



## COUNCIL POLICY – DRAFT March 22, 2021

<b>RCRS Secondary:</b>	GOV-02	<b>Effective Date:</b>	
<b>Policy Number:</b>		<b>Amendment Date/s:</b>	
<b>Title:</b>	Community Amenity Contribution Policy	<b>Repeal Date:</b>	
<b>Department:</b>	Development Approvals	<b>Approval Date:</b>	

### PURPOSE:

The purpose of the Community Amenity Contribution (CAC) Policy is to offer administrative guidance for the provision of amenity contributions in the City of Nanaimo (the “City”). 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 that the proposed development is making a reasonably balanced contribution to the neighbourhood and community at large. The amenities offered are intended to assist with growth pressures and meeting the needs of a growing community, such that the impacts of new development on the community is not subsidized by existing property owners and other residents. The amenities offered can address increased demand or pressure to public facilities and services by adding, improving and expanding public facilities and services. The objective of the CAC Policy is to offer guidance and certainty for the provision of amenities, and to ensure that amenities are responsive to market realities and community needs.

### DEFINITIONS:

Housing Agreement	means a formal housing agreement under section 483 of the <i>Local Government Act</i> .
Housing Income Limit	means housing income limits established by the BC Housing Management Commission.
Market Rent	means a rent amount that is generally similar to the rent of other units in the private (non-subsidized) housing market.

### SCOPE:

City staff are directed to implement this CAC Policy as part of a rezoning or land use covenant amendment process. Proposed amenities will be reported to Council for consideration and to obtain final approval.

### POLICY:

The City’s Official Community Plan, Neighbourhood Plans, and other policy documents identify the amenities that are desired or needed to accommodate growth in each community. These plans are created with community consultation and will be used as a guide for monetary and in-kind amenity contributions. In addition, the amenities to be accepted by the City shall be:

- i. Growth related, such that there is a proportional and demonstrable link between the amenity and the impacts of new development;
  - ii. Consistent with services normally provided by a municipal government;
  - iii. A public benefit needed by the community as outlined in a Council adopted policy or plan;
- and

- iv. Long-term operational viability (that is long-term operating and maintenance costs are supportable by the City).

The amenity negotiation principles are as follows:

- i. New development should make a fair contribution to new community amenity needs to address some of the impacts of growth.
- ii. The amenities offered and accepted will be negotiated between the City and the applicant(s).
- iii. The amenity will be proportional to the impact of development and reasonable, minimizing the impact on project viability, the pace of new development, and on housing affordability.
- iv. A flexible approach will be used in negotiations.

### In-Kind Community Amenities

The City Council may elect to accept in-kind community amenities that are tangible capital assets (such as parkland, a public pedestrian path or on-site public benefit). In-kind community amenities owned by the City are strongly preferred and are generally subject to the following conditions:

- a. Applicants are responsible for constructing, finishing, furnishing and equipping the in-kind community amenity as well as for payment of all applicable up-front development costs;
- b. The size, location, materials, and design of the in-kind community amenity must be to the satisfaction of the City and in accordance with applicable standards and guidelines; and
- c. The City's future budgets must be able to support the estimated lifecycle costs of operating, maintaining, and repairing the community amenity.

In-kind community amenities that are not owned by the City, may be considered by the City on a case-by-case basis, and will be subject to the following conditions, the in-kind community amenity must:

- a. Provide amenities, programs and services that align with the City's priorities, goals, and services typically offered by the City;
- b. Meet a demonstrated community need;
- c. Be affordable, equitable and accessible to the neighbourhood or general community;
- d. Be secured through legal agreements with the City for ongoing long-term use and availability as if it were a City-owned and operated facility; and
- e. The City will lead the selection of a non-profit operator, if applicable.

The value of the in-kind amenity physically provided shall be generally equivalent to the cash in lieu targets indicated in the Table A. The value calculation of an in-kind provision of an amenity shall be undertaken by an appropriate qualified professional with demonstrable experience in the costing of the amenities being valued. Submission of a detailed cost estimate for proposed amenities will be required for City review. As part of any review:

- a. The estimated costs will be based on the design, materials and physical construction costs of the amenity proposed to be provided.
- b. At the City's discretion, an appropriate third party professional may be engaged to conduct a peer review of the cost calculations.
- c. The cost of any peer review performed by the City will be funded by the applicant.
- d. The terms of reference and the cost of the peer review will be agreed to by the City and the applicant prior to the review being undertaken.
- e. The peer review report will be made available to the applicant.

Park dedications required by the subdivision process shall not be included in any proposed park community amenity. Also, active transportation improvements proposed as amenities outlined in this Policy must not replace frontage or other off-site improvements required under City bylaws or as designated as Development Cost Charge works. Improvements required by bylaw or that are necessary to facilitate development or provide connections to the subject site are not community amenities and will only be considered when they are in excess of what is required by bylaw or to serve the site.

### Monetary Community Amenities

Monetary community amenities are a form of public benefit where money is provided by an applicant in-lieu of providing land or capital assets. Table A outlines the minimum monetary CAC rates that will be used in negotiations between the City and the applicant when additional development rights are requested. The CAC rate is generally applied to all of the residential dwelling units and/or the total gross floor area in the development (excluding underground parking), and not the increase in development rights.

Table A: CAC Rates

	<b>CAC Rate starting January 1, 2022</b>	<b>CAC Rate starting January 1, 2023</b>	<b>CAC Rate starting January 1, 2024</b>
<b>Single Residential Dwelling</b>	\$3,000 per unit	\$5,500 per unit	\$8,000 per unit
<b>Townhouse Residential Dwelling</b> <i>A dwelling that shares one or more walls with another unit, with no unit above, and has a ground level entrance.</i>	\$2,500 per unit	\$5,000 per unit	\$7,500 per unit
<b>Multiple Family Dwelling</b> <i>(other than Townhouse)</i>	\$2,000 per unit	\$3,500 per unit	\$5,000 per unit
<b>Commercial and Industrial</b>	\$34 per m <sup>2</sup>	\$34 per m <sup>2</sup>	\$34 per m <sup>2</sup>
<b>Cannabis Retail Store</b>	\$10,000 per store	\$10,000 per store	\$10,000 per store
<b>Student Housing</b>	\$1000 per bed	\$1000 per bed	\$1000 per bed

### Affordable Housing Considerations

The City's 'Affordable Housing Strategy' provides guidance to ensure that Nanaimo residents have access to a diversity of housing options that are safe, stable, appropriate and affordable. To support this vision the following considerations will apply to CAC negotiations:

- a. For each monetary CAC contribution, a minimum of 40% of the total contributed will be directed to the City's Housing Legacy Reserve Fund.
- b. CAC contributions may be reduced by 50% for market rental dwelling units when the rental tenure of the units is secured by a Section 219 Covenant, Section 483 Housing Agreement, or other legal means to the satisfaction of the City.

- c. CAC contributions may be waived 100% for non-market rental dwelling units that meet the following three criteria: 1) the dwelling unit is occupied by one or more individuals whose collective annual before-tax income does not exceed the Housing Income Limit for the City; and 2) where 12 months' rent for the dwelling unit does not exceed 30% of the occupants' collective before-tax annual income; and 3) the dwelling unit is owned or operated by a non-profit housing partner or public institution. A Section 483 Housing Agreement is required to be registered on the property title to secure these commitments for the applicable dwelling units.

## **PROCESS:**

### Collection of CACs

Community amenity contributions will be secured prior to consideration of final adoption of the amendment bylaw or the respective final decision of Council.

In some circumstances payment of the monetary CAC may be made to the City at the time of issuance of a related development permit or at the time of issuance of a related building permit. The City, in its discretion, may accept one or more of the following prior to consideration of final adoption of the amending Bylaw:

- a. A Section 219 covenant registered on the certificate of title of the property which outlines the timing and details of the community amenity to be collected or secured; and/or
- b. An irrevocable, unconditional letter of credit in a form acceptable to the City, is delivered to the City for the full amount of the community amenity.

Community amenity contributions may, in some situations, be negotiated with the applicant and approved by Council, in a phased development agreement or amenity zoning bylaw.

### Review of CAC Policy

This CAC policy should be reviewed every 4 years from its effective date.

## **RELATED DOCUMENTS**

Official Community Plan and Neighbourhood Plans

Parks Recreation and Culture Master Plan, Creative Nanaimo, and Community Plan for Public Art

Transportation Master Plan

Affordable Housing Strategy

Community Sustainability Action Plan

Housing Legacy Reserve Fund Bylaw

## **REPEAL OR AMENDMENT**

n/a