

NO: R215

COUNCIL DATE: **OCTOBER 28, 2013**

REGULAR COUNCIL

TO: Mayor & Council **DATE: October 28, 2013**

FROM: General Manager, Planning and Development **FILE: 6440-01**

SUBJECT: Proposed Amendments to City Policy O-48 – "Relaxation of the Provision of Indoor and Outdoor Amenity Space in Multiple Residential Developments"

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information;
2. Approve revisions to City Policy No. O-48 – "Relaxation of the Provision of Indoor and Outdoor Amenity Space in Multiple Residential Developments", which are highlighted on the version of the Policy that is attached as Appendix I to this report, that will provide for:
 - (a) an increase the cash-in-lieu contribution rate from \$1,050 per dwelling unit to \$1,200 per dwelling unit that is used to address shortfalls in the provision of the required on-site indoor amenity space in multiple residential developments, which adjustment reflects the increase in construction costs that has occurred since the last time an adjustment was made to this rate; and
 - (b) a cash-in-lieu contribution rate in the amount of \$600 per dwelling unit to address shortfalls in the provision of the required outdoor amenity space in multiple residential developments; and
3. Approve a grace period for in-stream applications of three months in relation to the application of these revisions from the date of the adoption by Council of the revisions.

INTENT

The purpose of this report is to update the cash-in-lieu contribution rates that are used to address shortfalls in the provision of required on-site indoor and outdoor amenity space in proposed multiple residential developments.

BACKGROUND

Surrey Zoning By-law, 1993, No. 12000 (the "Zoning By-law") requires that three square metres (32 square feet) of indoor amenity space and three square metres (32 square feet) of outdoor amenity space be provided for each dwelling unit in new multiple residential developments. A number of years ago, representatives of the development industry expressed concerns that the

amenity space was sometimes not utilized extensively and that the provisions of the Zoning By-law related to amenity space were not practical in relation to smaller developments and not sufficiently flexible to accommodate special situations.

As a result, after considering Corporate Report No. R034;2001, titled "Indoor Amenity Space in Multi-Family Residential Projects", on February 26, 2001, Council approved a "cash-in-lieu" option for the mitigation of any shortfall in the provision of required indoor amenity space as an alternative to constructing the required indoor amenity space in any particular project. The cash-in-lieu contributions are used by the City in support of the construction of public indoor amenity spaces in the same community.

City Policy No. O-48, adopted at that time, provided for a \$750 per dwelling unit cash-in-lieu contribution for addressing the shortfall in the amount of indoor amenity space being provided by a multiple residential project. To implement the new policy and to allow the Zoning By-law requirement related to indoor amenity space to be varied by a Council-approved Development Permit, Clause C.5.1 of Schedule C of the Surrey Official Community Plan ("OCP") By-law, 1996, No. 12900 was also amended by Council.

At its Regular meeting on June 26, 2006, Council considered Corporate Report No. R128 titled "Indoor and Outdoor Amenity Space Requirements and Voluntary Cash-in-Lieu Provision for Proposed Multiple Residential Projects" and approved an amendment to City Policy No. O-48 by revising the cash-in-lieu contribution rate from \$750 per dwelling unit to \$1,050 per dwelling unit. The report also recommended that the OCP By-law be amended to allow cash-in-lieu contributions to address shortfalls in the provision of required on-site outdoor amenity space in multiple residential projects; however, no specific rate was established with respect to the cash-in-lieu payments for outdoor amenity space. The cash-in-lieu contributions made by developers in relation to deficiencies in the required outdoor amenity space are used by the City to fund the construction of public outdoor amenity spaces in the same community.

DISCUSSION

Indoor Amenity Contribution Rate

In 2006, when amendments to City Policy No. O-48 were adopted by Council, the cash-in-lieu contribution rate to mitigate the shortfall in the provision of indoor amenity space was increased from \$750 to \$1,050 per unit to reflect increases in the costs of construction since the rate was originally set.

A further adjustment to the rate to reflect inflation in the costs of construction since 2006 is being recommended in this report. In this regard a rate increase of \$150 per dwelling unit, from \$1,050 per unit to \$1,200 per unit is proposed. This represents a 14% increase, which is equal to inflation in construction costs that has occurred since 2006.

Outdoor Amenity Contribution Rate

As noted above, in 2006 the City introduced a cash-in-lieu option in relation to addressing deficiencies in the provision of the outdoor amenity space required by the Zoning By-law in multiple residential projects; however, at the time it was noted that outdoor amenity space can consist of a wide variety of elements and it was recommended that staff evaluate each project on its own merits and work with the respective applicant to establish reasonable contributions. This

negotiation process for outdoor amenity space has proven to be problematic in that it has been difficult to reach consensus on what a reasonable contribution means for each project. This has increased development processing times and has resulted in inconsistent outcomes between different projects. There is consensus across a broad spectrum of representatives of the development industry on developing a fixed rate per dwelling unit that is payable on each such project.

Staff has analyzed the contributions that have been negotiated on projects over the course of the last five years and has established that a rate of \$600 per dwelling unit is representative of the amounts that have been paid by projects over that time. On this basis, it is being proposed for inclusion in the subject Policy.

Development Advisory Committee Review

Discussion took place at the Development Advisory Committee meeting of September 26, 2013 on the proposed changes to the cash-in-lieu contribution rates that are used to address shortfalls in the provision of required on-site indoor and outdoor amenity space, respectively, in proposed multiple residential developments. There was general consensus on the benefits of having clear information available and well defined rates, which assists in creating investment certainty, subject to the proposed rates being reasonable.

Grace Period

As is the practice of the City in relation to rate changes that affect in-stream development applications, it is proposed that the rate changes as proposed in this report not be applicable to in-stream development applications that achieve final adoption of the related Zoning By-law and Development Permit approval within three months of adoption by Council of the revisions to the Policy.

SUSTAINABILITY CONSIDERATIONS

The recommendation of this report, if adopted, will assist in achieving the objectives of the City's Sustainability Charter; more particularly, the following scope action items:

- EC9: Quality of Design in New Development and Redevelopment;
- EN9: Sustainable Land Use and Development Practices; and
- SC6: Accessible and Appropriately Located Services within the City.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Approve revisions to City Policy No. O-48 – "Relaxation of the Provision of Indoor and Outdoor Amenity Space in Multiple Residential Developments", which are highlighted on the version of the Policy that is attached as Appendix I to this report, that will provide for:
 - an increase the cash-in-lieu contribution rate from \$1,050 per dwelling unit to \$1,200 per dwelling unit that is used to address shortfalls in the provision of the required on-site indoor amenity space in multiple residential developments, which adjustment reflects the

increase in construction costs that has occurred since the last time an adjustment was made to this rate; and


- a cash-in-lieu contribution rate in the amount of \$600 per dwelling unit to address shortfalls in the provision of the required outdoor amenity space in multiple residential developments; and
- Approve a grace period for in-stream applications of three months in relation to the application of these revisions from the date of the adoption by Council of the revisions.

Original signed by
Jean Lamontagne
General Manager
Planning and Development

GAG:saw

Attachment:

Appendix I City Policy No. O-48 with Proposed Revisions High-lighted

 CITY OF SURREY	<h1>City of Surrey</h1> <h1>Policy</h1> No. O-48
Policy Title:	RELAXATION OF THE PROVISION OF INDOOR <u>AND OUTDOOR</u> AMENITY SPACE IN MULTIPLE RESIDENTIAL DEVELOPMENTS
Approval Date:	26 FEB 2001 (RES.R01-406)
Revision Date:	26 JUNE 2006 (RES.R06-1471)
Department:	Planning and Development

~~To implement~~In accordance with Clause C.5.1 of the Official Community Plan, ~~except under special circumstances which may arise on a site specific basis,~~ the City will consider a request from the developer of a project containing multiple residential dwelling units project to reduce or eliminate the required indoor and outdoor amenity space requirements, if the developer provides an ~~adequate~~acceptable alternative, which may include a ~~voluntary~~ cash-in-lieu contribution* to the City, for the purposes of constructing public indoor and outdoor amenity spaces in the same community.

~~* Under current normal circumstances a voluntary cash-in-lieu contribution in an amount of \$1,050 per dwelling unit will be considered adequate to satisfy the indoor amenity space requirement of the Zoning By-law.~~

A cash-in-lieu contribution in an amount of \$1,200 per dwelling unit will be considered adequate to satisfy the indoor amenity space requirement of the Zoning By-law.

A cash-in-lieu contribution in the amount of \$600 per dwelling unit will be considered adequate to satisfy the outdoor amenity space requirement of the Zoning By-law.

When a developer chooses to make a ~~voluntary~~ cash contribution under this policy, the contribution is to be made prior to the Development Permit ~~approval~~ being considered for approval by City Council.

~~* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.~~