



Corporate Report

NO: R152

COUNCIL DATE: July 28, 2008

REGULAR COUNCIL

TO: Mayor & Council DATE: July 28, 2008
FROM: General Manager, Planning and Development FILE: 6630-01
SUBJECT: Density Bonus Reserve Fund

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information; and
2. Authorize the City Clerk forward the Surrey Density Bonus Reserve Fund By-law, 2008, No. 16741, attached as Appendix I to this report, for the required readings.

INTENT

The intent of this report is to introduce a by-law to establish a Density Bonus Reserve Fund into which amenity contributions, related to the Interim Density Bonusing Policy O-54, will be deposited.

BACKGROUND

On October 15, 2007, Council approved Interim Density Bonus Policy O-54, permitting land developers to realize additional (or "bonus") density in the City Centre and Guildford Town Centre areas, in exchange for "amenity contributions" to the City. Under the provisions of Section 904 of the *Local Government Act*, R.S.B.C. 1996, c. 323, amended (the "*Local Government Act*"), municipalities may, through zoning by-laws, establish conditions that entitle an owner to a higher density, subject to the provision of amenities, including the provision of affordable and special needs housing or other specified community amenities.

Surrey's Official Community Plan ("OCP") sets out allowable densities by establishing an "Allowable Floor Area Ratio" for designations in the City Centre and Town Centres, and states that these densities "may be increased through the density bonusing provisions of

the Zoning By-law". The base density allowed in the OCP is 3.5 FAR in the City Centre designation, 2.5 FAR in the Multiple Residential designation in the City Centre, and 1.5 FAR in the Guildford Town Centre.

The Interim Density Bonus Policy includes a mechanism for calculating the amount of the amenity contribution for each eligible project, based on the additional value of the land resulting from the increase in permitted density. This additional land value is called the "land lift."

On February 25, 2008, Council approved a schedule for phasing in the Density Bonus Amenity Contributions over a period of several years.

DISCUSSION

The City has received development applications within the specified Density Bonus Areas that wish to take advantage of the Interim Density Bonus Policy. To receive amenity contributions related to these applications, the City must establish, by by-law, a Reserve Fund into which the amenity contributions are deposited. The Surrey Density Bonus Reserve Fund By-law, 2008, No.16741, attached as Appendix I, enables this requirement to be met.

Legal Services has reviewed this report and the related by-law and has no concerns.

CONCLUSION

The City has established an Interim Density Bonus Policy, which permits additional density of development in specific areas, in exchange for amenity contributions to be used for purposes as authorized in the *Local Government Act*. The proposed Surrey Density Bonus Reserve Fund By-law, 2008, No.16741 establishes a Reserve Fund in which these contributions will be held until they are expended on eligible facilities or amenities.

It is, therefore, recommended that Council authorize the City Clerk to bring forward the Surrey Density Bonus Reserve Fund By-law, 2008, No. 16741, attached as Appendix I to this report, for the required readings.

Jean Lamontagne
General Manager
Planning and Development

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Attachments:

Appendix I – Surrey Density Bonus Reserve Fund By-law, 2008, No. 16741

BY-LAW NO. 16741**"Surrey Density Bonus Reserve Fund By-law"**

WHEREAS THE Surrey Official Community Plan By-law, 1996, No. 12900, Division A, Section 3.6 states that the densities provided for in the Official Community Plan may be increased through the density bonusing provisions of the Zoning By-law; and

WHEREAS the City of Surrey has adopted Interim Density Bonus Policy O-54, which permits development densities in specified areas greater than those stipulated in the Official Community Plan in exchange for amenity contributions to the City of Surrey; and

WHEREAS Section 904 of the *Local Government Act*, R.S.B.C. 1996, c. 323, as amended, authorizes a local government to establish conditions under which increased densities may be granted, including conditions relating to the conservation or provision of amenities and the provision of affordable or special needs housing; and

WHEREAS Section 188 of the *Community Charter*, S.B.C. 2003, c. 26, as amended, authorizes a local government to establish by by-law reserve funds for a specified purpose and direct that money be placed to the credit of the reserve fund; and

WHEREAS Section 189 of the *Community Charter* authorizes the local government to provide for the expenditure of money in a reserve fund and interest earned on it for the purposes specified in the by-law establishing the reserve fund;

NOW, THEREFORE, the Council of the City of Surrey, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. This By-law may be cited for all purposes, as " Surrey Density Bonus Reserve Fund By-law, 2008, No. 16741."
2. Deposit of Money into the Density Bonus Reserve Fund ("the Fund"):
 - (a) All money collected by the City in accordance with Section 904 of the *Local Government Act*, in respect of the Interim Density Bonus Policy O-54 approved by City Council, shall be deposited into the Fund for amenities and housing within the areas specified in Policy O-54, including the conservation or provision of amenities and the provision of affordable or special needs housing, as identified in Surrey Zoning By-law, 1993, No. 12000;
 - (b) For administrative purposes, separate accounts may be set up for different areas and for different types of amenities and housing; and
 - (c) All interest earned from the money deposited in the Fund accounts shall be deposited into their respective accounts.

3. Expenditure of Money in the Fund:

- (a) The General Manager, Finance, may expend any money, including the accrued interests in the Fund, for the conservation or provision of amenities and the provision of affordable or special needs housing upon the approval of such expenditure by City Council; and
- (b) Any money, including the accrued interest, remaining in any account of the Fund after the intended purposes of the account have been completed, may be transferred by the General Manager, Finance to other accounts in the Fund.

PASSED THREE READINGS on the ___ day of _____, 2008.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the ___ day of _____, 2008.

MAYOR

CLERK