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February 4, 2014

Councillor Bill McNulty
Chair of the Richmond Planning Committee
and members of the Committee
City of Richmond
6911 No. 3 Road
Richmond, British Columbia V6Y 2C1

Dear Chair and Planning Committee Members:

Re: Development Financing for the Proposed Hamilton Area Plan

The Urban Development Institute (UDI) is supportive of Council's efforts to develop an Area Plan for the Hamilton community. As the Lower Mainland's population increases, more infill development in existing neighbourhoods is needed, if we are going to grow sustainably. The proposed *Hamilton Area Plan* represents a positive step in this direction.

We do, however, believe more discussion is needed regarding the proposed development financing in the *Plan*. We have been seeking a meeting with staff on this matter, and would like to meet with them in advance of the proposed *Plan* going to Public Hearing in a few weeks.

In the *Hamilton Area Plan*, Richmond is proposing to increase what is funded by new development projects - libraries, police stations and community centres. UDI has always supported the principle that growth must pay for itself, however, we have concerns (detailed below) that under the proposals, new development could be paying for more than this.

We also ask that land vendors be consulted on the implications of the proposed fee increases on their property values. Staff note in their Report that they are "... balancing City, community, and developer interests," but little mention is made of land owner interests. The argument put forward by local governments is that vendors pay for development charges. If that is the case, land owners should understand what the implications of the proposed charges are on their property values.

UDI is supportive of some of the elements in the development financing proposals:

- Richmond has prioritized what community facilities it would like in the Hamilton area (a police station, library and expanded community centre);
- The City is using legitimate financing tools in the *Local Government Act*, such as Development Cost Charges (DCCs) and density bonusing; and

- Staff have established actual dollar figures for the density bonusing charges on a per square foot basis, so developers can more easily assess what they should pay for sites.

We have several questions and concerns that we would like to discuss with staff before the Public Hearing, including:

- The potential **Impact the charges may have on delaying or hindering development** in the area.
- **New growth is paying for many of the new facilities** that will be used by current residents.

Richmond is using a land lift approach, which has nothing to do with the actual costs of the facilities.

- The City of Richmond already extracts funds for public art, childcare and affordable housing from new development. **There may not be the financial capacity to fund community facilities as well as the "Miscellaneous" items proposed by the City.**
- **A clause should be added that density bonusing charges can be changed over time**, so the proposed "Miscellaneous" items in the staff report can be removed.
- **We are concerned that some of the revenue collected in the Hamilton Area will be used outside of the neighbourhood.**

UDI is very supportive of the positive changes being proposed in the Hamilton Area by the City. However, we would like to meet with staff to discuss the implications of the development financing provisions in the draft *Plan* that could undermine its success. They should also be discussed with land owners in the area. We look forward to working with Council and staff as the *Hamilton Area Plan* moves forward.

Yours Truly



Anne McMullin
President and CEO
Urban Development Institute