

Community Amenity Contribution Policy

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	CURRENT CAC rates
Single Residential Dwelling	\$1,000 per unit
Multiple-Family Dwelling	\$1,000 per unit
Commercial and Industrial	\$34 per m ² of gross floor area
Cannabis and Liquor Retail Store	\$10,000 per store
Student Housing	\$1,000 per bed

**Total Monetary CACs Collected
2010 to 2020 = \$1,069,880**

Parks and Infrastructure	Housing Legacy Reserve Fund	Other
\$702,040	\$320,840	\$47,000
66%	30%	4%



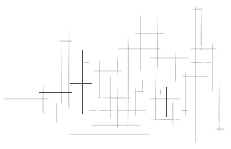
Community Amenity Contribution Study

Prepared for the City of Nanaimo

Prepared by Rollo & Associates Ltd.

Community Amenity Contributions

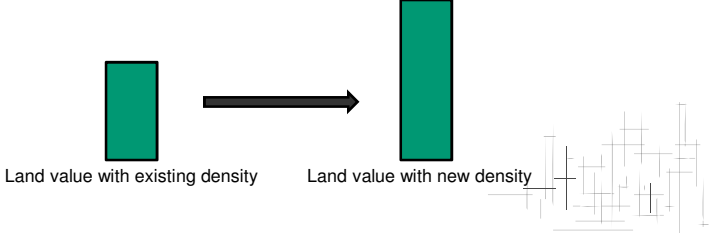
- Rollo & Associates Ltd. (Rollo) were retained to assist the City in looking at Community Amenity Contributions (CACs).
- Specifically, Rollo was tasked with informing the City on the potential to increase voluntary CAC at rezoning.



Community Amenity Contributions

What is Land Lift?

- Land lift is the increase in a parcel's value that is created when a municipality allows for higher density or a more profitable use.
- In calculating this, it is assumed that project costs and revenues are fixed by the market.
- Therefore, land is assumed to be the only cost that has flexibility.



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Community Amenity Contributions

What is Land Lift?

- In calculating CACs, the contribution amount should not exceed the land lift. In practice, most communities seek 25% - 80% of this amount.
- Ensuring that Nanaimo's contribution rates represent an appropriate share of this amount is part of Rollo's analysis.

Community Amenity Contributions	
Municipality	CAC Rates
Central Saanich	\$2,000 per unit or equivalent for non-residential development for Affordable Housing; \$5,500 per unit or equivalent for general amenities
Colwood	\$2,500 per single family/townhouse/duplex; \$1,500 per apartment unit
Langford	\$3,500-\$7,000 per large SF lot; \$2,310-\$4,620 per small SF lot or duplex unit; \$2,135-\$4,270 per multi-family unit;
Langley City	\$2,000 per unit
Maple Ridge	\$5,100 per one-family lot; \$4,100 per townhouse dwelling unit; \$3,100 per apartment dwelling unit; bonus density \$3,100 per multifamily unit or additional lot
Nanaimo	\$1,000 per unit

Community Amenity Contributions	
Municipality	CAC Rates
North Saanich	\$16,000 per additional single family lot; \$9,500 per townhouse/patio home unit; \$8,000 per apartment unit
Pitt Meadows	\$2,100 per unit for single family; \$2,800 per unit for townhouse; \$2,400 per unit for apartments
Surrey	Capital cost of NCP amenities determined by City in 31 NCP areas; Average is roughly \$1,281 per unit
Township of Langley	\$5,673 per one-family lot; \$4,814 per ground oriented multi unit; \$3,782 per apartment unit (wood frame); \$2,923 per apartment unit (concrete); + \$103,000 per acre in Willoughby
Victoria	Variable CACs by neighbourhood (\$5, \$20, & \$35 per sq.ft. of bonus area), Negotiated ad hoc; Framework for density bonus adopted for rentals

Community Amenity Contributions

Other Jurisdictions

Most municipalities measure density in their CAC and density bonusing policies by the same metrics used in their zoning bylaws. This is intuitive because it allows clear comparison and prevents loopholes.

- Communities such as Victoria expressly request contributions based on site analysis to determine land lift in City Centre, while relying on flat rates elsewhere
- Some municipalities perform land lift calculations prior to setting their rates
- Others rely on a “basket of goods” approach estimating the cost of amenities required by growth to set fees with a municipal assist factor



Community Amenity Contributions

Economic Analysis

Rollo was asked to provide economic analysis of the potential for the City to increase the CACs secured at rezoning for properties.

- Our analysis focused on current market conditions, both for costs and revenues.
- Built form and density were provided by the City. Cases included single family, townhouse developments, apartments, and mixed residential and commercial use buildings.
- The analysis assumes a set developer profit as one of the project costs in order to derive the maximum a developer could pay to acquire land to build what would be proposed under the new zoning.




Community Amenity Contributions

Economic Analysis

Rollo estimates that the lift from rezoning properties could allow the City to increase CACs without adversely affecting the underlying viability of projects by as much as:

- \$10,000 per unit for single family dwellings, or \$23.30 per square metre
- \$8,000 per unit for townhouses, or \$57.55 per square metre
- \$5,500 per unit for strata apartments, or \$60.90 per square metre

These estimates represent less than 50% of the lift generated in the case studies on a per unit/per square metre of livable area basis from the case study analysis.



Community Amenity Contributions

Potential Updated CAC rates

Given our research and analysis GPRA recommends the City increase its CACs as follows:

Single Family:

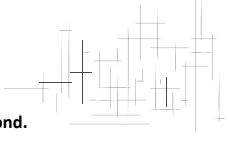
- \$3,000 per unit/\$6.99 per square metre in 2021
- \$5,500 per unit/\$12.82 per square metre in 2022
- \$8,000 per unit/\$18.64 per square metre in 2023 and beyond.

Townhouse:

- \$2,500 per unit/\$17.98 per square metre in 2021
- \$5,000 per unit/\$35.96 per square metre in 2022
- \$7,500 per unit/\$53.94 per square metre in 2023 and beyond.

Strata Apartments:

- \$2,000 per unit/\$22.15 per square metre in 2021
- \$3,500 per unit/\$38.75 per square metre in 2022
- \$5,000 per unit/\$55.36 per square metre in 2023 and beyond.




Community Amenity Contributions

Conclusions & Recommendations

Rollo Recommended the City of Nanaimo:

- 1) Update city-wide flat fee CAC; however, the City can, and should, reserve the right to continue to negotiate on a site-specific rezoning where the rezoning is either something not considered in the OCP or for CD zones.
- 2) Ensure the fee is affordable for developers
 - A key measure Rollo recommends is to allow for a grace period when introducing/increasing a flat-fee CAC.
 - At the least, ensure all applications in stream up to a pre-set date are grandfathered in under current policy, or developers are allowed the option of opting into the new program early to allow for cost certainty rather than being subject to an ad hoc analysis.
- 3) Conduct periodic reviews of rates
 - As with the DCC program, the City should conduct a periodic review (Rollo recommends not less than every 5 years and no more than every 2 years) to determine the economics of development and the ability for development to contribute CACs and adjust rates accordingly after each review.



Proposed New CAC Rates

	CAC rate starting 2022-JAN-01
Single Residential Dwelling	\$2,500 per unit
Multiple-Family Dwelling	\$30 per m ² of gross floor area (excluding underground parking)
Commercial and Industrial	\$34 per m ² of gross floor area (no change)
Cannabis and Liquor Retail Store	\$10,000 per store (no change)
Student Housing	\$1,000 per bed (no change)

How the CAC Policy evolved in response to the consultation process:

- Removed the gradual three-year increase as recommended in the Rollo report.
- Changed the CAC rate to be based on the Gross Floor Area of a multi-family development, rather than per unit; and the rate was established using \$2,500 per unit as the acceptable per unit rate.
- The considerations for affordable housing section of the CAC Policy was simplified, and was revised to be available to both publicly and privately-funded projects.

Affordable Housing Considerations

- 40% of all monetary CACs are to be directed to the Housing Legacy Reserve Fund.
- CAC contributions may be reduced by 50% for market rental units when the rental tenure of the units is secured.
- CAC contributions may be waived 100% for non-market rental dwelling units when the following three criteria are met, and is secured in a housing agreement with the City:
 - ✓ The dwelling unit is occupied by individuals whose annual before-tax income does not exceed the Housing Income Limit,
 - ✓ Where 12 months' rent for the dwelling unit does not exceed 30% of the occupants' collective before-tax annual income, and
 - ✓ The dwelling unit is owned and operated by a community-based, non-profit housing partner.



Thank you!

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