

ATTACHMENT A

Summary of Nanaimo Development Group Consultation September 2020 to January 2021

NDG comment - *Increased CACs will affect housing affordability.*

Response: The Rollo & Associates Study (July 2020) states that CACs do not affect housing affordability, and that it is the housing market that establishes what the consumer is willing to pay for a unit. CACs are built into the developer's project budget and purchase price of the land. The objective of a CAC Policy and CAC rate is to provide greater certainty to developers in their land and project evaluations.

NDG comment – *Proposed CAC rates are based on metrics from Vancouver and Victoria, central island communities are a better comparable.*

Response: Several Vancouver Island communities were considered when evaluating the proposed CAC rates for Nanaimo. Central Island communities look to the City of Nanaimo for guidance with regard to municipal policies and practices. Nanaimo is expected to be a leader for the Central Island.

NDG comment - *CAC's based on the floor area of a project would lead to more equitable results rather than a CAC rate per unit, and the CAC rate should apply to the increase in floor area permitted by the new zone.*

Response: In response to this comment the CAC Policy was revised such that the CAC rate is based on the floor area of multi-family developments. The City intends to continue the practice of collecting the CAC based on the total units or floor area permitted, however negotiation is always an option.

NDG comment - *CAC contributions should be collected at the building permit stage.*

Response: The City typically collects CACs at the time of Building Permit and this practice is not proposed to change. Occasionally when the CAC is a smaller amount, or if the CAC is related to a Liquor or Cannabis retail store rezoning the City will collect CACs at the time of rezoning. The draft policy outlines the various options for the City to collect or secure a CAC.

NDG comment – *The considerations for affordable housing in the draft CAC Policy are vague and difficult to calculate at the time of a rezoning application.*

Response: In response to this comment the considerations for affordable housing section of the CAC Policy was simplified such that a CAC reduction is eligible for market rental residential units, and a CAC waiver is applicable for non-market residential units.

NDG comment – *Prefer not to see a gradual CAC increase built into the CAC policy.*

Response: In response to this comment the CAC Policy has been revised to remove the gradual CAC increase as recommended in the Rollo & Associates Study (July 2020), and a clause has been added to ensure the City reviews the policy every four years.

NDG comment - *Strongly recommend that CACs be negotiated.*

Response: Section 4 of the draft CAC policy contains the guidelines for the negotiation of CACs. Establishing a CAC policy with targets and guidelines increases transparency and fairness with regard to the negotiation process. Each development project can be unique thus the opportunity to negotiate CACs is always an option.

NDG comment – *The NDG acknowledges that current CAC rates in the City are low (\$1000 per unit) and we support an increase equivalent to a \$2,500 per unit rate but adjusted to not be a per door rate. After the initial increase, CACs should be re-assessed every 3-4 years.*

Response: In response to this comment the CAC Policy has been revised to include a CAC rate based on the gross floor area of a multi-family development (excluding underground parking). The rate was established using \$2,500 per unit as the acceptable per unit rate. To establish the rate Staff used examples of many small, medium and large multi-family development projects in the City since 2016. Also, the CAC Policy includes a clause recommending that the policy be reviewed every four years.