

DATE OF MEETING March 8, 2021

AUTHORED BY LISA BRINKMAN, PLANNER, CURRENT PLANNING

SUBJECT **COMMUNITY AMENITY CONTRIBUTION POLICY**

OVERVIEW

Purpose of Report

To present a Community Amenity Contribution Policy to the Governance and Priorities Committee, and seek the Committee's recommendation regarding the next stage of consultation. The purpose of the Community Amenity Contribution Policy is to offer guidance and transparency for the provision of amenities at the time of a rezoning application or land use covenant amendment application.

Recommendation

That prior to the Community Amenity Contribution Policy coming forward to Council for consideration of endorsement, the Governance and Priorities Committee recommend Council direct Staff to move forward with community consultation, including creating an information page on the City website, and sending a referral to the Neighbourhood Network.

BACKGROUND

Council directed Staff to review the current Community Amenity Contribution (CAC) rates, and an implementation direction in the City's Affordable Housing Strategy is to 'update the Community Amenity Contribution Policy'. Staff have been taking steps towards this goal, including retaining land economist Rollo & Associates Ltd. to conduct a market analysis, drafting a new CAC Policy, and completing consultation with the development community.

Community amenity contributions are negotiated as part of a rezoning or land use covenant amendment process that is initiated by an applicant. Applicants provide amenities as a way of ensuring the proposed development is making a reasonably balanced contribution to the neighbourhood and community at large. In 2012, Council endorsed the City's CAC practice of collecting \$1,000 per residential unit and \$34/m² of commercial and industrial floor area, and these rates are still being used for CAC negotiations with applicants for rezoning proposals and covenant amendments involving a change in land use or density. Market realities have changed significantly since this practice started, thus Staff are proposing new CAC rates for rezoning and covenant amendment applications where additional development rights are requested.

From 2010 to 2020, the City collected \$1,858,946 in CAC funds, which has allowed for significant amenity benefits throughout the city. The allocation of these funds, as negotiated through application reviews, has resulted in 66% of all monetary contributions being directed to parks and infrastructure, 30% to the Housing Legacy Reserve Fund, and 4% to other City initiatives (i.e., emergency shelter). CAC funds have been used for improvements within many parks, including Neck Point Park, McGirr Sports Complex, Monashee Park, Harewood

Centennial Youth Park, Westwood Lake Park, Fern Road Park, Noye Park, Harewood Skate Park, and Linley Valley Park. The City has also used CAC funds to contribute to infrastructure improvements. Approximately \$320,840 of CAC monetary contributions received between 2010 and 2020 have been directed to the Housing Legacy Reserve Fund, which has allowed the City to support affordable housing initiatives in Nanaimo.

The City's Official Community Plan (OCP) and Neighbourhood Plan policies encourage the provision of amenities as part of rezoning applications, and contain guidelines identifying the amenities that are needed or desired for the city. These guidelines have assisted Staff and developers during the CAC negotiation process to ensure CAC funds are directed to amenities that are reflective of community priorities. Through the REIMAGINE Nanaimo public consultation process, the public has an opportunity to provide input on desired amenities for the city, and these will be reflected in the new OCP and Parks, Recreation and Culture Master Plan. Other City plans that provide direction for amenity contributions include the Active Transportation Master Plan, the Affordable Housing Strategy, and the Community Sustainability Action Plan.

DISCUSSION

Local governments need to ensure new development complies with community plans and policies; is acceptable to the community; and that infrastructure, amenities, and services are provided to support growth. In recognition of the potential increased burden on existing amenities where there is a change in use or density, many local governments have engaged in the practice of negotiating CACs from those seeking additional development rights. This is viewed as a reasonable opportunity to help fund community amenities. In accordance with Provincial guidelines, it is recommended that CAC rates be reviewed periodically to ensure they reflect market realities. Also, it is recommended municipalities have a CAC policy to offer administrative guidance and certainty for developers, Staff, Council, and the public regarding the provision of amenities.

In January 2020, the City retained land economist Rollo & Associates Ltd. to provide an analysis and recommendations for new CAC rates that are market-driven and reflect the financial realities of development in the city of Nanaimo. The Rollo report, *Nanaimo Community Amenity Contribution Study* (July 2020), provides case study information regarding the CAC rates of comparable municipalities in B.C., a financial analysis of the City's land values and development market, and recommendations for residential CAC rates in Nanaimo.

Next, Staff drafted a new CAC policy for the City utilizing both the Rollo report and the Provincial guideline document, *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability* (2014). The proposed CAC Policy will include the following criteria and guidelines for negotiating CACs:

- City Staff will implement the CAC Policy as part of a rezoning or land use covenant amendment process;
- Proposed amenities will be reported to Council for consideration through the application process;
- The OCP, Neighbourhood plans, and other City plans will be referenced to identify amenities that are needed in the city, and the City will secure both monetary and in-kind CACs accordingly;

- Considerations to support affordable housing initiatives, including directing 40% of all monetary CAC funds to the Housing Legacy Reserve Fund;
- Introducing a new CAC rate for rezoning and covenant amendment applications submitted on or after 2022-JAN-01. The new rate is \$2,500 for single residential dwellings, and \$30/m² of gross floor area (excluding underground parking) for multi-family developments (see table below); and
- The CAC Policy is to be reviewed every four years.

The table below outlines the current and proposed CAC rates:

	Current CAC rates	CAC rates starting 2020-JAN-01
Single Residential Dwelling	\$1,000 per unit	\$2,500 per unit
Multiple-Family Dwelling	\$1,000 per unit	\$30 per m ² of gross floor area (excluding underground parking)
Commercial and Industrial	\$34 per m ² of gross floor area	\$34 per m ² of gross floor area
Cannabis and Liquor Retail Store	\$10,000 per store	\$10,000 per store
Student Housing	\$1,000 per bed	\$1,000 per bed

In the Fall of 2020, Staff conducted a consultation process with representatives from the Nanaimo development community to obtain their feedback on the draft CAC Policy. Staff held three meetings with the development community, and have revised the CAC Policy to address their comments and concerns.

In addition, Staff have sought legal advice regarding the CAC Policy, consulted Staff within other departments at the City (i.e., Finance, Parks, Community Planning, and Transportation), and have incorporated their comments into the policy. Staff are recommending the City move forward with the next stage of consultation, including referring the policy to the Neighbourhood Network and adding an information page on the City website.

OPTIONS

1. That prior to the Community Amenity Contribution Policy coming forward to Council for consideration of endorsement, the Governance and Priorities Committee recommend Council direct Staff to move forward with community consultation, including creating an information page on the City website, and sending a referral to the Neighbourhood Network.
 - Advantages: Staff have created a CAC Policy based on best practices and have revised the policy to address concerns from the development community. The CAC Policy increases the contribution of residential CAC rates by approximately 150%.
 - Disadvantage: The rates proposed in the CAC Policy and supported by the development community are less than was recommended in the Rollo Report (July 2020).
 - Financial Implications: The new CAC policy proposes a new CAC rate that will allow greater contributions toward amenities in the City.

2. That the Governance and Priorities Committee recommend Council:
 1. support the Community Amenity Contribution (CAC) Policy with the rates and defined increases as recommended in the Rollo report (July 2020), as follows:

Land Use	CAC rate starting 2022-JAN-01	CAC rate starting 2023-JAN-01	CAC rate starting 2024-JAN-01
Single Residential Dwelling	\$3,000 per unit	\$5,500 per unit	\$8,000 per unit
Townhouse Residential Dwelling A dwelling that shares one or more walls with another unit, with no unit above, and has a ground level entrance.	\$2,500 per unit	\$5,000 per unit	\$7,500 per unit
Multiple Family Dwelling	\$2,000 per unit	\$3,500 per unit	\$5,000 per unit
Commercial and Industrial	\$34 per m ² (GFA)	\$34 per m ² (GFA)	\$34 per m ² (GFA)
Cannabis and Liquor Retail Store	\$10,000 per store	\$10,000 per store	\$10,000 per store
Student Housing	\$1,000 per bed	\$1,000 per bed	\$1,000 per bed

2. and direct Staff to move forward with community consultation, including creating an information page on the City website, and send a referral to the Neighbourhood Network.
 - Advantages: Utilizing the CAC rates recommended in the Rollo report (July 2020) would allow for more monetary contributions for public amenities.
 - Disadvantages: While the development community acknowledges that CAC rates should be increased, the rates proposed in the Rollo report (July 2020) were not supported by the development community.
 - Financial Implications: CACs are not a stable source of funding for the City; however, they can contribute to funding amenities in the city.

3. That the Governance and Priorities Committee provide alternative direction to Staff.

SUMMARY POINTS

- Staff retained Rollo & Associates Ltd. to conduct a market analysis, and drafted a new CAC policy for the City.
- After consultation with the Nanaimo development community the CAC policy was revised to respond to their comments and concerns.
- Prior to presenting the CAC Policy to Council for endorsement, Staff are seeking direction to move forward with the next stage in the consultation process.

ATTACHMENTS:

ATTACHMENT A: Summary of Nanaimo Development Group Consultation

ATTACHMENT B: Community Amenity Contribution Policy

ATTACHMENT C: Nanaimo Community Amenity Contribution Study, July 2020 (Rollo & Associates Ltd.). |

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