

NO: **R069**

COUNCIL DATE: **April 2, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **April 2, 2012**

FROM: **General Manager, Planning and Development**

FILE: **6630-01**

SUBJECT: **Extension of the Moratorium on the Application of the Interim Density Bonusing Policy No. O-54 in Surrey City Centre**

RECOMMENDATION

The Planning and Development Department recommends that Council approve amendments, as described in this report, to the Interim Density Bonus Policy No. O-54 to extend the moratorium on the application of the Policy to prescribed projects in Surrey City Centre until December 31, 2012.

INTENT

The purpose of this report is to obtain Council approval to extend the moratorium on the application of the Density Bonusing Policy in Surrey City Centre to the end of December 2012.

BACKGROUND

On April 20, 2009, Council endorsed the City of Surrey Economic Investment Action Plan – Implementation Measures, which focused on encouraging investment and job creation in Surrey, in general, and in South Westminster/Bridgeview and Surrey City Centre areas in particular. One of the implementation measures adopted by Council was a moratorium on the application of the Interim Bonus Density Policy No. O-54 for projects within City Centre that meet certain construction value and timing criteria.

The current moratorium in relation to the Density Bonusing Policy for projects in City Centre ended on December 21, 2011.

"Density bonusing" is an approach where additional floor area (density) is allowed above the normally permitted floor area (density) on a lot subject to the owner of the lot providing some additional value or benefit back to the community in consideration of the additional floor area (density) that is permitted above the norm. The value provided to the community typically takes the form of either affordable/social housing units or cash that the City then uses to provide amenities in the community.

DISCUSSION

Since the Economic Investment Action Plan was implemented in 2009, a number of large development projects in Surrey City Centre have been initiated to take advantage of the incentives provided under the Plan.

Although a number of the incentives provided under the Plan terminated on December 21, 2011, it is recommended that the moratorium on the application of the Density Bonusing Policy in City Centre be extended until December 31, 2012 to maintain the development momentum that is occurring in City Centre.

As mentioned above, Surrey's current Interim Bonus Density Policy No. O-54 (Appendix I) includes a moratorium until December 21, 2011 on the density bonusing provisions in relation to certain types of projects in City Centre. This moratorium can be extended by amending Section 1 - "Location" of the Policy as shown in bold letters and underlined in the following:

1. Location – the policy will apply to sites in the City Centre and Guildford Town Centre as shown on the attached maps (Appendices "A" and "B" respectively), except that in the City Centre as shown on Appendix A, the policy will not apply to business-related development projects which have a construction value in excess of \$10 million, or to high density residential projects which have a construction value in excess of \$25 million **where a development is issued a Development Permit and commences construction prior to December 31, 2012.**

CONCLUSION

Based on the above discussion, it is recommended that Council approve amendments as described in this report to the Interim Density Bonus Policy No. O-54 to extend the moratorium on the application of the Policy to prescribed projects in Surrey City Centre until December 31, 2012.

Original signed by
Jean Lamontagne
General Manager
Planning and Development

GG:saw

Attachment:

Appendix I – Proposed Revised Interim Bonus Density Policy No. O-54



CITY POLICY

No. 0-54

REFERENCE:REGULAR COUNCIL - PUBLIC HEARING
MINUTES**APPROVED BY:**

CITY COUNCIL

DATE:**HISTORY:**OCTOBER 15, 2007
RES. Ro7-2745
FEBRUARY 25, 2008
RES. Ro8-433April 20, 2009
RES. Ro9-642**TITLE: Interim Bonus Density Policy**

Components of the Interim Bonus Density Policy are as follows:

1. **Location** - the policy will apply to sites in the City Centre and Guildford Town Centre as shown on the attached maps (Appendices "A" and "B" respectively), except that in the City Centre as shown on Appendix A, the policy will not apply to business-related development projects which have a construction value in excess of \$10 million, or to high density residential projects which have a construction value in excess of \$25 million where a development is issued a Development Permit and commences construction prior to December 21, 2012.
2. **Model** - The policy will be based on the Land Lift Valuation Approach and will require that the benefiting developer provide a percentage of the lift in the market value of the land as value back to the City. The policy will apply to development applications proposing densities greater than 3.5 floor area ratio (FAR) for lands designated City Centre and Commercial and greater than 2.5 FAR for lands designated Multiple Residential in City Centre and greater than 1.5 FAR for lands designated Multiple Family in Guildford Town Centre, as shown on the attached maps (Appendices "A" and "B", respectively).

The percentage Land Lift will be phased in according to the following schedule:

- a. Applications in-stream as of October 15, 2007 will be exempt from the provisions of the policy provided that they are **completed** by April 1, 2009. Applications that are not complete by April 1, 2009 will be subject to the contribution Phase-In as outlined below.

- **Applications received after October 1, 2007, but prior to July 1, 2009.**
 - These applications will be subject to an amenity contribution equal to 25% of land lift.
 - Applications must be complete by October 1, 2010 to be subject to the 25% land lift.
 - Applications that are not complete by October 1, 2010, will be subject to a contribution equal to 50% land lift if they are complete by April 1, 2011.
 - If applications are not complete by April 1, 2011, they will be subject to the full 75% land lift.
 - If applications are completed in phases, the above provisions would apply at building permit issuance for each phase of development.

- **Applications received after July 1, 2009, but prior to January 1, 2011.**
 - These applications will be subject to an amenity contribution equal to 50% of land lift.
 - Applications must be complete by April 1, 2012 to be subject to the 50 % land lift.
 - Applications that are not complete by April 1, 2012, will be subject to the full 75% land lift.

- **Applications received after January 1, 2011.**

These applications will be subject to an amenity contribution equal to 75% of land lift.

Applications are deemed to be **complete** when the related rezoning by-law has been adopted, development permit approval has been granted by Council and the City has issued a Building Permit.

3. **Mechanism** – The density bonus will be applied through rezoning using a Comprehensive Development Zone on each individual site;
4. **Payment Schedule** - The full amount of the amenity contribution will be made at the time of the issuance of the building permit. The density provided through the issuance of the permit will be linked to the payment of the contribution.

In the case of phased developments, the amenity contribution will be paid at Building Permit stage for each phase of the development, as noted above.

If the amenity contribution is not a cash contribution, but is a commitment to the provision of specific amenities in the development, these may be subject to the provision by the developer of a financial security in favour of the City at the time of building permit issuance.

5. **Amenity** – The policy will allow for the 'bonus density value to be achieved through amenities such as affordable housing, civic amenities including child care spaces, public meeting spaces, civic and cultural facilities, public art, open space, publicly accessible parks or gathering places, etc. or a cash-in-lieu payment provision. Council may decide to accept other amenities as it sees fit.

The provision of non-market affordable or special needs housing as an element of an amenity contribution will be subject to a housing agreement under section 905 of the *Local Government Act*.

The following would be eligible for consideration as affordable and special needs housing as an amenity contribution in an application for a density bonus:

- units developed under senior government non-profit housing programs;
- units controlled or managed or owned by non-profit housing groups providing affordable housing;
- guaranteed rental units; and
- housing for people with special needs, such as those with physical or mental disabilities, those needing treatment for addictions or victims of violence.

*Land Lift = Additional Floor Area (resulting from higher FAR) x Buildable Rate**

**Buildable rate is calculated as follows:
$$\text{Buildable Rate} = \frac{\text{Land Value}^{***}}{\text{Base Floor Area}}$$

***Land Value is the current market value of the land as of third reading of the rezoning by-law.

Density Bonus Area in City Centre



