



To: Planning Committee
From: Wayne Craig
Director, Development

Date: January 10, 2018
File: 08-4000-01/2017-Vol 01

**Re: Updating Amenity and Planning Contribution Rates Within the Official
Community Plan and Area Plans**

Staff Recommendation

1. That Official Community Plan Bylaw 9000, Amendment Bylaw 9792, to amend:
 - a) Section 3.6.2 to adjust for past inflation and include a future inflation provision for the existing amenity and community planning contribution rates, and remove the local public art contribution rate within the Broadmoor Area Plan; and
 - b) Section 14.4.5D of the Development Permit Guidelines to adjust for past inflation and include a future inflation provision for the existing cash-in-lieu of indoor amenity contribution rates;be introduced and given first reading.
2. That Official Community Plan Bylaw 7100, Amendment Bylaw 9793, to amend:
 - a) Section 4.0 of Schedule 2.4 - Steveston Area Plan to adjust for past inflation and include a future inflation provision for the existing Steveston Village Conservation Strategy and Implementation Program density bonus contribution rates;
 - b) Section 4.1 of Schedule 2.10 - City Centre Area Plan to adjust for past inflation and include a future inflation provision for the existing community planning contribution rates; and
 - c) Section 9.3.2 of Schedule 2.11A - West Cambie Area Plan to adjust for past inflation and include a future inflation provision for the existing affordable housing, childcare, city beautification and community planning contribution rates;be introduced and given first reading.

3. That Bylaw 9792 and Bylaw 9793, having been considered in conjunction with:

- a) The City’s Financial Plan and Capital Program; and
- b) The Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;

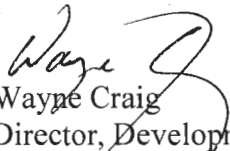
are hereby found to be consistent with said program and plans, in accordance with Section 477(3)(a) of the Local Government Act.

4. That Bylaw 9792 and Bylaw 9793, having been considered in accordance with Official Community Plan Bylaw Preparation Consultation Policy 5043, are hereby found not to require further consultation.

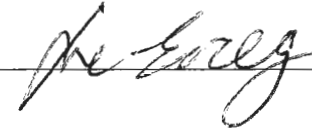

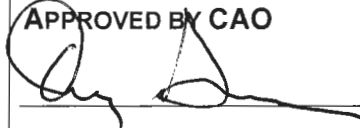
5. That, prior to consideration of Bylaw 9792 and Bylaw 9793 at a Public Hearing, the Urban Development Institute (UDI), Small Home Builders Group, and Greater Vancouver Home Builders’ Association, be sent letters, with the proposed bylaws, inviting comments to be received up until the date of the Public Hearing.

6. That at such time that Bylaw 9792 and Bylaw 9793 may be adopted by Council, in-stream rezoning applications be grandfathered as follows:

- a) Rezoning bylaws that have received third reading prior to the date of Council adoption of Bylaws 9792 and 9793 would be subject to the former contribution rates; and
- b) In-stream rezoning applications that have not received third reading prior to the date of Council adoption of Bylaws 9792 and 9793 will be subject to the former contribution rates if the rezoning bylaw is granted first reading by Council within one year of Council adoption of Bylaws 9792 and 9793.


 Wayne Craig
 Director, Development

MM:rg

REPORT CONCURRENCE		
ROUTED TO: Arts, Culture & Heritage Affordable Housing Recreation Law	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

Since 2003, the City has adopted amendments to the Official Community Plan (OCP) and Area Plans, and adopted Council Policies that include amenity contribution rates that are in place today. As time has passed, most of these rates have not been increased with inflation, and thus, they have effectively been reduced in real terms. Staff have reviewed the inflation data from Statistics Canada and propose to amend the rates in order to:

- Update the existing contribution rates to include past inflation; and
- Include an administrative mechanism to adjust these rates for future inflation increases.

This contribution rate review involves amending the OCP to adjust the rates to catch up for past inflation increases and automatically include future inflation. This is a housekeeping review does not involve an analysis of the specific changes to the market price of land or newly planned buildings and facilities.

This report supports Council's 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

Related Policies & Studies

In summer 2017, Council adopted OCP Amendment Bylaws 9625 and 9626. These bylaws incorporated the existing contribution rates from *Council Policy 5041: Cash in Lieu of Indoor Amenity Space*, *Council Policy 5044: West Cambie – Alexandra Interim Amenity Guidelines* and the *Steveston Village Heritage Conservation Strategy* respectively into the Official Community Plan, West Cambie Area Plan and Steveston Area Plan.

Thus, all existing contribution rates which are proposed to be updated are included in the following plans.

City-Wide Official Community Plan Bylaw 9000

- *Broadmoor Area Plan*: Contribution rates set in 2010 for childcare, community beautification, affordable housing, public art and community planning collected with rezoning applications.
- *Development Permit Guidelines*: Contribution rates for developers to provide cash-in-lieu of providing indoor amenity space within developments required for multi-family Development Permit applications. The rates are those previously included *Council Policy 5041: Cash in Lieu of Indoor Amenity Space* adopted in 2003.

Area Plans Within Official Community Plan Bylaw 7100

- *Schedule 2.4 - Steveston Area Plan:* Heritage conservation contribution rates for density bonuses provided for rezoning applications in Steveston Village. The contribution rate was set in the *Steveston Village Heritage Conservation Strategy* in 2009.
- *Schedule 2.10 - City Centre Area Plan:* Includes community planning contribution rates set in 2009.
- *Schedule 2.11A – West Cambie Area Plan:* The contribution rates for affordable housing, childcare, city beautification, and community engineering and the planning contribution rate for rezoning applications. The rates were previously included in *Council Policy 5044: West Cambie – Alexandra Interim Amenity Guidelines* set in 2006.

Analysis

Approach to Adding Inflation to Amenity Contributions

There are two (2) basic types of inflation provided by Statistics Canada that can be considered for increasing contribution rates as follows:

- The *Vancouver Consumer Price Index – All Items (CPI)* which increased by 35.3% from 1996 to 2016 inclusive (21 years). The CPI increases at a relatively consistent rate each year as it is based on a broad basket of goods and services such as planning studies. The typical rate increase is between 1.0 to 2.5%. For example, City of Surrey staff uses the *CPI* to adjust their density bonus contribution rates annually in accordance set in policies within their Neighbourhood Concept Plans (NCPs) and Surrey Zoning Bylaw.
- The *Vancouver Construction Cost - Institutional Index (CCI)* which increased by 81.2% from 1996 to 2016 inclusive (21 years). The *CCI* is adjusted upwards and occasionally downwards from year to year as it is linked to more variable construction costs. For example, the City of Vancouver uses the *CCI* to adjust their Development Cost Levies (DCLs) annually with Council review.

Proposed Approach

The proposed approach to updating the contribution rates involves the following:

- Applying the *Vancouver Construction Cost– Institutional Index (CCI)* to contribution rates for built City amenities and the *Vancouver Consumer Price Index (CPI)* for contribution rates for City planning studies.
- Adding the *CCI* and *CPI* retroactively to the existing contribution rates to bring the rates up-to-date until December 31, 2016 (the latest annual rates as published in February, 2017).
- Adjusting the contribution rates every two (2) years in the future, starting with the 2017 and 2018 inflation (when the 2018 rates are published in February, 2019).

Specifically, the contribution rates are proposed to be revised as follows:

- The Cash-In-lieu of Amenity Space Policy and Broadmoor Plan rates within the OCP, and rates in the Steveston Area Plan and West Cambie Area Plan are proposed to be updated by:
 - Using the *CCI* to increase the rates from the year after being set to December 31, 2016.
 - Providing for automatic increases starting on February 28, 2019 (which will include the 2017 and 2018 increases as noted above).

- The community planning contribution rates within the City Centre Area Plan, West Cambie Area Plan and Broadmoor (within the OCP) are proposed to be updated by:
 - Using the *CPI* to increase the rates from the year after it being set to December 31, 2016.
 - To providing for automatic increases starting on February 28, 2019 (which will include the 2017 and 2018 rate increases as noted above).

The existing and proposed contribution rates are included within Table 1 below. It should be noted that past inflation increases vary based on the year that the rate was originally set.

Table 1: Existing and Proposed Contribution Rates				
Policy Document (Year Rate Established)	Specific Contributions	Existing Rate	Recommended (Increased by CCI)	Recommended (Increased by CPI)
Within OCP: Bylaw 9000				
1. Broadmoor (2010)	General Amenity	\$2.00/sf	\$2.37/sf (18.3% Incr.)	
	Community Planning Contribution	\$0.25/sf		\$0.27/sf (8.4% Incr.)
2. Council Policy 5041: Cash In Lieu Of Indoor Amenity Space (2003)	1 st to 3 rd Unit 4 th to 19 th Unit 20 th to 39 th Unit 40 th to Max. Unit	None \$1,000/unit \$2,000/unit \$3,000/unit	None \$1,600/unit \$3,200/unit \$4,800/unit (60.0% Incr.)	
Within Area Plans: Bylaw 7100				
1. City Centre (2009)	Community Planning Contribution	\$0.25/sf		\$0.28/sf (10.4% Incr.)
2. West Cambie Area Plan - Alexandra (2006)	Affordable Housing Child Care Park, Pathway & Facility Dev.	\$5.10/sf \$0.60/sf \$0.60/sf	\$6.09/sf \$0.72 /sf \$0.72 /sf (19.5% Incr.)	
	Community Planning Contribution	\$0.07/sf		\$0.08 /sf (15.4% Incr.)
3. Steveston Area Plan (2009)	Heritage Conservation Strategy Contribution (Minus Affordable Housing Contribution)	\$47.00/sf	\$56.49 (20.2% Incr.)	

In summary, the proposed increases to the existing contribution rates established in different years will bring all rates up-to-date with inflation to December 31, 2016 (the latest annual rates as published in February, 2017)

Proposed OCP Bylaw Amendments*City-Wide OCP Amendment Bylaw 9000 (Bylaw 9792)*

This amendment bylaw will add past inflation as set out in Table 1 and include the future inflation clauses to the rates for the:

- Broadmoor Area Plan (Section 3.6.2)
- Cash-in-lieu of indoor amenity space rate in the Development Permit Guidelines (Section 14.4.5D).

This bylaw will also remove the Broadmoor public art contribution rate that has been replaced by the City-wide Public Art Program Policy rate.

OCP Amendment Bylaw 7100 for Area Plans (Bylaw 9793)

This amendment bylaw will add past inflation as set out in Table 1 and include future inflation clauses to the rates in the following:

- Steveston Area Plan (Schedule 2.4, Section 4.0).
- City Centre Area Plan (Schedule 2.10, Section 4.1).
- West Cambie Area Plan (Schedule 2.11A, Section 9.3.2).

Grandfathering of In-Stream Rezoning Applications

In-stream rezoning applications are recommended to be grandfathered as follows:

- Rezoning bylaws that have received third reading prior to the date of Council adoption of Bylaws 9792 and 9793 would be subject to the former contribution rates; and
- In-stream rezoning applications that have not received third reading prior to the date of Council adoption of Bylaws 9792 and 9793 will be subject to the former contribution rates if the rezoning bylaw is granted first reading by Council within one (1) year of Council adoption of the new contribution rates.

The updated applicable contribution rates would apply for rezoning applications received after the adoption of Bylaws 9792 and 9793.

Consultation

The following includes a summary of the consultation required for the proposed Official Community Plan Amendment Bylaws.

Stakeholder	Referral Comment (No Referral necessary)
BC Land Reserve Co.	No referral necessary.
Richmond School Board	No referral necessary.
The Board of the Greater Vancouver Regional District (GVRD)	No referral necessary, as the proposed amendments are consistent with the Regional Growth Strategy.
The Councils of adjacent Municipalities	No referral necessary as adjacent municipalities are not affected.
First Nations (e.g., Sto:lo, Tsawwassen, Musqueam)	No referral necessary.

TransLink	No referral necessary.
Port Authorities (Vancouver Port Authority and Steveston Harbour Authority)	No referral necessary.
Vancouver International Airport Authority (VIAA) (Federal Government Agency)	No referral necessary.
Richmond Coastal Health Authority	No referral necessary.
Stakeholder	Referral Comment (No Referral necessary)
Community Groups, Industry Groups and Neighbours	Referral to the Urban Development Institute, Greater Vancouver Home Builders' Association and the Small Builders' Group for comment.
All relevant Federal and Provincial Government Agencies	No referral necessary.

Prior to consideration of the proposed OCP Bylaw Amendments at the Public Hearing, the following groups are proposed to be consulted:

- Urban Development Institute (UDI)
- Small Home Builders Group
- Greater Vancouver Home Builders' Association

This consultation would entail referring the proposed OCP bylaw amendments and the Staff Report to the above groups with an invitation to provide comments up until the date of the Public Hearing.

Feedback received from these groups will be presented at the Public Hearing.

Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9792 and Richmond OCP Bylaw 7100, Amendment Bylaw 9793, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, are hereby found to not require further consultation.

The public will have an opportunity to comment further on all of the proposed amendments at the Public Hearing.

School District

The proposed bylaws were not referred to School District No. 38 (Richmond) because they do not alter land use designations, and do not change the planned and possible number of multiple family housing units. According to OCP Bylaw Preparation Consultation Policy 5043; which was adopted by Council and agreed to by the School District, residential developments involving OCP amendments which generate less than 50 school aged children do not need to be referred to the School District (e.g., typically around 295 multiple family housing units).

Financial Impact

The proposed OCP Amendment Bylaws will better address inflation by increasing existing developer contribution rates consistent with inflation that has occurred since these rates were established between 2003 and 2010, and provide automatic future inflation adjustments as discussed above.

Conclusion

The inclusion of past inflation to the City's existing amenity and planning contribution rates will bring contributions more in line with the City's increased costs of constructing public amenities and undertaking planning studies. The proposed administrative provisions to include automatic inflation adjustments every two (2) years based on Statistics Canada inflation data will further ensure the amenity contribution rates are kept up to date with inflation in the future.

It is recommended that Official Community Plan Bylaw 9000, Amendment Bylaw 9792, and Official Community Plan Bylaw 7100, Amendment Bylaw 9793 be introduced and given first reading.



Mark McMullen
Senior Coordinator - Major Projects

MM:rg



**Richmond Official Community Plan Bylaw 9000
Amendment Bylaw 9792
(Update of Amenity & Planning Contributions with Inflation)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Official Community Plan Bylaw 9000 is amended by:
 - a) Deleting Section 3.6.2 - Broadmoor Neighbourhood Centre Policies, Objective 1, Policy m) Financing Community Amenities, in its entirety and replacing it with the following:

“m) Financing Community Amenities

 - The financing of community amenities (e.g., affordable housing, child care, community planning services, community beautification above and beyond the City’s standard servicing agreement requirements) is to be primarily funded by developers, through density bonusing, phased development agreements and other means;
 - Density Bonusing: Additional density above a base density of 0.5 FAR, may be allowed where a developer:
 - satisfies the applicable City Affordable Housing Strategy contribution requirements; and
 - provides, as per the Neighbourhood Service Centre Master Plan, a Broadmoor Amenity Contribution of \$25.47 per m² (\$2.37 per ft²) of the total net building floor area above 0.5 FAR to be allocated as follows:
 - for Child Care: \$12.70 per m² (\$1.18 per ft²);
 - for Community Beautification: \$9.79 per m² (\$0.91 per ft²); and
 - for Other Amenities: \$3.01 per m² (\$0.28 per ft²);
 - Phased Development Agreements and other mechanisms (e.g., voluntary contributions) may be used to obtain funds with Community Planning Contributions of \$3.01 per m² (\$0.28 per ft²) of the total net building floor area;
 - On February 28, 2018, and then by February 28 every two years thereafter, the above contribution rates are to be revised by adding the annual inflation for the

preceding two calendar years by using the Statistics Canada *Vancouver Construction Cost Index – Institutional* inflation rate for adjusting the above contribution rates, except that the Statistics Canada *Vancouver Consumer Price Index – All Items* inflation rate be used for adjusting the Community Planning Contribution rate; with revised rates published in a City Bulletin.”

- b) Deleting sub-section b) within Section 14.4.5D – Amenity Space in its entirety and replacing it with the following:

“• Contributions of cash in-lieu of providing indoor amenity space for multi-family developments under the Development Permit Guidelines, may be provided by an applicant/developer as an option as part of the Development Permit application process as set out below.

Number of Dwelling Units in a Multi-Family Project	Amount of Cash-In-Lieu Payment (exempt where the average unit size exceeds 148 m ²)
1 - 3 units	None
4 -19 units	\$1,600 per unit; plus
20 to 39 units	\$3,200 per unit; plus
40 unit & above	\$4,800 per unit for the remaining units.

- Cash in lieu funds are to be deposited in a Leisure Facilities Reserve Fund to be used for indoor public amenity space as identified by the Community Services Division and in alignment with Council priorities for facility and amenity needs for the local community and City-wide.
- On February 28, 2018, and then by February 28 every two years thereafter, the above contribution rates are to be revised by adding the annual inflation for the preceding two calendar years by using the Statistics Canada *Vancouver Construction Cost Index – Institutional* inflation rate; with revised rates published in a City Bulletin.”

This Bylaw may be cited as “**Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9792**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED BY <i>[Signature]</i>
APPROVED by Manager or Solicitor <i>SS</i>

MAYOR

CORPORATE OFFICER



**Richmond Official Community Plan Bylaw 7100
Amendment Bylaw 9793
(Update of Amenity & Planning Contributions with Inflation)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Official Community Plan Bylaw 7100 is amended:
 - a) At Schedule 2.4 - Steveston Area Plan, Section 4.0, Objective 1, by deleting Policy p) in its entirety and replacing it with the following:

“p) For those sites designated within the ‘Steveston Village Land Use Density and Building Height Map’ with a maximum possible density of 1.6 FAR, the base density of 1.2 FAR referenced in Policy n) may be increased up to 1.6 FAR provided that:

 - A contribution of \$608.05 per m² (\$56.49 per ft²) for the net building floor area in the density bonus from the 1.2 FAR base density up to the 1.6 FAR maximum density is provided;
 - That this contribution is to be allocated for funding of the Steveston Village Heritage Conservation Grant (SVHCG) Program;
 - That such SVHCG Program contributions may be reduced by the amount of any cash-in-lieu contributions received under the City’s Affordable Housing Strategy for the same development; and
 - That on February 28, 2018, and then by February 28 every two years thereafter, the above SVHCG contribution rate is to be revised by adding the annual inflation for the preceding two calendar years using the Statistics Canada *Vancouver Construction Cost Index – Institutional* inflation rate; with the revised rates published in a City Bulletin.”
 - b) At Schedule 2.10 – City Centre Area Plan, Section 4.1 Implementation Strategy, by deleting Policy u) in its entirety and replacing it with the following:

“u) Community Planning: The City may use the negotiation of phased development agreements to obtain funds to assist with its community planning program contributions of \$3.01 per m² (\$0.28 per ft²) of total net building floor area. On February 28, 2018, and then by February 28 every two years thereafter, the above contribution rates are to be revised by adding the annual inflation for the preceding two calendar years using the Statistics Canada *Vancouver Consumer*

Price Index – All Items inflation rate; with revised rates published in a City Bulletin.“

- c) At Schedule 2.11A – West Cambie Area Plan, Section 9.3.2 Alexandra Development Framework, Objective 3, by deleting Policies f), g) and h) in their entirety and replacing them with the following:

“Developer Contributions – Public Amenities

- f) For rezoning applications for sites depicted on the ‘Alexandra Neighbourhood Land Use Map’, the City will accept developer/applicant contributions as follows:

- Affordable Housing: With the exception of the ‘Mixed Use Employment Residential Area’ designation, where a development does not build affordable housing, contributions of \$65.55 per m² (\$6.09 per ft²) to Affordable Housing Statutory Reserve Fund will be accepted (and no density bonus for affordable will be granted).
- Child Care: The City will accept a developer’s contribution of \$7.75 per m² (\$0.72 per ft²) on the proposed total net floor area (based on the proposed FAR) to assist in paying for child care facilities.
- City Beautification: The City will accept a developer’s contribution of \$7.75 per m² (\$0.72 per ft²) on the proposed total net floor area (based on the proposed FAR) to assist in paying for City beautification works (e.g. “High Street’ streetscaping; public realm, walkways, plazas, feature landscaping).
- Community and Engineering Planning Costs: The City will accept a developer’s contribution of \$0.86 per m² (\$0.08 per ft²) on the total net floor area (based on the proposed FAR) to assist in paying for community planning and engineering costs to plan community land use, services and infrastructure.”

- g) On February 28, 2018, and then by February 28 every two years thereafter, the above contribution rates are to be revised by adding the annual inflation for the preceding two calendar years using the Statistics Canada *Vancouver Construction Cost Index – Institutional* inflation rate for adjusting the above Affordable Housing, Child Care and City Beautification contribution rates; and the Statistics Canada *Vancouver Consumer Price Index – All Items* inflation rate for adjusting the Community and Engineering Planning Costs contributions rates; with revised rates published in a City Bulletin.

h) A minimum of 5% of the total residential building area is required in the form of built Affordable Housing units, with an additional 7.5% of the residential floor area being provided in the form of built modest market rental units, and 2.5% of the residential floor area is provided as market rental units that are secured in perpetuity as rental units, as per the West Cambie Alexandra Neighbourhood Mixed Use Employment-Residential Use Density Bonus, Community Amenity Contribution Modest Rental Housing Rates Policy.

Cash-in-lieu contributions are not acceptable and the affordable housing contributions in Policy f) above will not apply to the Mixed Use Employment-Residential designated lands.

- 2. This Bylaw may be cited as **“Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9793”**.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

Five horizontal lines for signature or date entry.

CITY OF RICHMOND
APPROVED by
APPROVED by Manager or Solicitor
SS

MAYOR

CORPORATE OFFICER