

COMMUNITY AMENITY  
CONTRIBUTIONS AND  
INCLUSIONARY  
HOUSING POLICY

Phase 4 - Engagement  
Summary

June 2023



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## 1.0 INTRODUCTION

Since the beginning of 2022, the District of Saanich has been in the process of developing a Community Amenity Contribution (CAC) and Inclusionary Housing Policy (CAC Policy), to establish a transparent, efficient, balanced, and predictable process by which the District can receive amenities from development through the rezoning process. To support the CAC Policy's development, team members from the District of Saanich, Urban Systems, and Urban Matters shared information and collected feedback from Saanich staff, Council, community organizations, developer stakeholders, and Saanich residents.

The engagement process was broken into two rounds, commencing initially in Phase 2 of the project timeline shown below. The first round of engagements, completed between February and April 2022, was designed to build understanding of the current CAC process, and meet with stakeholders about their concerns, priorities, and aspirations for the new CAC Policy and Program. Several one-on-one developer interviews during this phase also helped to inform the economic and pro forma analysis in Phase 2 of the project. The findings from this round of engagement are summarized in the [Phase 2 Discussion Paper](#).

This Engagement Summary will outline the engagement activities held in Phase 4 of the project timeline shown below.



## 2.0 OVERVIEW OF PHASE 4 ENGAGEMENT

The purpose of the final round of engagement which took place in Phase 4 of the CAC Policy's development was intended to get feedback on the draft CAC Policy from staff, development industry stakeholders, community organizations and the public. This concluding round of engagement was designed to achieve the following:

- Continue dialogue with stakeholders to confirm the assumptions and inputs used in the revised economic analysis used to draft the updated CAC Policy.
- Engage with neighbourhood associations, housing providers, and the District Staff's Working Group to confirm the vision for the Policy and Program.

- Provide the public, stakeholders, and Staff with the opportunity to provide final feedback on the draft CAC and Inclusionary Housing Policy and Program.
- Build awareness of the economic and financial analyses used to create the draft Policy and Program, and ensure that the process reflects the experiences, needs, and ideas of community stakeholders.
- Engage Staff in the latter stages of the Policy and Program's development before they are finalized and presented to Council for consideration (Phase 5).

To achieve these objectives the following engagement activities were undertaken:

- Policy review meetings with the District of Saanich Staff Working Group;
- One focus group meeting with development stakeholders and community representatives;
- Two public open houses – one in-person and one virtual; and,
- The development of an online community survey.

## 3.0 WHAT WE HEARD

### 3.1 STAFF WORKING GROUP

A working group with senior District Staff was established to guide the CAC Policy's development throughout the project's timeline. The project team engaged the Working Group in structured conversations to establish priorities and direction for the draft Policy and Program. The project team facilitated seven key internal working group sessions with District staff. These meetings were attended by staff leaders in parks, transportation, housing, finance, engineering, and current planning.

Each session of approximately 2-hours was used to review the technical analysis and draft policy directions to collect feedback from the broader Saanich team. This process was critical to ensuring that multiple departments had input on the development of the draft policy and to ensure it can be effectively integrated into the District's administrative processes.

**Key inputs from these conversations in Phase 4 included:**

Density Bonusing and Pre-zoning vs. Re-zoning

- Detailed planning for areas that have not already been completed will need to be done before pre-zoning.
- This will be a large upfront administrative task to incorporate density bonusing into District planning policy, but there should be a placeholder built into the current program for when this is developed.

Negotiated CACs

- Desire for a higher threshold for when CACs would be negotiated.

### Inclusionary Housing

- Administration burden is a big concern, and the goal is to keep it light.
- Review options to explore 100% CAC exemption for purpose-built rental.

### Allocations / Uses of CACs / Density Bonus Payments

- Preference for tangible, community contributions.
- Preference for building up affordable housing fund to try and leverage larger projects.
- Important to target amenity-deficient neighbourhoods for tangible amenities.
- Important to avoid double dipping with DCCs and to ensure understanding of the policy / rezoning requirements vs. CAC requirements.
- Funds need to have clearly defined uses that avoid too narrow of a focus. Affordable Housing Fund and Park Acquisition Fund are good examples.
- Contributions need to be meaningful. Small amounts, like \$5,000 for a bike rack, is seen as administratively burdensome.

### Policy Application

- Provide a definition, or mechanism, to close a potential loophole where applicants can avoid/reduce CACs by including a small commercial operation (e.g., Café shop) within residential developments.
- Consider a partial (rather than full) exemption for 100% residential buildings where Affordable Housing CACs are exempt, but the applicant must still pay towards other amenity types.
- Reconsider using parking incentives to offset CAC costs for purpose-built rental buildings (without inclusionary housing units), as the parking requirements are not aligned with the community's needs.

### Geographic Equity

- Important to consider how to limit the number of buckets while keeping a good focus on amenities. A focus on geography should be supported.
- Amenities that are being targeted should be big picture, highly meaningful amenities with great appeal from developers and community.
- There is a need to balance flexible and fixed amenities that allow good, novel ideas to be brought to fruition. There is also a clear need to ensure divisions do not reinforce or produce inequities between subregions.

### Other Items (Inflation, Length of Approvals)

- Inflation adjustment mechanisms need to be incorporated into the policy.
- There is a need for a clear and consistent affordability definition.
- Desire for an annual review with a fulsome review every 3-5-years.

## 3.2 FOCUS GROUP MEETINGS WITH STAKEHOLDERS

### 3.2.1 HOUSING PROVIDERS AND COMMUNITY GROUPS (OCT. 24, 2022)

**Meeting Participants:** Habitat for Humanity, BC NPHA, Saanich Neighbourhood Place. CRD, Greater Victoria Housing Society, University of Victoria, Mount Tolmie Community Association, Mount View Colquitz Community Association, North Quadra Community Association, District of Saanich, Urban Systems

**Key Notes:**

- Housing providers suggested 20 – 40 inclusionary units are needed to reach an economy of scale to sustainably manage inclusionary housing contributions, which can only typically be achieved through negotiations on larger projects.
- Preliminary 400 – 500-unit threshold for negotiations seen as too high and should be lowered.
- Daycare and family services should be included in larger projects, like inclusionary units.
- The cumulative effects of multiple smaller projects need to be considered in terms of impacts on amenities and contributions.
- Housing providers need to be engaged early in the process.

### 3.2.2 DEVELOPER FOCUS GROUPS (OCT. 25, 2022)

**Meeting Participants:** Colliers International, Personal Real Estate Corporation, Victoria Residential Builders Association, SHAPE Properties, Geric Construction, Aryze, Expansion Properties, UDI Capital Region, Large & Co., District of Saanich, Urban Systems

**Key Notes:**

- Participants supported negotiation for in-kind inclusionary units for large development and the use of fixed-target rates for most developments of a smaller scale.
- There should be an ability to opt into a negotiated approach where desired.
- Pre-zoning is a good policy tool, if done correctly, through neighbourhood plans. However, this could also create additional administrative burden if it is done too prescriptively.
- Economic environment has changed drastically and needs to be reconsidered.
- Developers support a geographical approach to build tangible amenities associated with their project(s).

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- Negotiations will potentially require new staff who have in-depth understanding on the subject, to speed up the process.
- The policy should identify capital improvements where possible. The local community (particularly neighbourhood associations) does not want to provide this direction since it would signal support for a project.
- Could include a new covering page addressing that these assumptions have changed since the project kicked off.

### 3.2.3 DEVELOPMENT AND COMMUNITY STAKEHOLDER FOLLOW-UP MEETING (APR. 4, 2023)

**Meeting Participants:** Colliers International, Victoria Residential Builders Association, SHAPE Properties, Abstract Developments, Geric Construction, Aryze Development, Mount Tolmie Community Association, North Quadra Community Association, District of Saanich, Urban Systems

#### Key Notes:

- The economic conditions since the initial economic analysis have changed and the continued rise in interest rates are making more projects unfeasible.
- Rental housing developments are particularly challenging in high interest rate environments.
- The proposed CAC rates are too high and need to be revisited with current financing and construction cost inputs.
- Pre-zoning is great, but the devil is in the details. If it's not right, the process will not go any faster. How can the policy adjust to changing market conditions? Important to think of a mechanism to still be able to meet the goals of the policy despite changing market conditions.
- The District should do frequent updates (3-5 years) to the policy to keep it relevant.
- Residential Rental Tenure Zoning (RRTZ) is probably one of the more powerful tools that can be employed to encourage rental housing. **Note:** *Saanich staff are exploring RRTZ through the CCV process.*
- Equity requirements of rental builders have gone up so much that it is turning everyone towards market condos as the preferred form of development. To encourage rental, need to take this policy direction.
- Updates to the BC Building Code will decrease sellable areas for all concrete development due to larger requirements for cores and 6-storey wood frame construction in poor soils, like in the Shelbourne Valley.
- Keep definitions of affordability aligned with definitions from funding available to developers, including BC Housing and CMHC. **Note:** *This is part of the Affordability Definition work undertaken by Urban Matters.*

- Community Associations Members support developers paying their fair share for development and have a desire for more on-site (in-kind) amenities.
- Saanich needs a new staff member who has a real depth of experience in understanding this subject matter. This will help expedite the process.

Overall, participants supported the use of fixed rate CACs at lower rates. However, they suggested negotiated processes with Saanich have been very challenging, and Saanich needs a new staff member who has a real depth of experience in understanding this subject matter to help expedite the process.

### 3.2.4 URBAN DEVELOPMENT INSTITUTE (UDI) (MAY 4, 2023)

**Meeting Participants:** UDI Capital Region, District of Saanich, Urban Systems

The session with representatives from the UDI Board on May 4<sup>th</sup> was attended by four representatives of the development community.

**Key Notes:**

During this session, the project team provided a detailed presentation and a review of the most recent financial analysis completed by the consulting team. The discuss that followed was constructive but it was clear from the participants that the current economic conditions, notably high financing, and construction costs, were increasingly challenging for the development industry. This feedback was consistent with the revised economic analysis completed by the consultants. Participants also noted that rental projects were particularly challenged by the recent increase in interest rates, which were substantially impacting cash flow in these developments.

**Key Notes:**

- Participants noted that rental projects were particularly challenged by the recent increase in interest rates, which were substantially impacting cash flow in these developments.
- Participants were supportive of the creation of area-specific amenities and the balanced distribution of CACs for housing and in-kind amenities.
- Participants also wished to see frequent updates and in-stream protection of ongoing applications from new rates.
- Feedback from this session reinforced the project team's preliminary direction to reduce the new fixed targets CAC rates to better reflect the current economic conditions.

### 3.3 COMMUNITY OPEN HOUSES

Two community open houses were held to collect feedback on the draft CAC policy in April – one virtual and one in-person.

#### 3.3.1 VIRTUAL OPEN HOUSE (APR. 19, 2023)

On April 19<sup>th</sup>, 2023, a virtual open house was held via Zoom. The virtual public engagement was attended by one member of the public. The project team walked them through the presentation and facilitated a discussion with the participant. The feedback received from this engagement was positive and the draft policy directions were supported by the individual.

The open house also helped encourage participation in the community survey.

#### 3.3.2 IN-PERSON OPEN HOUSE (APR. 20, 2023)

On April 20<sup>th</sup>, 2023, an in-person Open House was held at the Garth Homer Society building and was attended by six members of the public. Members of the project team were present to speak with the community and educate them about the project and CAC policy options.

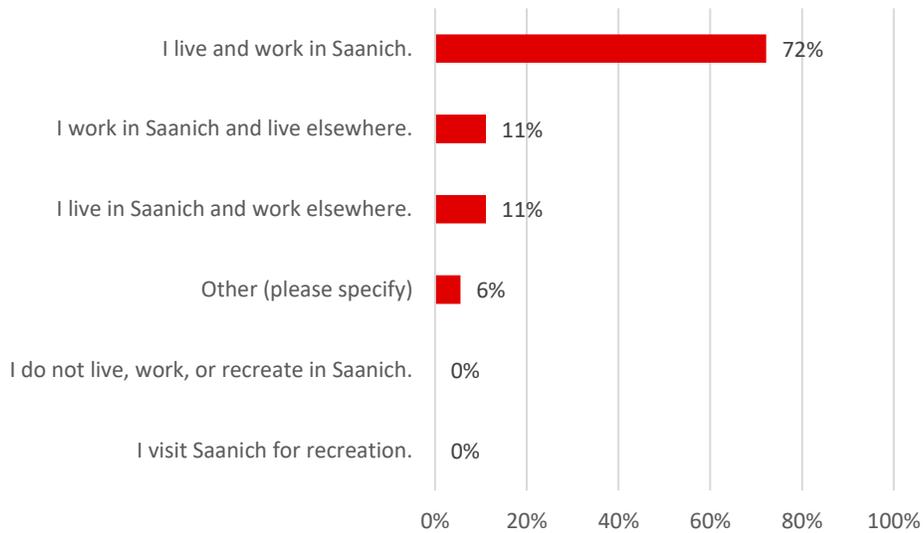
A presentation was given to those in attendance, followed by a discussion facilitated by staff and the consultant. Overall, the feedback received from the public was supportive of development paying their fair share but emphasized the desire for greater dedication to District planning policy. There was a sense that this policy would allow development to circumvent District planning by paying the CACs. Feedback from this session also emphasized the need for a balanced delivery of housing and in-kind amenities.

The open house also helped encourage participation in the community survey.

### 3.4 COMMUNITY SURVEY

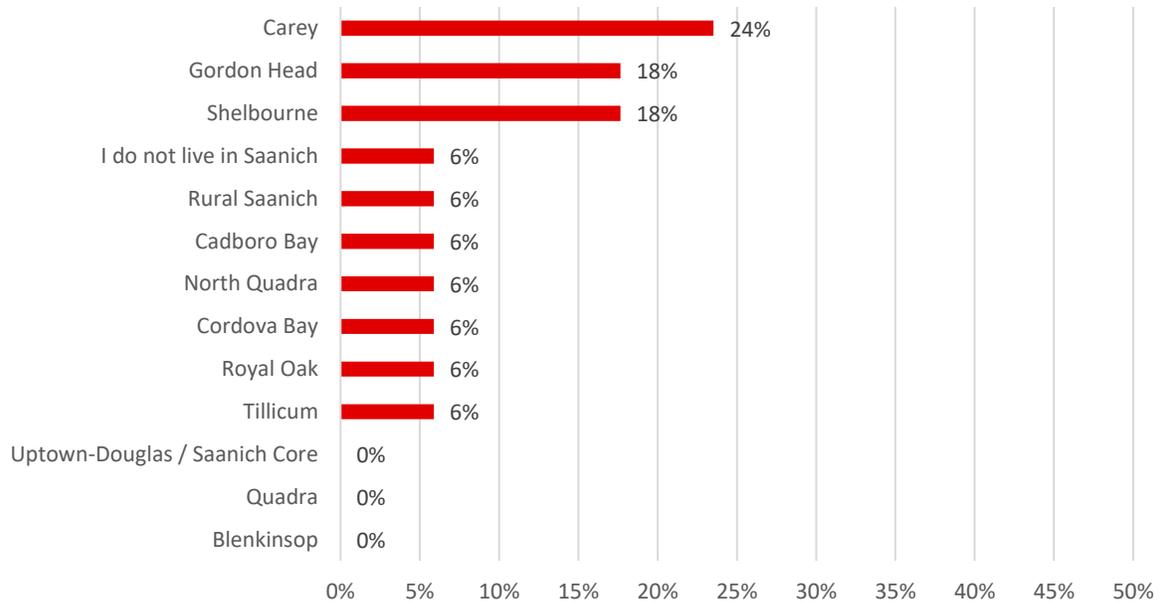
The Community Survey was launched in March 2023 to help the project team understand the community's priorities for amenity contributions and support for various policy options. The survey was available online for approximately 4 weeks for participants to complete. In total, there were **18 survey responses** from community members. Their results are summarized below.

Q1: Please select from the following list that best represents you: (n=18)



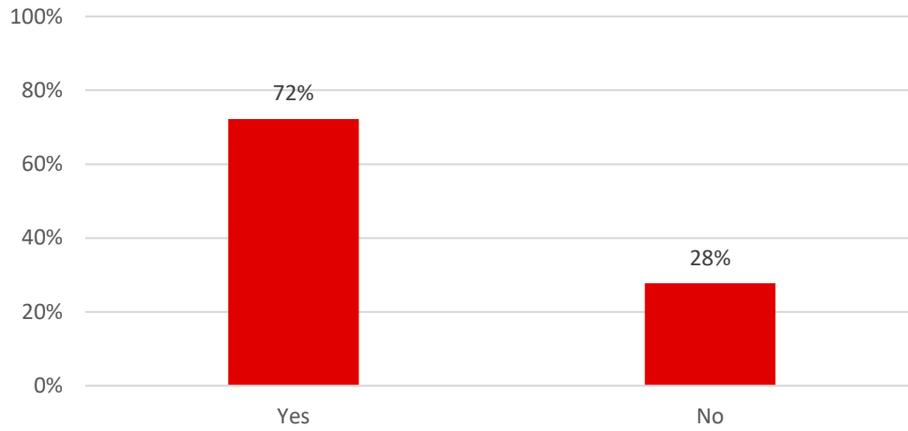
Thirteen survey respondents (72%) live and work in Saanich, two respondents (11%) work in Saanich but live elsewhere, and two respondents (11%) live in Saanich but work elsewhere. One respondent (6%) answered "Other," indicating that they live and have worked in Saanich but are now retired.

Q2: If you live in Saanich, please select the neighbourhood (see map [here](#)) that you live in from the following list (n=17)



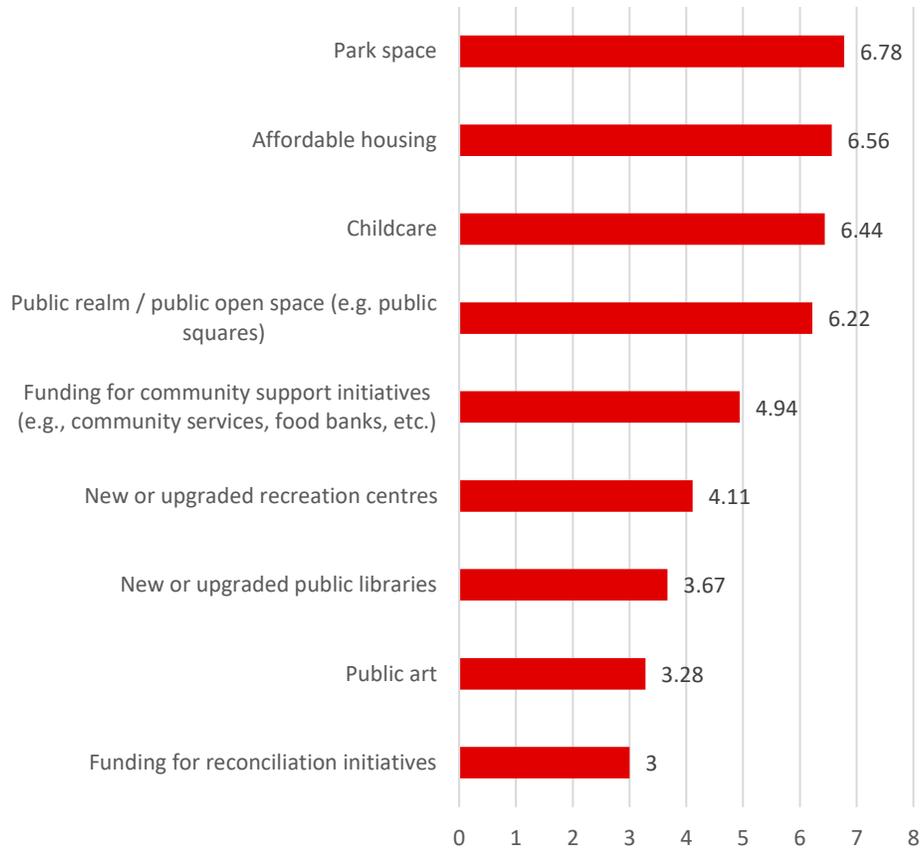
Survey respondents included residents from nine of the twelve local areas within Saanich, with four respondents (24%) living in Carey, three respondents each (18%) living in Gordon Head and Shelbourne, and one respondent each (6%) living in Rural Saanich, Cadboro Bay, North Quadra, Cordova Bay, Royal Oak and Tillicum. One additional respondent (6%) does not live in Saanich.

Q3: Do you support the District of Saanich in developing a comprehensive policy to collect fees and to negotiate the collection of fees to help fund local amenities and/or affordable or supportive housing from new development projects? (n=18)



Overall, thirteen respondents (72%) supported the development of a comprehensive CAC Policy and Inclusionary Housing Program. Five respondents (28%) did not support the initiative.

Q4: Please rank the following list of amenities based on their level of importance for the broader community (n=18)



Survey respondents were asked to rank each amenity on the list from most important to least. The highest-ranked amenities that were identified were park space, affordable housing, childcare, and public open spaces.

Q5: What other or specific amenities would you like to see in Saanich? Please be descriptive and, if possible, speak to where the amenity is needed (n=14)

Written responses from survey respondents are included below:

- *Trees and Vegetation to maintain biodiversity*
- *We need more greenspace & need to maintain our large trees. The Shelbourne area is deficient in both. Development is paying for sidewalks and creating loss of greenery. Our sidewalks weren't great but were sufficient. The loss of greenery (including lawns) is gone forever.*
- *Protection of greenspace, i.e., trees - developments should be required to prove they cannot build around existing mature trees before given a permit to remove/replace (and just because it costs more to be creative should not be an excuse in a climate crisis) Not for profit should still need to prove they have looked at all options for retaining mature tree canopy.*
- *Trails and road crossings (highway); viewing platforms or lookouts; more green space not necessarily park; planting trees on bike trails.*
- *I want affordable housing, but I do not see any viable role for local government or private developers. Task is for non-profits with support from province and federal government. Inclusionary housing is not successful enough to place our hope with.*
- *Swimming pool at George Pearkes Centre.*
- *Dedicated medical and clinic office space, which is especially lacking in Gordon Head, Shelbourne, Cadboro Bay.*
- *Space for a movie theatre*
- *Community gardens for housing developments*
- *Student housing up and running - UVic and Camosun. (Stop planning delays)*
- *Public benches along sidewalks throughout Saanich. Accelerated crosswalk program for Saanich.*
- *Parks, trails, open space, urban forests, good environment and decent quality of life and services.*
- *Recreation Centre facilities will become very crowded with the current growth initiatives. If they are to proceed, the centres need to be expanded to accommodate the rapidly growing population. Habitat for all levels of living things, including plants, animals, insects, birds, etc. must be given a much higher priority, as these all have a large impact on community environmental health.*
- *I feel there are many empty homes, townhouses, apartments, etc. in Saanich. This should be addressed and remedied before moving forward with further growth initiatives. You can find the empty homes by reviewing BC Hydro usage, or other such reference.*
- *Funding of this type closely resembles lobbying and I disagree with it.*
- *More third places for community residents. In particular, reclaiming mostly car-dominated spaces in residential neighbourhoods and near streets with many residents (especially in less park-blessed areas such as around Uptown) for occasional or permanent neighbourhood use. Benches and wayfinding on street corners are a great start when it*

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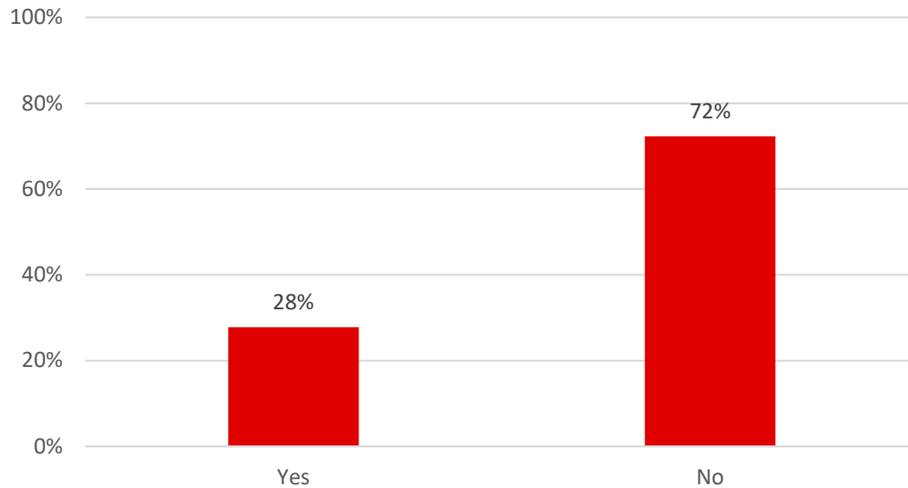
*comes to CACs but reducing car traffic and adding more amenities (or giving local residents the tools to add them) is a missing key to making said spaces genuine places that people will want to stay around!*

- *An illustrative example in my neighbourhood is the recent contribution of an improved corner and bench on Garnet and Shelbourne. Currently, this mostly serves as a location for someone to rest their feet briefly. The bench's proximity to the street, lack of shade and other surrounding public space means that there is no incentive to stick around.*

Q6: The CAC Policy is proposing to collect cash-in-lieu amenity contributions into three different funds.

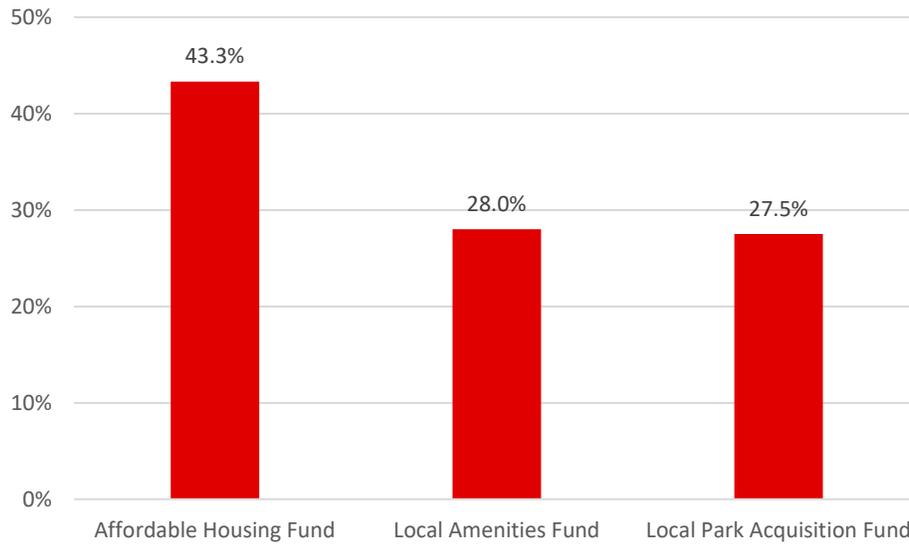
Affordable Housing Fund (District Wide): 30%  
Local Amenity Fund (Area Specific): 50%  
Local Park Acquisition Fund (Area Specific) :: 20%

Do you support the current weighting of each funding pot? (n=18)



Thirteen respondents (72%) did not currently support the weighting of each funding pot. The remaining five respondents (28%) supported the proposed weighting.

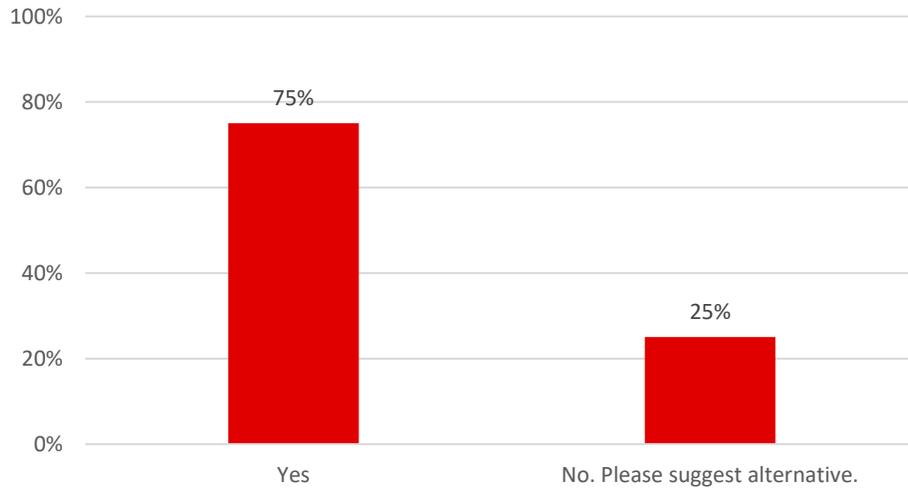
Q7: If you answered "No" please adjust the percentages for each funding pot (n=10)



Each survey respondent who answered “No” could indicate their own funding distribution. While every answer had its own set of percentages, the average distribution from all respondents equaled to:

- Affordable Housing Fund (District-Wide):43.3 %
- Local Amenity Fund (Area-Specific): 28%
- Local Park Acquisition Fund (Area-Specific): 27.5%

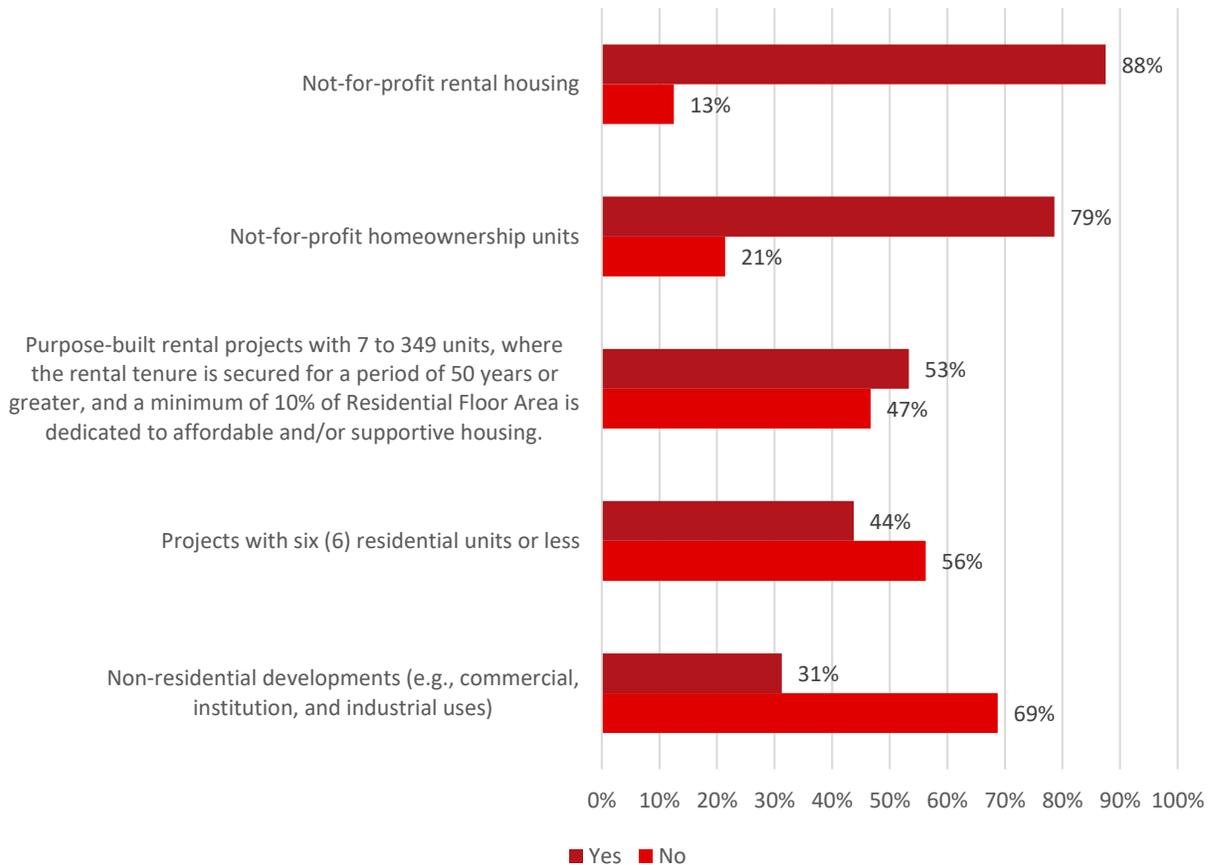
Q8: The CAC Policy proposes collecting and distributing cash contributions for Local Amenities and Local Park Acquisition within five specific areas. Do you support the proposed fund areas? (n=16)



Twelve respondents (75%) supported the proposed funding areas for local areas. The remaining four respondents (25%) did not support the funding areas. Of those four respondents, one respondent would like to see more focus on areas 1, 2, and 3, one respondent would like to see the funding shared by the whole community, and the remaining two respondents did not support CACs.

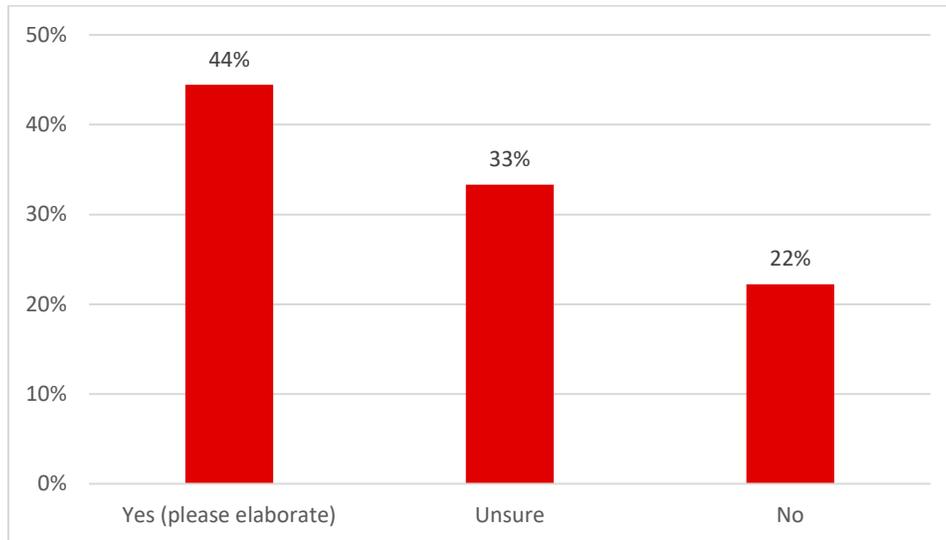
Q9: The CAC Policy is proposing some exemptions from CACs based on policy goals and the economic capacity of development to contribute. Please select any development projects from the list below that you feel should be exempt from paying CACs in Saanich: (Yes or No, for each) (n=16)

### Should be Exempt?



Overall, fourteen respondents (88%) felt that not-for-profit rental housing should be exempt from CACs, and eleven respondents (79%) felt the same for not-for-profit homeownership units. Responses were mixed on whether purpose-built rental projects (53% Yes, 47% No), or projects with 6 units or fewer (44% Yes, 56% No), should be exempt from CACs. Many respondents (69%) believed that non-residential developments should not be exempt from CACs.

Q10: Are there any other types of development that you think should be exempted from paying CACs in Saanich? (n=18)



Eight respondents (44%) indicated that other types of developments should be exempted from CACs. Their responses are provided below:

- *Basement suites, carriage homes (backyard small homes), single family homes*
- *Single family homes, carriage homes, basement suites*
- *For profit institutions such as daycares, long term care etc.*
- *Co-ops and land trusts*
- *Preserve open space, trails, environment, and quality of living.*
- *Developers and owners pass on all fees to the end use because ultimately all end users benefit from these amenities.*
- *Exempt all*
- *Any new housing*

Q11: Do you have any additional comments or questions regarding the proposed Community Amenity Contribution and Inclusionary Housing Policy? (n=10)

Ten respondents (56%) left a written comment about the program. Their responses are included below:

- *I believe they are policies designed to circumvent existing OCP, LAP, and bylaws, allowing greater profits for developers... and destruction of biodiversity in secrecy.*
- *They show that "development"/"progress" is not financially sustainable.*
- *I am totally against Density Bonusing. In my opinion, it is usually contrary to the OCP, LAP, etc. and it allows developers to build larger and usually increase their profits. Often the density outweighs the bonus.*
- *Cash-in-lieu often leaves the neighbourhood with a deficit of something (trees or other). This allows the loss to be replaced elsewhere, ultimately leaving the surrounding homes with density and a negative.*
- *Both of these are weighted towards the developer and not the community (or at least the nearby residents).*
- *Thank you!*
- *Land lift at market value, increase is good but hard to pin down. 50%? Not 75%?*
- *Thank you to staff and Urban Systems for your thoughtful work.*
- *Focus on getting something done.*
- *Saanich has taken too long on this subject, almost ten years. There are many progressive CAC policies in Victoria, Central Saanich, Burnaby, North Vancouver, etc. Why not adopt a progressive CAC policy suitable for Saanich instead of spending so much staff's precious time and money.*
- *I disagree with this initiative. My voice is important, and I think if you take a referendum, you'll find many agree with me. The survey was very slanted toward buy-in and is poorly developed.*
- *Scaling CACs by the proportion of affordable units in each project seems reasonable and might avoid barriers to building both large mixed market/affordable housing as well as (importantly, given recent provincial announcement) missing middle housing. Although I'm very much in favour of CACs as a tool, I've heard that they increase the barrier of entry for the latter type of housing quite a bit on top of existing overheads with permitting charges/delay.*
- *A more radical move that I would also support is introducing a mini-CAC for SFH redevelopments. This would help even the playing field between different housing types, provide intra-neighbourhood revenue for improving amenities which are currently (effectively) subsidized by other neighbourhoods because of their low density and allow SFH rebuilds to become part of the solution to supporting affordable housing across the district.*
- *The BC government Opening Doors report says CACs add to the cost of housing and should be removed.*

