



District of Maple Ridge

TO: His Worship Mayor Ernie Daykin
and Members of Council
FROM: Chief Administrative Officer
MEETING DATE: May 14, 2012
FILE NO:
MEETING: Workshop
SUBJECT: Amenity Zoning - Update

EXECUTIVE SUMMARY:

In May 2011 Council briefly discussed the topic of zoning for amenities and the potential use in Maple Ridge. The May 2011 staff report included an overview of the provisions for amenity zoning in the *Local Government Act*, the principles of amenity zoning and the context for Maple Ridge. However, given that the Town Centre Incentive Program was just starting to gain momentum and the uncertain status of the economy at that time, Council deferred any detailed discussion on the issue to Business Planning.

As part of the 2012 Work Program, Council approved a review of Amenity Zoning and its potential use in Maple Ridge. The Amenity Zoning Review has been awarded to CitySpaces Consulting, the consultant engaged in completing the new Zoning Bylaw.

Since Council's discussion on Amenity Zoning to this point has been relatively brief, components of the May 2011 report have been included in this report for Council's information and further discussion. This report also provides Council with an update on the process, scope of work and timeline for the Study.

Input from the discussion on this report will be forwarded to CitySpaces.

RECOMMENDATION(S):

That the staff report dated May 14, 2012 be received for information and discussion.

DISCUSSION:

a) Background Context:

In 2011 the concept of amenity zoning as a potential mechanism to achieve amenities was raised with Council. Council deferred discussion on the topic to the 2012 Business Plan. As part of the Planning Department's 2012 work plan, Council approved funding for a review of amenity zoning. As Council is aware, the Zoning Bylaw is nearing completion and is expected to be forwarded to Council for First Reading in June. The Amenity Zoning Review has been awarded to CitySpaces Consulting who are preparing the Zoning Bylaw.

Other than a brief discussion in 2011, Council has not had a detailed discussion on amenity zoning. The following overview provides context to the work being done by CitySpaces. Prior to a

presentation to Council on a draft amenity zoning framework, Council's consideration of this will be helpful input for the work being undertaken by CitySpaces.

b) Amenity Zoning - Overview:

Local Government Act

The underlying principle of amenity zoning is to acquire a community benefit by permitting additional density to be built on a specific site. It is also referred to as density bonusing. The ability to utilize amenity zoning is governed by Section 904 of the *Local Government Act* as outlined below:

Zoning for amenities and affordable housing

904 (1) A zoning bylaw may

- (a) establish different density regulations for a zone, one generally applicable for the zone and the other or others to apply if the applicable conditions under paragraph (b) are met, and*
- (b) establish conditions in accordance with subsection (2) that will entitle an owner to a higher density under paragraph (a).*

(2) The following are conditions that may be included under subsection (1) (b):

- (a) conditions relating to the conservation or provision of amenities, including the number, kind and extent of amenities;*
- (b) conditions relating to the provision of affordable and special needs housing, as such housing is defined in the bylaw, including the number, kind and extent of the housing;*
- (c) a condition that the owner enter into a housing agreement under section 905 before a building permit is issued in relation to property to which the condition applies.*

(3) A zoning bylaw may designate an area within a zone for affordable or special needs housing, as such housing is defined in the bylaw, if the owners of the property covered by the designation consent to the designation.

Section 904 empowers a local government to indicate areas where increased density will be allowed if amenities for community benefit are provided. Essentially, each zone could clearly set a base density for development and then an enhanced density where a provision for an amenity contribution is provided.

Amenity Zoning Principles

The Provincial Government issued some clarifying guidelines in 1997 soon after Section 904 was added. Those guidelines combined with municipal experience since then have created some guiding principles for this approach:

- The amenity should benefit the area in which it is located so that the neighbourhood which is absorbing the new growth is the recipient of the benefit;
- Density bonuses should not be used to fund infrastructure that would normally be funded by property taxes, DCC's or other mechanisms;
- Municipalities are discouraged from using density bonuses as a means of raising cash and were advised that a bylaw requiring money in exchange for development could be declared invalid. This does not preclude pooling of contributions to achieve a larger amenity but a municipality must clearly define the purpose of and reason for the cash contribution;
- Base zoning levels should not be so low that all rezoning applications are required to provide an amenity. Basic zoning rights to build a suitable building in a particular zone should be retained;
- The type of amenities being requested need to be clearly identified as necessary;
- Amenity zoning can be applied throughout the municipality or be tailored for specific areas;
- Recouping the entire value attributed to a property after a rezoning occurs (commonly known as lift) is unlawful. Some municipalities attempt to recoup this "lift" in value through "voluntary" contributions but legal advice indicates that this is unlawful;
- Formulas for achieving amenity zoning should be clear, well thought out and easily accessed.

Amenity Zoning Tools

As communities grow, so too does the cost of that growth. New residents and new employers place demands on infrastructure and community facilities which must be expanded or upgraded to meet increased need. Every municipality must have a strategy to pay for capital costs that are necessary to create strong and attractive communities.

Municipalities are largely dependant on income from property taxes and contributions to development cost charge funds to help pay for new infrastructure, but there are often also opportunities for provincial and federal funding or funding from less traditional sources like gaming revenues. While it is possible to accommodate all capital costs through property taxes and DCC contributions, it may not always be practical do so. Generally property tax rates are established to cover municipal operating costs and a portion of capital costs but not all the costs associated with growth.

The practice of seeking amenities or financial contributions from development projects is becoming more common in B.C. but is not universally accepted as appropriate. Those on the development side tend to view fees and infrastructure costs as burdens and point to them as a contributing factor in the increase of housing in Metro Vancouver. They feel that it is unfair to charge new development for the amenities that benefit the whole community and should, therefore, be funded by the whole community or at least to make a "fair" contribution to those costs.

Local government, on the other hand, is struggling to fund the needs of growing communities and provide both "hard" and "soft" infrastructure to their citizens in a fiscally responsible way. Traditional tools such as capital programs and the collection of DCC's are proving to stretch the limits of municipal coffers and their ability to deal with development pressures.

There are basically three main tools available to municipalities which allow them to acquire infrastructure from growth. They are:

- Direct provision of works or lands;
- Development Cost Charges;
- Zoning based contributions or amenity zoning

Direct provision of works or lands is the most routine method used for the acquisition and construction of infrastructure. Development projects are required to construct or pay for works and services that are adjacent to development sites or that are directly required to serve the proposed development. Section 941 of the Local Government Act also enables municipalities to require the dedication of 5% of the site area for parkland dedication. Council is familiar with both these methodologies as they are regularly used in development projects in Maple Ridge.

Development Cost Charges are a means of collecting fees from all projects so that these fees can be pooled to fund area wide infrastructure improvements necessitated by growth. DCC's can be collected for water, sewer, roads, drainage, and park land acquisition; must be expended on the purpose for which they were levied; and must be spent within the geographic area in which they were collected. DCC's cannot be used to raise revenue for recreational facilities, cultural facilities, library, emergency service facilities or other important community facilities. Council is familiar with DCC's and their application as they are regularly used in Maple Ridge.

Zoning based contributions or amenity zoning is an area that some municipalities have investigated in order to acquire funding for those items that are not provided for through the other two areas of funding mentioned. As indicated earlier, the ability to use amenity or density bonusing is given through Section 904 of The Local Government Act. This section indicates that the zone should specify the number, kind, and extent of amenity that is being provided. This suggests that amenities should be well-defined and in the form of an actual physical amenity provided on the site that is contributing. For example, a childcare space or open space could be provided on the development site making the contribution. However, and particularly in Maple Ridge, many development projects are too small to actually accommodate a physical amenity on site or the amenity is too large to be accommodated on the site. Consequently, some municipalities have developed a cash-in-lieu approach to contributions so that every project can obtain bonus density by contributing to a fund that is used to provide community amenities.

While there are different ways to structure an amenity or density bonus zoning system, the principle behind them is basically the same – the Zoning Bylaw defines a base density that can be achieved without an amenity contribution and then defines additional density that can be achieved if the project provides an amenity (or cash-in lieu). In all cases, the development must still meet all other requirements of the development process and the Zoning Bylaw.

Common Practices from other Metro Vancouver Municipalities

The following are examples of some of the practices being utilized by municipalities in Metro Vancouver.

1. Surrey – used in new residential development areas. Zoning allows developers to build low density residential development with no amenity contribution or build higher density in exchange for cash contributions toward parkland development, library books, community buildings, etc. The amount of higher density given and the expected amenity are laid out in

the Zoning Bylaw so sites can develop without rezoning. This eliminates the zoning “risk” for the developer;

2. Burnaby – allows bonus density in multi-family zones in their four town centers. The zones specify a base density that can be built with no amenity contribution and additional density that can be built if an amenity is offered. Developers interested in building the bonus density are required to rezone in a comprehensive development zone for each site. Burnaby calculates the value of the additional floor space on a case by case basis and asks for amenity contributions for each project. Amenity categories are contained within the Zoning Bylaw and staff suggest to the developer which type of amenity would be appropriate. This approach is labour intensive and requires case by case analysis.
3. Vancouver – operate under different legislation than other communities so their approach is not transferable to communities outside Vancouver. They currently expect \$3 per square foot from smaller, simpler rezoning outside of the Downtown and negotiate for either cash or in-kind community amenity contributions for all other rezoning.
4. New Westminister – have been negotiating amenity contributions from all rezoning on a site by site basis. They are working towards a more comprehensive approach for larger, more complex applications.
5. Port Coquitlam – considering applying amenity provisions in one townhouse zone after receipt of their report on amenity contributions from a consultant.
6. Pitt Meadows – do not have provisions for amenities based on additional density, due to parking issues related to the high water table in the municipality, but they do take a voluntary contribution for recreational amenities for single family (\$2500 per unit) and multi family (\$1200 per unit) developments.

Maple Ridge Context

The Official Community Plan acknowledges the community need and benefits that may be achieved by utilizing amenity or density bonuses. Section 2.3 Financial Sustainability indicates that efficiencies can be accomplished by “identifying potential sources of non-traditional revenues to diversify the tax base.” Policy 3-30 says: “Maple Ridge will undertake a further study to consider density bonuses as a means of encouraging the provision of affordable, rental and special needs housing and amenities.” Section 11.1.2 Official Community Plan Implementation Strategy also acknowledges that a study on density bonuses would be a part of the strategy dependent on Council decisions during business planning.

The Official Community Plan also offers a density transfer provision in the Albion Area Plan section for the preservation of environmentally sensitive lands. Under this provision, current zoning is utilized and property owners have the potential to transfer a maximum of 2.5 units per net hectare to a more buildable part of the land thereby protecting the environmentally sensitive lands. This provision has not been widely used in Albion but has been effective in some situations. Additionally, it applies to the entire area and it is clearly laid out so that the terms of the transfer are evident to all involved.

When the RM-6 Regional Town Centre High Density Apartment Residential zone was created, density bonus provisions were built into the zone in order to encourage certain forms of

development in the Town Centre. Extra density was added to the building for providing parking in an underground structure, non-market housing units, and for achieving various levels of LEED rating system. The District did not receive any community amenities from this increase but chose to have all the benefits attached to the individual property. As with the example in Albion, the regulations are adopted within the Zoning Bylaw, apply to all who may use this zone and are plainly evident to anyone who may wish to use them.

One of the issues that will need to be factored into any approach to amenity or density bonus zoning is the need to base the amenity provisions on factors that are attractive to the developer so that they will want to utilize the provisions. In any amenity approach, the developer must be able to easily analyze the benefit of the extra density and measure that against the cost of the amenity. The density is the valuable factor in that formulation. In addition, as the developer should easily be able to identify the benefits, so should the community. The community benefits from granting extra density must be clearly evident to all involved. The methodology, the locations in which the bonus applies, the amount of the bonus and the value of the amenity received must be identifiable and publically accepted. All of these issues should be discussed and analyzed for their applicability to Maple Ridge as a strategy is formulated.

Amenity Zoning Study

In order to achieve the best alignment with the Zoning Bylaw Review, staff CitySpaces Consulting has been contracted to complete the Amenity Zoning Review. CitySpaces is currently in the process of finalizing the amended Zoning Bylaw and as such has the experience and knowledge of that process to provide a seamless alignment between the two bodies of work.

As part of the Amenity Zoning Study, CitySpaces also includes G. Paul Rollo and Associates to ensure that the Study is reflective of development realities in Maple Ridge and analysis of a number of 'typical' development scenarios.

The work program for the Amenity Zoning Review includes:

1. **Develop the Maple Ridge Context** – build on the discussions that have already occurred as part of the Zoning Bylaw Review; outline the legislative authority; identify a variety of tools that could be considered; and identify key priorities for the District.
2. **Amenity Zoning Brief** – to summarize the regulatory background, pros and cons of the various approaches and tools considered and best practices from other Metro Vancouver municipalities. This stage will also include the economic review by GP Rollo and Associates.
3. **Council Workshop** – to provide Council with a detailed information package on the regulatory authority, options and economic assessment of a draft amenity zoning framework. This stage will also include a process for aligning the Amenity Zoning Study with the Zoning Bylaw Review, including an anticipated timeline for completion. This workshop is expected to occur in mid to late July.
4. **Consultation** – on the proposed Amenity Zoning Framework with the Zoning Bylaw Working Group for additional input, feedback and comments prior to presenting the final draft to Council.

5. **Zoning Bylaw Regulations** – following Council’s final direction on the components desired for amenity zoning, to be prepared and incorporated into the larger Zoning Bylaw Review.

Albion Area Plan Amendment

Council has directed the Planning Department to undertake a review of the densities within the northern portion of the Albion Area Plan (north of 108th Avenue). An Open House has been scheduled for Wednesday May 30, 2012 to discuss the proposed density increases with the neighbourhood.

As part of the work the CitySpaces team will be undertaking, a market review of development impacts can be partially focused on the proposed changes within the Albion Area Plan area. Examples of the types of amenity zoning components CitySpaces will be asked to evaluate will include:

- Parkland improvements
- Affordable Housing
- Contributions for community facility upgrades, renovations or new construction.

Staff will provide Council with an update from the Open House at the June 18, 2012 Council Workshop. At that time, options for amenity zoning within the Albion Area Plan area will also be presented for Council’s discussion.

Council will recall that as part of the Albion Area Plan work discussed at the March 27, 2012 Council Workshop, there are a number of development applications for single and multi-family residential within the north Albion area. At that time, the following process was presented to Council:

“2. Applications that are in-stream or new, but have not proceeded on to Public Hearing, are proposed to be deferred until such time as the Albion Area Plan Amendments proposed in [that] report, are presented at Public Hearing and given Third Reading by Council.”

c) Interdepartmental Implications:

Representatives from other departments will be invited to participate in the initial staff workshop and throughout the process as necessary.

d) Business Plan/Financial Implications:

This project has been included in the Planning Department’s 2012 Business Plan with a maximum budget of \$25 000. The scope of work, including the requested consultation component will not exceed that amount.

CONCLUSIONS:

Council has approved a budget for the Amenity Zoning Study as part of the Planning Department’s 2012 Business Plan. The proposed process, scope of work and timeline will provide Council with

detailed information from which to provide direction on the components that are to be incorporated in the draft Zoning Bylaw for approval. Council's input at this stage will be beneficial to the Review.

Additionally, as the developer should easily be able to identify the benefits, so should the community. The community benefits from granting extra density must be clearly evident to all involved. The methodology, the locations in which the bonus applies, the amount of the bonus and the value of the amenity received must be identifiable and publically accepted. All of these issues should be discussed and analyzed for their applicability to Maple Ridge as a strategy is formulated.

Prepared by: **Jim Charlebois, MURP, MCIP**
Manager of Community Planning

Approved by: **Christine Carter, M. PL., MCIP**
Director of Planning

Approved by: **Frank Quinn, MBA, P.Eng**
GM Public Works & Development Services

Concurrence: **J.L. (Jim) Rule**
Chief Administrative Officer