public art and to minimize administration costs.

A small portion of the project budget (3%-5%) will be used by the City to cover administration costs for the public art selection process.

Options for Private Developer Contributions To Affordable Housing, Childcare and Public Art

A. Private Sector - Affordable Housing

Affordable Housing	Description of Policy Option
<p>Option 1: <i>New Residential Developments With and Without Rezoning</i></p> <p>Pro:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Legally doable <input type="checkbox"/> City wide <input type="checkbox"/> Potentially all rezoning applications <input type="checkbox"/> Upfront & fair <p>Con:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Opposition from dev industry/property owners <input type="checkbox"/> May seem like down zoning <input type="checkbox"/> Add cost to market units 	<p>Policy <i>Commercial, agricultural and industrial application would not be subject to this policy.</i></p> <p>This policy involves:</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>New Developments - No Rezoning</u> New residential developments above .6 FAR are to provide Affordable Housing Units; however, the City may, in individual cases, accept a contribution to the Affordable Housing Statutory Fund in lieu of such provision. <li style="text-align: center;"><u>AND</u> <input type="checkbox"/> <u>New Developments with Rezoning</u> New residential developments above .6 FAR are to provide Affordable Housing Units; however, the City may, in individual cases, accept a contribution to the Affordable Housing Statutory Fund in lieu of such provision. <p>Proposed Affordable Housing Unit Cost (Source: GVHC) (To be adjusted annually) One affordable housing townhouse unit = \$85,000 to \$90,000. One affordable housing apartment unit = \$90,000 to \$95,000.</p> <p>Proposed Affordable Housing Space and Funding Formulas</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>City Centre</u> \$6.46 per sq m (\$.60 per sq ft) above .6 FAR to 3 FAR would be contributed to the Affordable Housing Statutory Fund. <i>For instance, a residential tower with 20,751 sq m = 3 FAR, 16,600 sq m = 2.4 FAR</i> \$6.46 x 16,600 sq m equals a \$107,236 contribution of affordable housing space or funding. <input type="checkbox"/> <u>Outside City Centre</u> \$6.46 per sq m (\$.60 per sq ft) above .6 FAR to 2 FAR would be contributed to affordable housing or to the Affordable Housing Statutory Fund. <i>For instance, an 4 story apartment with 26,455 sq m = 2 FAR, 17,636 sq m = 1.4 FAR. \$6.46 x 17,636 sq m equals \$113,928 contribution to affordable housing, or one built affordable housing unit (cost of one 92.9 sq m (1,000 sq ft) unit = \$90,000 (averaged GVHC estimates) or \$8.36 per sq m (\$.90 per sq ft).</i> <p>Bylaw Changes To implement this policy option, the following is required:</p> <ol style="list-style-type: none"> 1. <u>Adopt the policy</u> 2. <u>Amend the Zoning Bylaw</u> <i>Amend the Zoning Bylaw to call for all new residential developments density above .6 FAR to provide either:</i> <ul style="list-style-type: none"> - affordable housing units, or - contribute to the Affordable Housing Statutory Fund, <p style="text-align: center;">and</p> 3. <u>Rezoning</u> <i>Call for all new residential development rezonings above .6 FAR to provide either:</i> <ul style="list-style-type: none"> - affordable housing units or - contribute to the Affordable Housing Statutory Fund.

Affordable Housing	Description of Policy Option
<p>Option 2: New Residential Development Rezoning Option</p> <p>Pro:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Legally doable <input type="checkbox"/> City wide <input type="checkbox"/> Potentially all rezoning applications <input type="checkbox"/> Upfront & fair <p>Con:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Opposition from dev industry/property owners <input type="checkbox"/> Add cost to market units 	<p>Policy <i>Commercial, agricultural and industrial application would not be subject to this policy.</i></p> <p>This policy involves:</p> <ul style="list-style-type: none"> <input type="checkbox"/> New Developments with Rezoning New residential developments above .6 FAR are to provide Affordable Housing Units; however, the City may, in individual cases, accept a contribution to the Affordable Housing Statutory Fund in lieu of such provision. <p><i>Examples and formulas same as Option 1.</i></p>
	<p>Bylaw Changes To implement this policy option, the following is required:</p> <ol style="list-style-type: none"> 1. Adopt the policy 2. Amend the Zoning Bylaw <i>Amend the Zoning Bylaw to call for all new residential developments density above .6 FAR to provide either:</i> <ul style="list-style-type: none"> - <i>affordable housing units, or</i> - <i>contribute to the Affordable Housing Statutory Fund.</i> 3. Rezoning

Proposed Option and Formula

- At this time, Option 1 is preferred because it best achieves the principles, and balances the demand for amenities with supply (new growth).
- Public input is necessary to explore these and other possible funding mechanisms.

B. Private Sector - Childcare

Childcare	Description of Policy Option
<p>Option 1: New Residential Developments With and Without Rezoning</p> <p>Pros:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Legally doable <input type="checkbox"/> City wide <input type="checkbox"/> Maximize opportunities in City Centre <input type="checkbox"/> Potentially all rezoning appl. <input type="checkbox"/> Medium development outside City Centre to achieve higher density <input type="checkbox"/> Open and fair 	<p>Policy <i>Commercial, agricultural and industrial application would not be subject to this policy.</i></p> <p>This policy involves:</p> <ul style="list-style-type: none"> <input type="checkbox"/> New Developments - No Rezoning New residential developments above .6 FAR are to provide child care spaces, however, the City may, in individual cases, accept a contribution to the Child Care Statutory Fund in lieu of such provision. <input type="checkbox"/> New Developments with Rezoning New residential developments above .6 FAR are to provide child care spaces, however, the City may, in individual cases, accept a contribution to the Child Care Statutory Fund in lieu of such provision. <p>Proposed Childcare Space and Equipment Costs (Source: City of Vancouver) (To be adjusted annually) Cost of one childcare space = \$30,000. Cost of one childcare start-up space equipment, toys, etc. = \$2,000.</p> <p>Proposed Childcare Space and Funding Formulas:</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>City Centre</u> \$1.61 per sq m (\$1.15 per sq ft) above .6 FAR to 3 FAR would be contributed to childcare space or to the Child Care Statutory Reserve Fund.

Childcare	Description of Policy Option
<p>Cons:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Opposition from dev industry/ property owners <input type="checkbox"/> May seem like down zoning <input type="checkbox"/> Add cost to market units 	<p><i>For instance, a residential tower with 20,751 sq m = 3 FAR, 16,600 sq m = 2.4 FAR</i> <i>\$1.61 x 16,600 sq m equals \$26,725 contribution to childcare space or funding.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>Outside the City Centre - Medium Development Density- Childcare</u> <i>\$1.61 per sq m (\$1.15 per sq ft) above .60 FAR to 2 FAR would be contributed to childcare space or to the Childcare Statutory Fund.</i> <p><i>For instance, an 4 story apartment with 26,455 sq m = 2 FAR, 17,636 sq m = 1.4 FAR.</i> <i>\$1.61 x 17,636 sq m equals \$28,393 contribution to childcare funding, or nearly one childcare space (cost of one space = \$30,000).</i></p>
	<p>Bylaw Changes <i>To implement this policy, the following is required:</i></p> <ol style="list-style-type: none"> 1. Adopt the policy 2. Amend the Zoning Bylaw <i>Amend the Zoning Bylaw to call for all new residential developments density above .6 FAR to provide either:</i> <ul style="list-style-type: none"> - childcare spaces, or - contribute to the Childcare Statutory Fund, <i>and</i> 3. Rezoning <i>Call for all new residential development rezonings above .6 FAR to provide either:</i> <ul style="list-style-type: none"> - childcare spaces or - contribute to the Childcare Statutory Fund.
<p>Option 2: <i>New Residential Development Rezoning Option</i></p>	<p>Policy <i>This policy option involves:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>New Developments with Rezoning</u> <i>New residential developments above .6 FAR are to provide child care spaces, however, the City may, in individual cases, accept a contribution to the Child care Statutory Reserve in lieu of such provision.</i> <p><i>Examples and formulas same as Option 1.</i></p>
<p>Pros:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Legally doable <input type="checkbox"/> City wide <input type="checkbox"/> Potentially all rezoning applications <input type="checkbox"/> Upfront & fair <p>Cons:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Opposition from dev industry <input type="checkbox"/> Less development contributions 	<p>Bylaw Changes <i>Commercial, agricultural and industrial application would not be subject to this policy.</i></p> <p><i>To implement this policy option, the following is required:</i></p> <ol style="list-style-type: none"> 1. Adopt the policy 2. Amend the Zoning Bylaw <i>Amend the Zoning Bylaw to call for all new residential developments density above .6 FAR to provide either:</i> <ul style="list-style-type: none"> - childcare spaces, or - contribute to the Childcare Statutory Fund 3. Rezoning <i>Call for all new residential development rezonings above .6 FAR to either provide:</i> <ul style="list-style-type: none"> - child care spaces or - contribute to the Childcare Statutory Fund.

Proposed Option and Formula

- At this time, Option 1 is preferred because it best achieves the principles, and balances the demand for amenities with supply (new growth).
- Public input is necessary to explore these and other possible funding mechanisms.

C. Private Sector - Public Art

Public Art	Description of Policy Option
<p>Volunteer Case by Case Basis (Current application)</p> <p>Pros:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Legally doable <input type="checkbox"/> City wide <input type="checkbox"/> All development <input type="checkbox"/> Voluntary <input type="checkbox"/> Upfront & fair <input type="checkbox"/> Dev industry support <p>Cons:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not legally binding as proposed affordable housing and childcare options. <input type="checkbox"/> Determined on a case by case basis. 	<p>Policy This policy option continues the present "voluntary" private development contribution approach:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Applies to: <ul style="list-style-type: none"> - All non-residential building proposals with a gross floor area of 2,000 m² or more, and - All residential building proposals with 20 units or more. <input type="checkbox"/> Encourages all residential and non-residential developments to participate in providing either; public art projects, or financial contributions. <p>Proposed Formula Note:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Calculation formula used is \$6.46 per sq m (\$60 per sq ft). <input type="checkbox"/> In 2002, approximately \$80,000 was contributed into the Public Art Statutory Fund by the private sector. The City contributed no funds. <input type="checkbox"/> The private contribution would go either to the Public Art Reserve Fund or a specific public art project.

Proposed Formula

- ☐ Continue the existing private sector formula because it is accepted and effective.

SUMMARY
2004 to 20021 City Annual Contribution
to Affordable Housing, Childcare Spaces, and Public Art

City Statutory Funds	2003 Amount in the Reserves	Proposed City Annual Contributions 2004 to 2021
Affordable Housing ¹	\$4,500,000	\$1,000,000/each year*
Childcare ²	\$32,000	\$150,000/each year*
Public Art ³	\$176,957.23 plus \$250,000 (frozen) Note: \$176, 957.23 is expected to be allocated by May, 2004.	- 2004 - \$125,000 - 2005 - \$125,000 - 2006 & on - \$80,000 est. annually based on 1% of annual: . capital plan for new and renovated civic buildings and facilities, and . park improvement projects over \$1,000,000 will be dedicated to public art.

Note: *

1. Funding contributions each year will be adjusted to the annual Federal Government's Cost of Living Adjustment (COLA) to ensure that funding stays in tune with annual cost of living increases.
2. In 2004 and 2005, the \$250,000 (currently frozen) would be released for public art projects. As a result, the City's new annual contribution policy to the Public Art would begin in 2006.

Additional Notes:

1. Affordable housing contributions of \$1 million/per year are proposed because:
 - Affordable housing projects are expensive and can require a city cost of a minimum of \$1 million each.
 - The fund needs to be sustained to meet needs and to take advantage of opportunities, partnerships, and senior government funding.
 - The fund will be used to buy land and respond in a timely manner to affordable housing, poverty, homelessness, and community needs and partnership opportunities.
2. Annual City childcare contributions of \$150,000 are proposed because it is a reasonable amount to provide for the creation of childcare spaces and the purchase of childcare equipment on an ongoing manner.

A childcare facility can cost up to \$450,000 (estimated development cost of the City childcare facilities at Southcove and Dover Crossing).

3. City public art contributions of 1% of the annual capital plan (new and renovated civic buildings and facilities, and park improvement projects over \$1,000,000) are proposed because they:
 - Provide sufficient funds to undertake several public art projects each year, which has been the tradition.
 - Utilize only a portion of the City's funding for capital plan projects (e.g. 1 %) that is dedicated from the renewable community buildings, and park facilities fund that is replenished annually and requires no additional funds from other City funding sources. The 1% would be offset by annual minor reductions in civic and park improvement activity.
 - The actual dollars provided annually based on the 1% funding allocation for public art will vary depending on the city building, parks, and facility projects determined by Council each year.
 - It represents the accepted practice of public art funding by most municipal governments, who have public art programs in Canada and the US (see examples listed on **Attachment 7**).
4. Note:

An alternative City funding option is to arrange for a portion of City funds for affordable housing and childcare to come from the sale of City owned land (e.g. 5% from the sale of City owned land). The City of Surrey used this approach for affordable housing, from 1993 to 1997. At this time, it is not recommended because of the need of property revenues for other City priorities (e.g. community safety buildings).
5. Source:

It is proposed that the source of the City's annual contributions would be as follows:

 - for affordable housing - from taxation
 - for child care - from taxation
 - for public art - from 1% of the City's annual capital plan for new and renovated civic buildings, and park improvements

**Summary of Other City Contributions
To Affordable Housing, Childcare Spaces, and Public Art**

Other Cities	Affordable Housing	Childcare Spaces	Public Art
Vancouver	<input type="checkbox"/> \$2 to \$3 million annually	<input type="checkbox"/> \$700,000 annually	<input type="checkbox"/> 1% of its annual Capital Program Funds transferred to a Public Art Reserve Fund. <input type="checkbox"/> No maximum amount.
Calgary	<input type="checkbox"/> \$1.3 annually.	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> 1% of its annual Capital Program Funds transferred to a Public Art Reserve Fund. <input type="checkbox"/> No maximum amount.
Ottawa	<input type="checkbox"/> \$1 million annually.	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> 1% of its annual Capital Building and Improvement Budget for civic projects above \$2,000,000 to public art in public places. <input type="checkbox"/> Additional \$50,000 per year for miscellaneous smaller public art projects. <input type="checkbox"/> No maximum amount.
Toronto	<input type="checkbox"/> \$10 million	<input type="checkbox"/> \$320,000 annually committed from operating funds. <input type="checkbox"/> Currently, approx \$9.5 million in the Childcare Operating Budget.	<input type="checkbox"/> 1% of its annual Capital Program Funds transferred to a Public Art Reserve Fund. <input type="checkbox"/> No maximum.
Surrey	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> The "Percentage for Public Art" is a flat rate of 1.25 % of the total construction cost of selected capital projects funded in full or in part by the City. <input type="checkbox"/> No maximum amount.
Burnaby	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> No strategy or dedicated budget
North Vancouver Dist.	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> 1% of City Capital Program new construction projects are allocated to the development of public art. <input type="checkbox"/> No maximum amount.
City of North Vancouver	<input type="checkbox"/> \$260,000 (2003 & on)	<input type="checkbox"/> No strategy or dedicated budget	<input type="checkbox"/> \$85,000 annual allocation. Additional \$35,000 is requested as part of 2003 allocation.

Prepared by City of Richmond

**Summary of Other City's Private Sector Contributions
to Affordable Housing, Childcare Spaces, and Public Art**

City	Childcare	Affordable Housing	Public Art
Vancouver	<input type="checkbox"/> Through Development Cost Levies the developer contribute \$3.00 per sq foot to the City's amenity fund for affordable housing, childcare spaces, and community space. <input type="checkbox"/> Discussions are currently underway to increase this charge to \$5.00 per sq ft.	<input type="checkbox"/> Through Development Cost Levies the developer contribute \$3.00 per sq foot to the City's amenity fund for affordable housing, childcare spaces, and community space. <input type="checkbox"/> Discussions are currently underway to increase this charge to \$5.00 per sq ft.	<input type="checkbox"/> Private-sector developments which require rezonings greater than 160,000 ft ² may be required to contribute \$.95 per buildable (FSR) foot to public art (or 1% buildable foot construction cost to public art total).
Calgary	<input type="checkbox"/> Encourage development industry to contribute through density bonusing on a case by case basis.	<input type="checkbox"/> None	<input type="checkbox"/> Policy where developer contribution to public art is achieved through development bonusing at 1 sq m for every \$110 provided for public art.
Ottawa	<input type="checkbox"/> City offers private developers and not-for-profit corporations and cooperatives capital grants from a \$1 million fund (up to \$25,000 per unit) to create affordable housing and to create affordable rental accommodation for minimum of 20 years. <input type="checkbox"/> Other incentives include relief from development charges, planning application fees, building permit fees, and parkland levies.	<input type="checkbox"/> None	<input type="checkbox"/> None
Toronto	<input type="checkbox"/> Large developments to include affordable housing. <input type="checkbox"/> Investigate various development incentives (reducing property taxes, development fees, etc.)	<input type="checkbox"/> In the growth areas of Toronto, developmental agreements to secure funding or actually build a facility within large scale commercial buildings.	<input type="checkbox"/> Private-sector developments are encouraged to voluntarily contribute 1% per buildable (FSR) foot construction cost to public art.

City	Childcare	Affordable Housing	Public Art
Surrey	<input type="checkbox"/> None	<input type="checkbox"/> Affordable Housing Strategy 1993 to 1997 required: <ul style="list-style-type: none"> - 20% of units/lots as affordable housing, or \$750 per unit/lot contribution to the Affordable Housing Fund, - 5% from the sale of City owned land to the Affordable Housing Fund, and - The Fund be used to purchase lands for long term lease to non-profit housing societies. 	<input type="checkbox"/> None
Burnaby	<input type="checkbox"/> Density bonusing residential developments above 2.2 FAR to 2.6 FAR. <input type="checkbox"/> Formula \$40 per sq ft (approx) above 2.2 FAR	<input type="checkbox"/>	<input type="checkbox"/> Density bonusing on a case by case basis.
North Vancouver Dist	<input type="checkbox"/> None	<input type="checkbox"/> None	<input type="checkbox"/> Council approved <u>mandatory</u> 1% of building construction costs, applicable to multi-family residential properties of 5 units or more and commercial properties of greater than 5000 sq. ft.
North Vancouver City	<input type="checkbox"/> Density Case by case density negotiation for contribution	<input type="checkbox"/> None	<input type="checkbox"/> Voluntary 1% of built sq ft of new developments

**Comparison of Four GVRD Cities' Estimated Cost Per Sq Foot Charges For
Private Sector Contributions to Social Housing**

(calculation based on a typical Richmond apartment unit size of 900 sq. ft)

City	Estimated Per Sq Foot Charges
Vancouver (social housing, childcare & amenities)	\$3.00 per sq. ft. (proposed to increase to \$5.00)
Burnaby (Metrotown)	\$40.00 per sq. ft. (residential above 2 FAR)
Surrey (1993 to 1997)	\$1.20 per sq. ft. (units & lots)
Richmond (proposed)	\$.60 per sq. ft. (residential above .6 FAR)

Prepared by City of Richmond

Purpose

To clarify the City's preferred policy to fund Affordable Housing, Child Care and Public Art, prior to public consultation.

Summary

Preferred Funding Policy for Affordable Housing, Child Care and Public Art

1. Effective Policy Date

The effective policy date is January 1, 2004.

2. Policy

To establish a policy for private sector and City funding for Affordable Housing, Child Care and Public Art.

3. Term

(1) Affordable Housing

For the purposes of this policy "Affordable Housing" means:

- A. Affordable housing refers to housing that costs no more than 30% of the gross income of those households in the lower two income quartiles in Richmond.
- B. Senior government supported affordable housing.
- C. Accommodation to address homelessness (e.g. emergency shelters), as defined by Council.
- D. Accommodation to address poverty, as defined by Council.

(2) Childcare

For the purposes of this policy "Childcare" means:

- A. As defined in the City of Richmond Childcare Policy endorsed by Council.

(3) Public Art

For the purposes of this policy "Public Art" means:

- A. As defined in the City of Richmond Public Art Program endorsed by Council.

4. Principles

The funding policy is based on the following principles:

- ☐ Legality (jurisdictional authority),
- ☐ Transparency (openness, accountability),
- ☐ Balance (demand with supply),
- ☐ Fairness,
- ☐ Consistency,
- ☐ Partnerships (city, developers, and community contributions),
- ☐ Effectiveness (securing amenities and/or funds), and
- ☐ Administration efficiency.

5. How

To achieve the funding policies, various City policy and zoning bylaw changes are required, as identified below.

6. Preferred Private Sector Contribution (Space & Funding) Formulas

- (1) For affordable housing and childcare space or funding, it is proposed that private sector contributions be:
- Related to higher and medium density (FAR) residential development of all types (e.g. high rise), and
 - Required both when:
 - a rezoning occurs, and
 - new such development occurs (e.g. Development Permit).

This approach is beneficial because it;

- Meets the above principles (e.g. consistency and transparency),
- Balances need, demand and expectations with supply,
- Places the require contribution fairly on all such new developments,
- Will be effective in generating the desired results (facilities and funds), and
- Takes advantage of the City's development potential in a reasonable manner particularly in the City Center, where growth is expected.

To administer above approach, it is proposed that a density bonusing approach be established.

- (2) For public art funding, it is proposed that:
- Developer participation in the Public Art Program continue to be voluntary, and
 - When developers choose to provide public art or public art funding, the formula be the existing formula (Council endorsed September 14, 1998).

(3) Summary of Private Sector Space & Funding Policies

Statutory Fund	Applies To	Formula For Developer Contribution	Est. Average Funding Contribution Per Project	Est. Amount of Built Childcare Affordable Housing Space Per Project
Affordable Housing	<input type="checkbox"/> All new residential developments (i.e. development permit or rezoning) above .6 FAR	<input type="checkbox"/> \$6.46 per sq. m (\$.60 per sq. ft)	<input type="checkbox"/> up to \$107,236 (3 FAR buildings) <input type="checkbox"/> up to \$113,928 (2 FAR buildings)	<input type="checkbox"/> at least one built townhouse or apartment unit (one affordable housing unit costs \$85,000 to \$95,000).
Childcare	<input type="checkbox"/> All new residential developments (i.e. development permit or rezoning) above .6 FAR	<input type="checkbox"/> \$1.61 per sq. m (\$.15 per sq ft)	<input type="checkbox"/> up to \$26,804 (3 FAR buildings) <input type="checkbox"/> up to \$28,393 (2 FAR buildings)	<input type="checkbox"/> up to nearly one built childcare space (one childcare space costs \$30,000).
Public Art	<input type="checkbox"/> Voluntary	<input type="checkbox"/> \$6.46 per sq.	<input type="checkbox"/> \$25,000	<input type="checkbox"/> one public art

Statutory Fund	Applies To	Formula For Developer Contribution	Est. Average Funding Contribution Per Project	Est. Amount of Affordable Housing Space Per Project
	contribution on a case by case basis for rezoning and development permit applications, applies to: <ul style="list-style-type: none"> - residential developments 20 units or more, and - non-residential 2,000 sq. m total floor area or more. 	m (\$.60 per sq ft)		project (approx.).

(4) Rationale For Formulas

The \$6.46 per sq metre for social housing and \$1.61 for childcare are based on reasonable and workable practices as demonstrated with the private development contributions to public art.

(5) Details - Private Sector Funding - Affordable Housing

Affordable Housing	Description of Policy Option
Option 1: <i>New Residential Developments With and Without Rezoning</i>	<p>Policy This policy involves:</p> <p>(1) <u>New Developments - No Rezoning</u></p> <ul style="list-style-type: none"> - New residential developments above .6 FAR are to provide Affordable Housing Units; however, - The City may, in individual cases, accept a contribution to the Affordable Housing Statutory Fund in lieu of such provision. <p>(2) <u>New Developments with Rezoning</u></p> <ul style="list-style-type: none"> - New residential developments above .6 FAR are to provide Affordable Housing Units; however, - The City may, in individual cases, accept a contribution to the Affordable Housing Statutory Fund in lieu of such provision. <p>Proposed Affordable Housing Space and Funding Formulas (To be adjusted annually)</p> <p><input type="checkbox"/> <u>City Centre</u> \$6.46 per sq m (\$.60 per sq ft) above .6 FAR to 3 FAR would be contributed to affordable housing space or to the Affordable Housing Statutory Fund. <i>For instance, a residential tower with 20,751 sq m = 3 FAR, 16,600 sq m = 2.4 FAR</i> \$6.46 x 16,600 sq m equals \$107,236 contribution to affordable housing space or funding.</p> <p><input type="checkbox"/> <u>Outside City Centre</u> \$6.46 per sq m (\$.60 per sq ft) above .6 FAR to 2 FAR would be contributed to affordable housing space or to the Affordable Housing Statutory Fund. <i>For instance, a 4 story apartment with 26,455 sq m = 2 FAR, 17,636 sq m = 1.4 FAR.</i> \$6.46 x 17,636 sq m equals a \$113,928 contribution to affordable housing space, or one built affordable housing unit (cost of one 92.9 sq m (1,000 sq ft) unit = \$90,000 or \$8.36 per sq m (\$.90 per sq ft).</p>

(6) Details Private Sector Funding – Childcare

Childcare	Description of Policy Option
Option 1: <i>New Residential Developments With or Without Rezoning</i>	<p>Policy This policy involves:</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>New Developments - No Rezoning</u> New residential developments above .6 FAR are to provide child care spaces however, the City may, in individual cases, accept a contribution to the Child Care Statutory Fund in lieu of such provision. <input type="checkbox"/> <u>New Developments with Rezoning</u> New residential developments above .6 FAR are to provide child care spaces; however, the City may, on individual cases, accept a contribution to the Child Care Statutory Fund in lieu of such provision. <p>Proposed Childcare Space and Funding Formulas: (To be adjusted annually)</p> <ul style="list-style-type: none"> <input type="checkbox"/> <u>City Centre</u> \$1.61 per sq m (\$.15 per sq ft) above .6 FAR to 3 FAR would be contributed to childcare space or to the Childcare Statutory Fund <i>For instance, a residential tower with 20,751 sq m = 3 FAR, 16,600 sq m = 2.4 FAR</i> \$1.61 x 16,600 sq m equals \$26,725 contribution to child care space or funding. <input type="checkbox"/> <u>Outside the City Centre - Medium Development Density- Childcare</u> \$1.61 per sq m (\$.15 per sq ft) above .60 FAR to 2 FAR would be contributed to childcare space or to the Childcare Statutory Fund. <i>For instance, an 4 story apartment with 26,455 sq m = 2 FAR, 17,636 sq m = 1.4 FAR.</i> \$1.61 x 17,636 sq m equals \$28,393 contribution to childcare funding, or nearly one childcare space (cost of one space = \$30,000).

(7) Details Private Sector Funding - Public Art

Public Art	Description of Policy Option
Volunteer Case by Case Basis <i>(Current application)</i>	<p>Policy This policy option continues the present "voluntary" private development contribution approach by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Encouraging all residential and non-residential developments to participate in providing either public art projects or: <ul style="list-style-type: none"> - financial contributions by applying to: - all non-residential building proposals with a gross floor area of 2,000 m² or more, and - all residential building proposals with 20 units or more. <p>Proposed Public Art Funding Formula Note:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Calculation formula used is \$6.46 per sq m (\$.60 per sq ft). <input type="checkbox"/> <i>In 2002, approximately \$80,000 was contributed into the Public Art Statutory Fund by the private sector. The City contributed no funds.</i> <input type="checkbox"/> <i>The private contribution would go either to the Public Art Reserve Fund or specific public art projects.</i>

7. Preferred City Funding Policies

(1.) General

The proposed City funding contributions are based on:

- ☐ The principles presented in this report,
- ☐ Public need, demand and expectations,

- ❑ Avoiding depletion of the City reserves so that partnership opportunities can always be pursued, and facilities provided continuously to match continual growth, and
- ❑ Similar municipal practices.

(2.) Summary

From the City, the proposed annual funding contributions are as followings:

Statutory Fund	Proposed 2004 to 2021 Annual City Annual Contributions	Rationale
Affordable Housing	❑ \$1,000,000/year*	❑ To meet the continuous and high demand for affordable housing, homelessness and poverty.
Childcare	❑ \$150,000/year* - \$ 50,000 for equipment. - \$100,000 for facilities.	❑ To meet the continuous demand for childcare facilities and playground equipment.
Public Art	❑ 2004 - \$125,000 (to be unfrozen) ❑ 2005 - \$125,000 (to be unfrozen) ❑ 2006 & onward - \$80,000 est. annually based on 1% of City's annual capital plan for new and renovated civic buildings and facilities and park improvement projects over \$1,000,000 will be dedicated to public art. The amount would vary each year depending on funds approved for new facility construction or renovation, and park improvement projects.	❑ Note - \$250,000 frozen in the Public Art Statutory Fund is to be released for allocation for public art projects (in-lieu of the City's 2004 and 2005 allocation to the statutory fund). ❑ Utilizes existing contributions. ❑ Maintains program viability.

(3.) Details - City Annual Contribution to Affordable Housing, Childcare Spaces, and Public Art

City Statutory Funds	2003 Amount in the Reserves	2004 to 2021
Affordable Housing	\$4,500,000	\$1,000,000/each year
Childcare	\$32,000	\$150,000/each year
Public Art	\$176,957.23 plus \$250,000 (frozen) Note: \$176, 957.23 is expected to be allocated by May, 2004.	- 2004 - \$125,000 - 2005 - \$125,000 - 2006 & on, 1% of annual capital plan for new and renovated civic buildings and facilities, & park improvements over \$2,000,000 will be dedicated to public art.

Note: *

1. Funding contributions each year will be adjusted to the annual Federal Government's Cost of Living Adjustment (COLA) to ensure that funding stays in tune with annual cost of living increases.
2. In 2004 and 2005, the \$250,000 (currently frozen) would be released for public art projects. As a result, the City's new annual contribution policy to the Public Art would begin in 2006.

Additional Notes:

1. Affordable housing contributions of \$1 million/per year are proposed because:
 - Affordable housing projects are expensive and can require a city cost of a minimum of \$1million each.
 - The fund needs to be sustained to meet needs and to take advantage of opportunities, partnerships and senior government funding.
 - The fund will be used to buy land and respond in a timely manner to affordable housing, poverty, homelessness, and community needs and partnership opportunities.
2. Annually City childcare contributions of \$150,000 are proposed because it is a reasonable amount to provide for the creation of childcare spaces and the purchase of childcare equipment on an ongoing manner.

A childcare facility can cost up to \$450,000 (estimated development cost of the City childcare facilities at Southcove and Dover Crossing).

3. City public art contributions of 1% of the annual capital plan (new and renovated civic buildings and facilities, and park improvement projects over \$1,000,000) are proposed because they:
 - Provide sufficient funds to undertake several public art projects each year, which has been the tradition.
 - Utilize only a portion of the City's funding for capital plan projects (e.g. 1 %) that is dedicated from the renewable community buildings, and park facilities fund that is replenished annually and requires no additional funds from other City funding sources. The 1% would be offset by annual minor reduction in civic and park improvement activity.
 - The actual dollars provided annually based on the 1% funding allocation for public art will vary depending on the city building, parks, and facility projects determined by Council each year.
 - Represents the accepted practice of public art funding by most municipal governments, who have public art programs in Canada and the US (see examples listed on **Attachment 7**).
4. Source:

It is proposed that the source of the City's annual contributions would be as follows:

 - for affordable housing - from taxation
 - for child care - from taxation
 - for public art - from 1% of the City's annual capital plan for new and renovated civic buildings, and park improvements

8. Annual Adjustments

Funding contributions each year will adjusted to the annual cost of living indicators to ensure that funding stays in tune to annual cost of living increases.

9. Annual Monitoring and Review

Annually, the City will monitor the policy activity and report to Council with any necessary adjustments.