

# Community Amenity Contribution (CAC) Policy Workshop

1. Workshop Purpose, Objectives
2. CAC Policy – Where are we now?
3. Financing Growth
4. Council Q&A
5. Community Discussion
6. Wrap Up/Next Steps

Council COW – March 8, 2016  
Development Services

# CAC Workshop Objectives

- Extend engagement and consultation on draft CAC policy, interim targets and allocations
  - Revisit legislative context, approaches and mechanisms for CACs
  - Understand impact of CACs on local land economics (two examples)



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# CAC Policy Goal

- Establish consistent, transparent CAC amenity targets to guide District's approach to seeking and allocating community benefits in association with zoning approvals
  - **Identify + prioritize community amenity needs to adequately support new growth**
  - **Improve Development Approvals Process**
  - **Enhance Local Business Environment**

# Where are we now?

- First Draft CAC Policy (February 2015)
- Initial Developer Review
- Revised CAC Policy (June 2015)
- Council CAC Priorities Discussion (Oct 2015)
- Go-Forward Strategy & Interim Targets (Dec 15)

- **Community Engagement & Council Workshop**
- Policy Revisions
- Final CAC Policy for Adoption

**Q1 2016**

# Interim CAC Targets (Dec 2015)

**Table 1: Interim Community Amenity Contribution Targets and Allocations (December 15, 2015)**

Type of Rezoning	Mechanism	Cash-in-lieu CAC Targets	CAC Target Allocations
From Low Density rural or resource to residential (outside Downtown) <i>e.g. From RL1, RL2, RE</i>	Site Specific Negotiation	\$10,000 per single detached lot \$6/ft <sup>2</sup> of multi-unit residential space	<ul style="list-style-type: none"> <li>• 60 % Affordable Housing, either on-site or as a contribution to affordable housing fund</li> <li>• 35% General Amenities (On-site amenities or cash-in-lieu for neighbourhood amenities, with priority given to fire hall, park improvements and recreation facilities as appropriate)</li> <li>• 5% Child Care Facilities (in kind on-site or cash-in-lieu)</li> </ul>
From single detached lots, commercial, or industrial to multifamily residential or mixed multifamily and commercial <i>e.g. From RS1, RS2, RS3</i>	Site specific negotiation	\$6 per square foot of multifamily residential	<ul style="list-style-type: none"> <li>• 75 % Affordable Housing, either on-site or as a contribution to affordable housing fund</li> <li>• 20 % General Amenities (on-site parks/open space or public realm improvements, active transportation improvements that cannot be funded by DCCs or obtained via dedications at subdivision, public art/space, community facilities)</li> <li>• 5% Child Care Facilities (in kind on-site or cash-in-lieu)</li> </ul>
From single detached lots to a higher density form of single detached lots <i>e.g. From RS1 to RS2; or RS1 or RS2 to RS3 or CD Zone</i>	Density bonus zoning bylaw	\$10,000 per each single detached lot above the existing zoning	<ul style="list-style-type: none"> <li>• 60 % Affordable Housing, either on-site or as a contribution to affordable housing fund</li> <li>• 35% General Amenities (On-site amenities or cash-in-lieu for neighbourhood amenities, with priority given to fire hall, park improvements and recreation facilities as appropriate)</li> <li>• 5% Child Care Facilities (in kind on-site or cash-in-lieu)</li> </ul>
From multifamily residential or mixed use to a higher density of multifamily residential or mixed use	Density bonus zoning bylaw	Base density of FAR 1.0: no amenity contribution FAR above 1.0, to maximum in OCP: \$6 per square foot of additional space above the base density.	<ul style="list-style-type: none"> <li>• 60 % Affordable Housing, either on-site or as a contribution to affordable housing fund</li> <li>• 35% General Amenities (on-site parks/open space or public realm improvements, active transportation improvements that cannot be funded by DCCs or obtained via dedications at subdivision, public art/space, community facilities)</li> <li>• 5% Child Care Facilities (in kind on-site or cash-in-lieu)</li> </ul>

# COMMUNITY AMENITY CONTRIBUTIONS

# Community Amenity Contributions



- Help address needs and impacts of growth
- Linked to changes in zoning (use and density)
- Two common approaches: density bonus, negotiations at rezoning

# CACs versus DCCs

	<b>DCC</b>	<b>CAC</b>
<b>Applicability</b>	All new development	Projects involving zoning change
<b>Uses of funds</b>	Water, sewer, drainage, roads, park land	Wide range of amenities and affordable housing



# Two Approaches

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## **Density Bonus**

- S482 of Local Government Act
- Zoning allows base density with no amenity, extra density with amenity
- Optional for developer

## **Negotiations at Rezoning**

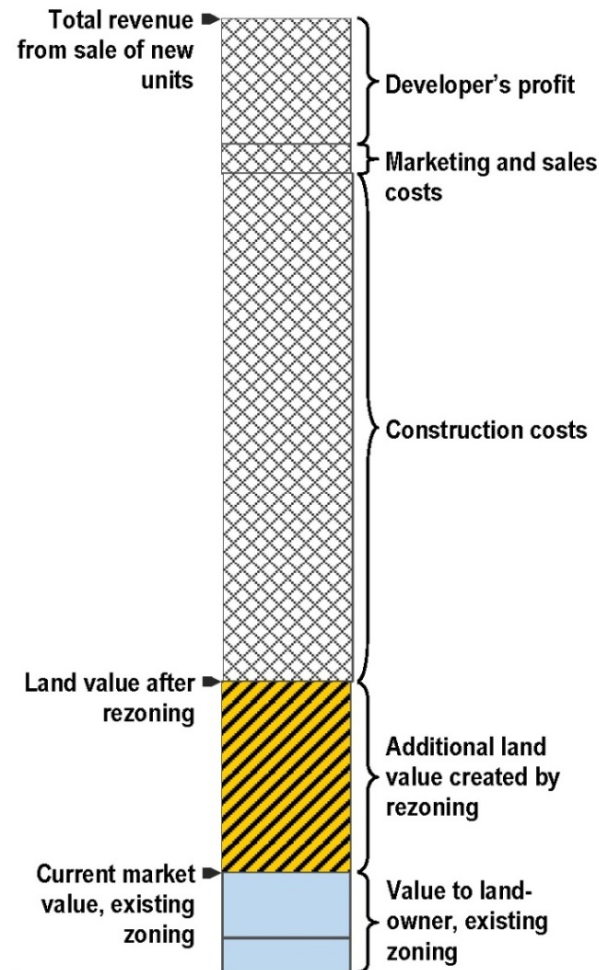
- CAC negotiated with developer to address community needs or impacts
- Implemented via Phased Development Agreement (S516) or rezoning agreement

# Where Does CAC \$ Come From

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- Upzoning creates gain in land value
- Where does the gain go: Land owner? Developer? Amenities?  
Combination?
- No impact on housing prices

# Land Value Created by Rezoning



## Financial Analysis:

## Single Family Subdivision

**Site:**

**15 acres**

**Existing Zoning:**

**50 lots, 8,000 sq. ft. each**

**Lot Price:**

**\$ 300,000**

Revenue

\$ 15,000,000 (50 x \$300,000)

Marketing

\$ 750,000 (5% x Revenue)

Costs

\$ 5,500,000 (50 x \$110,000)

DCCs

\$ 650,000 (50 x \$13,000)

Profit

\$ 2,250,000 (15% x Revenue)

Maximum Raw Land Purchase Price

\$ 5,850,000 (\$117,000 per Lot)

## Financial Analysis:

## Single Family Subdivision, Rezoned for Smaller Lots

	Existing Zoning	New Zoning
<b>Site Size:</b>	<b>15 Acres</b>	<b>15 Acres</b>
<b>Lot Size:</b>	<b>8,000 Sq. Ft.</b>	<b>5,000 Sq. Ft.</b>
<b>Lots:</b>	<b>50</b>	<b>80</b>
<b>Price:</b>	<b>\$ 300,000</b>	<b>\$ 225,000</b>
Revenue	\$ 15,000,000	\$ 18,000,000
Marketing	\$ 750,000	\$ 900,000
Costs	\$ 5,500,000	\$ 6,400,000
	(\$110,000 per lot)	(\$80,000 per lot)
DCCs	\$ 650,000	\$ 720,000
	<b>\$ 13,000 per lot</b>	<b>\$ 9,000 per lot</b>
Profit	<u>\$ 2,250,000</u>	<u>\$ 2,700,000</u>
Raw Land	\$ 5,850,000	\$ 5,850,000
Less Rezoning Costs	\$ -	\$ 200,000
CAC (\$10,000 per new lot)	<u>\$ -</u>	<u>\$ 300,000</u>
Remainder	\$ -	\$ 930,000

## Financial Analysis:

## Low-Rise Apartment

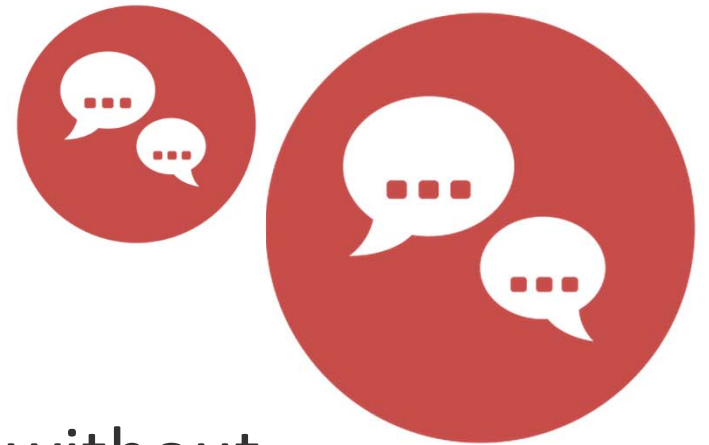
Site:	1 acre
Existing Zoning:	Allows 1.0 FAR multifamily
Project Size	43,560 sq.ft. gross, 37,026 sq.ft net (85%)
Unit Price	\$ 345 per sq.ft (or \$276,000 for an 800 sq. ft. unit)
Revenue	\$ 12,775,000 (37,026 x \$345)
Marketing	\$ 640,000 (5% x Revenue)
Costs	\$ 9,400,000 (43,560 x \$215)
DCCs	\$ 200,000 (43,560 x \$4.60)
Profit	<u>\$ 1,660,000</u> (13% x Revenue)
Maximum Land Purchase Price	\$ 875,000

## Financial Analysis:

## Low-Rise Apartment, Rezoned for Higher Density

	Existing Zoning	New Zoning
<b>Site:</b>	<b>1 Acre</b>	<b>1 Acre</b>
<b>Density:</b>	<b>1.0 FAR</b>	<b>1.3 FAR</b>
<b>Project Size:</b>	<b>43,560 sq.ft.</b>	<b>56,628 sq.ft.</b>
<b>Unit Price per sq. ft.</b>	<b>\$ 345</b>	<b>\$ 345</b>
Revenue	\$ 12,775,000	\$ 16,606,000
Marketing	\$ 640,000	\$ 830,000
Costs	\$ 9,400,000	\$ 12,175,000
	(\$215 per sq. ft.)	(\$215 per sq. ft.)
DCCs	\$ 200,000	\$ 260,000
Profit	<u>\$ 1,660,000</u>	<u>\$ 2,160,000</u>
Land	\$ 875,000	\$ 875,000
Less Rezoning Costs	\$ -	\$ 100,000
CAC (\$6 per sq. ft. of additional density)	<u>\$ -</u>	<u>\$ 78,500</u>
Remainder	\$ -	\$ 127,500

# Community Discussion



- 1. CAC Policy + Interim Targets –**  
in line with amenity objectives without threatening project viability?
- 2. CAC Allocations –** reflect community and neighbourhood amenity priorities?
- 3. CAC Thresholds & Exemptions –** should all rezonings be subject to CAC policy? What, if any, should be exempt (purpose-built rental, AH, assisted living, child care amenities? ...other?)



# Go-Forward Strategy (Next Steps)

- ✓ Work with endorsed Interim CAC Targets (Dec 2015)
- ✓ Broaden Engagement (IAP2)
  - Refine + Calibrate Amenity Priorities + Targets
  - Identify CAC thresholds and exemptions
  - Present Final CAC Policy for Adoption
  - CAC Admin Tasks
    - Establish new capital Reserve Funds (by bylaw)
    - Frame Annual Reporting + CAC Evaluation

Thank you!  
To provide feedback:

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