

COMMUNITY AMENITY CONTRIBUTIONS AND INCLUSIONARY HOUSING POLICY

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Framework for Implementing and Negotiating Community Amenity Contributions

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1.0 PURPOSE

The purpose of the Community Amenity Contributions & Inclusionary Housing Policy (the “Policy”) is to provide guidance to Council, Staff, developers/applicants, and the public for the collection of in-kind and cash in-lieu contributions towards community amenities and inclusionary housing and to commit in developing a transparent, efficient, balanced, and predictable process.

1.1 POLICY GOALS

The goals of this Community Amenity Contribution and Inclusionary Housing Policy are to:

- Encourage new development to make contributions towards public benefit amenities and services to support new residents.
- Maintain a healthy community, through Community Amenity Contributions and Density Bonusing, so that Saanich residents have access to amenities within a livable and complete community.
- Encourage the development of new housing that expands options for housing affordability and accessibility.
- Strengthen the relationships between the District of Saanich, the public, housing providers, and the development community.
- Ensure that Community Amenity Contributions are clear and transparent.
- Create a framework for negotiating Community Amenity Contributions that enables an efficient and predictable process by which the District receives public benefit amenities and/or supportive and affordable housing.

1.2 GUIDING PRINCIPLES

This Policy is guided by a set of four principles to ensure Council, Staff, developers/applicants, and the public have the clarity and incentive to develop a variety of housing types and tenures and contribute public benefit amenities within the District. The principles are as follows:

Transparency: Inform Council, Staff, the development community, and the public about how community amenity contributions are collected and distributed.

Efficiency: Offer an efficient process for negotiating Community Amenity Contributions to reduce both time and cost for the District and applicants.

Balance: Ensure a balanced approach to negotiating the community amenity, the geographic area, and inclusionary housing that is beneficial, reasonable, and feasible.

Predictability: Provide a process that is consistent in its negotiation for amenities, use of definitions, collection of in-kind and cash in-lieu contributions, and process for receiving community amenities and inclusionary housing.

2.0 DEFINITIONS

“Affordable Rental Rate” in the context of this Policy refers to the ability of renters to obtain a home based on household income or other factors, as defined in the District’s “Definition of Housing Affordability” (refer to the District of Saanich [Definition of Affordability](#) document), and updated on an annual basis in alignment with changes to BC Housing’s regional Housing Income Limits.

“Community Amenity” is a public benefit amenity that provides a direct benefit to the residents of the District of Saanich. Community amenities can take several forms including, but not limited to, inclusionary housing, supportive housing, parks and publicly accessible open spaces, childcare facilities, community facilities (e.g., libraries, police departments, recreation centres, etc.), public art and cultural spaces, or as defined through the District’s planning policies. Refer to **Appendix B** for a list of local community amenities.

A Community Amenity is considered separate from and does not include any projects identified by the District’s Development Cost Charge (DCC) program.

“Community Amenity Contributions (CACs)” are contributions of a public benefit amenity and/or inclusionary or supportive housing that are negotiated as part of the rezoning application process and initiated by the applicant/developer.

CACs cannot be a DCC project as identified by the District’s Development Cost Charge (DCC) project list.

“Cash-In-Lieu Community Amenity Contributions” are CACs provided as cash, in lieu of providing a direct public benefit amenity, by an applicant to the District, which are then earmarked for public benefit amenities identified in this Policy (refer to **Appendix B**), by Council, and the District’s annual capital and operating budgets.

“Density Bonus / Density Bonus Zoning” is a contribution of a community amenity agreed to by the applicant and the District, as part of the District’s Density Bonus Zoning applicable to a proposed project¹.

¹ References to Density Bonusing are considered placeholders until the District of Saanich has implemented a Density Bonus framework.

“**Community Amenity Contributions Target Rates**” are a set rate or amount negotiated with applicants and the District and secured as a contribution for community amenities through a rezoning process for developments with fewer than 350 residential units.

“**Framework for Implementing and Negotiating Community Amenity Contributions**” is a supplementary document to the Community Amenity Contributions and Inclusionary Housing Policy. The Framework is intended to guide District staff and applicants through the process of negotiating CACs on eligible multi-unit residential applications undergoing rezoning (refer to **Appendix A**).

“**In-stream Application**” refers to a rezoning application that, prior to the adoption date of this Community Amenity Contributions and Inclusionary Housing Policy, has been submitted, accepted by the District as complete, and considered to be in a satisfactory form with all applicable fees paid.

“**Inclusionary Housing Unit**” refers to affordable long-term rental housing where shelter costs are less than 30% of a before-tax median household income, to support moderate income households, as defined in the District’s “Housing Affordability in Saanich” document. For applicable annual rental rates per unit refer to **Table 1** and in the District of Saanich [Definition of Affordability](#) document.

“**In-Kind Community Amenity Contribution**” are public benefit amenities, affordable housing and/or land contributions provided by an applicant as part of a rezoning application process. These amenities are typically provided on-site as a direct public benefit and can include inclusionary housing units.

“**Interim Community Amenity Contribution (CAC) Policy**” refers to the former “Interim Community Amenity Contribution (CAC) Policy” rescinded by Council on March 5, 2024.

“**Local Amenity Fund**” is a non-legislated provision created to hold any funds resulting from cash-in-lieu contributions towards community amenities, excluding inclusionary units and park acquisitions, made through the Community Amenity Contributions and Inclusionary Housing Policy.

“**Local Park Acquisition Fund**” is a non-legislated provision created to hold any funds resulting from cash-in-lieu contributions towards local parks acquisition made through the Community Amenity Contributions and Inclusionary Housing Policy.

This fund cannot include or overlap with any city-wide or regional park projects identified in the District’s Development Cost Charge (DCC) Program.

“**Local Community Amenity**” is a community amenity within one of the five (5) area-specific geographies of Saanich, whose location informs the equitable distribution of cash-in-lieu CACs within both the Local Amenity Fund and Local Park Acquisition Fund (see **Figure 1** for more detail).

“**Mixed-Use**” is a development where the majority (>50%) of the ground floor space of a multi-unit residential building is dedicated for commercial, industrial, or institutional uses.

“**Not-for-Profit Rental Housing**”, including “**Supportive Living Housing**” refers to housing owned by the Government of British Columbia, the Government of Canada, the District or another local

government under the *Local Government Act*, a public housing authority or a not-for-profit society incorporated under the *Societies Act*, SBC 2015, c. 18, as amended, or Part II of the Canadian Corporations Act, RSC 1970, c. C-32, as amended, and where the Applicant has demonstrated to the reasonable satisfaction of the District that the development is eligible for a rent or capital housing subsidy from the Government of British Columbia, the Government of Canada, or a public housing authority.

“Non-market Homeownership Units” refers to a residential dwelling unit within a development that is made available for purchase to eligible individuals or households at a below-market price, typically with a housing agreement restricting resale values, with the primary objective of promoting affordable homeownership. Non-market homeownership units are usually developed as a shared equity form of ownership, with an external partner (such as the Government of British Columbia, the Government of Canada, the District or another local government under the *Local Government Act*, a public housing authority or a not-for-profit society incorporated under the *Societies Act*, SBC 2015, c. 18, as amended, or Part II of the Canadian Corporations Act, RSC 1970, c. C-32, as amended) providing an equity component to support affordability. Applicants would need to demonstrate to the reasonable satisfaction of the District that the non-market homeownership units meet the specific criteria of the District, including income limits, residency requirements, and affordability restrictions.

“Official Community Plan” refers to the most current version of the District of Saanich's Official Community Plan (Bylaw 8940), as amended.

“Purpose-Built Rental” refers to buildings specifically designed and constructed with dwelling units intended for long-term rental occupancy, to provide a stable and secure housing option for residents of Saanich.

“Long-Term Rental” refers to the leasing or renting of one or more sleeping units in a dwelling unit for a period of 30 consecutive days or more, which may include purpose-built rental (see definition, above) buildings and other types of residential buildings.

“Residential Floor Area” refers to the total saleable and rentable area within a building designated for residential use as part of a dwelling unit or dwelling units, but excludes parking areas, elevators, stairwells, lobbies, or similar built areas not used as dwelling space.

“Rezoning Applications” refer to a rezoning application, which has been submitted to the District of Saanich in a satisfactory form, in accordance with the applicable procedures, and with all applicable fees paid.

“Saanich Affordable Reserve Housing Fund” is a non-legislated provision created to hold any funds resulting from cash-in-lieu contributions towards Inclusionary Units made through the Community Amenity Contributions and Inclusionary Housing Policy.

“Zoning Bylaw” refers to the District of Saanich's Zoning Bylaw 8200, as amended from time to time.

3.0 APPLICATION OF THE POLICY

This Policy is based on a hybrid model that simplifies the administration of Community Amenity Contributions (CACs) by encouraging negotiations only for major developments, with 350 units or more, while allowing smaller developments (with 7 to 349 units), to proceed through the rezoning process with clear CAC Target Rates or Density Bonus Rates (see **Section 5** below).

CACs shall be considered in all rezoning applications with residential tenures (strata, rental, or both) that require zoning amendments unless explicitly exempt under **Section 6.0** of this Policy. This hybrid model includes three approaches for determining CACs:

- **Approach A - Negotiated CACs:** Development applications seeking 350 units or more.
- **Approach B –CAC Target Rates:** Development applications with fewer than 350 units in all zones where density bonus does not apply.
- **Approach C - Density Bonus Rates:** Development applications with fewer than 350 units where a property has density bonus zoning in place, or an applicant is granted rezoning ‘into’ a zone with density bonus provisions.

Each of these three approaches is outlined in **Sections 3.1 - 3.3** below:

3.1 APPROACH A – NEGOTIATED COMMUNITY AMENITY CONTRIBUTIONS:

Development applications with 350 units or more are encouraged to undergo site-specific Community Amenity Contributions negotiation with the District of Saanich.

1. Through negotiated CACs, the District may seek in-kind, or cash-in-lieu contributions towards a public benefit based on the preferences of the District, the applicant, and community. In-kind CACs may include on-site built amenities, inclusionary housing units, affordable ownership units, or a combination thereof.
2. The amount of CACs (cash-in-lieu or value of in-kind amenities) that a project can support is determined through a land lift analysis, conducted at the applicant’s expense.
3. For the land lift analysis, applicants shall provide two development pro formas: one for the residual land value of the site under the existing zoning and another for the residual land value under the proposed new zone. The land lift shall be determined as the difference between the rezoned land value and the existing land value.
4. The District reserves the right to request additional development pro formas and a third-party review at the applicant’s cost.
5. CACs determined through this approach target a 50% of the increase in land value based upon the rezoning application and land lift analysis.
6. The negotiation process is further guided by the “Framework for Implementing and Negotiating Community Amenity Contributions” in **Appendix A**.

3.2 APPROACH B – CAC TARGET RATES:

Development applications with fewer than 350 units are encouraged to make contributions based on target contributions (“CAC Target Rates”), provided an application meets the locational criteria and eligibility criteria found in **Section 5 - Table 2**.

1. Projects subject to CAC Target Rates are encouraged to make cash-in-lieu payments in accordance with the proposed target contributions as set out in **Table 2** below.
2. The District may consider in-kind contributions, including the provision of Inclusionary Housing Units, provided that:
 - a. The in-kind contributions are aligned with identified amenity priorities for the subject areas described in **Appendix B**.
 - b. The applicant can demonstrate, to the District’s satisfaction, that the value of the in-kind amenities is equal to or greater than the CAC amount the District would receive based on CAC Target Rates.
 - c. In circumstances where applicants are providing in-kind contributions and where those contributions do not include Inclusionary Housing Units, a cash-in-lieu contribution shall be made to CAC to the Affordable Housing Fund equivalent to at least 30% of the proposed CAC Target Rates as set out in **Table 2** below. In-kind contributions towards affordable homeownership are also an acceptable option for applications subject to negotiations, which should be supported with a pro forma analysis.
 - d. Applicants wishing to provide only non-housing, in-kind contributions may choose to enter into a Negotiated CAC process as outlined under Approach A above.
3. For projects subject to CAC Target Rates, applicants may choose to enter into a Negotiated CAC process with the District, as outlined under Approach A above, to provide a cash-In-lieu CAC or in-kind CAC based upon third-party land lift analysis conducted at the applicant’s expense. The District reserves the right to request a development pro forma and a third-party review at the applicant's cost. The District and the applicant may do so for reasons such as:
 - a. The CAC Target Rates would comprise more than 50% of the lift in land value created through rezoning.
 - b. The existing zoning permits a density higher than that designated in the OCP.
 - c. The proposed density is significantly lower than the maximum permitted OCP density.

3.3 APPROACH C – DENSITY BONUS RATES:

For development applications with fewer than 350 units, where a property has density bonus zoning in place (and no rezoning is requested), or in instances where an applicant is granted rezoning 'into' a zone with density bonus provisions, the Density Bonus Rates shown in **Section 5 - Table 3** applies. The alternative processes permitted under Approach B, as outlined in **Sections 3.2.1** and **3.2.2** above, are also available to development applications under Approach C.

4.0 INCLUSIONARY HOUSING RENTAL RATES

Inclusionary Housing rental rates are used to inform listed exemptions as outlined in **Section 6.0** of this Policy and to set the minimum threshold for in-kind affordable housing contributions.

Inclusionary Housing units are considered affordable when per unit long-term rental rates are less than or equal to the moderate to median long-term rental rates shown in **Table 1**. The rates for households with moderate to median income reflect BC Housing's current Housing Income Levels (HILs). Projects with deeper subsidy Inclusionary Housing Units will be favoured in the negotiation process. Please refer to the District of Saanich [Definition of Affordability](#) document which outlines the incomes associated with the affordable rental rates provided in Table 1, below.

Table 1 - Inclusionary Housing Rental Rates *

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Moderate to Median Income	\$1,065	\$1,250	\$1,625	\$2,050	\$2,388

*2023 Definition of Affordability, Affordability for Renters. Applicant must confirm rates in the District of Saanich [Definition of Affordability](#) document, specific to affordability rates for moderate to median income renters.

Partnerships with non-profit housing providers or government agencies to purchase and/or operate the units are encouraged and should be initiated as early in the development application process as possible. Inclusionary Housing Units shall be favored in the negotiation process.

5.0 RATES AND ELIGIBILITY CRITERIA

CAC Target Rates are outlined in **Table 2**, and associated eligibility criteria for development applications undergoing a zoning amendment. Please note as per Section 6.0 (below) projects that contain six units or fewer are not required to pay CACs.

Table 2 – CAC Target Rates¹

Eligibility Criteria	Centres and Corridors	Villages and Neighbourhoods
Condominium / Apartments (100% ownership residential projects) in projects with fewer than 350 units	\$2,880 per unit	\$2,880 per unit
Condominium / Apartments (within primarily residential projects with limited mixed-use²), in projects with fewer than 350 units	\$2,880 per unit	\$2,880 per unit
Condominium / Apartments (within mixed-use projects³), in projects with fewer than 350 units	\$2,000 per unit	\$2,000 per unit
Townhomes / Multi-plex developments	\$3,840 per unit	\$3,840 per unit

¹ Target Rates were based on land lift analyses for different areas in the District of Saanich, however, the study did not find the differentials substantive enough to justify rate differentiation by geography. In future comprehensive updates to the target rates, the results may justify different target rates by geography.

² Limited Mixed Use = 50% or less of the ground level leasable floor area is dedicated to commercial use.

³ Mixed Use = >50% of the ground level leasable floor area is dedicated to commercial use.

Density Bonus Rates structure, as shown in **Table 3**, that applies in instances where a property has Density Bonus Zoning in place and no rezoning is requested, or in instances where an applicant is granted rezoning 'into' a zone with density bonus provisions.

Table 3 – Future Density Bonus Rate Structure¹

Eligibility Criteria	Centres and Corridors	Villages and Neighbourhoods
Condominium / Apartments (100% ownership residential projects)	\$ / per unit	\$ / per unit
Condominium / Apartments (within primarily residential projects with limited mixed-use²)	\$ / per unit	\$ / per unit
Condominium / Apartments (within mixed-use projects³)	\$ / per unit	\$ / per unit
Townhomes / Multi-plex developments	\$ / per unit	\$ / per unit
Purpose-built Rental* without Inclusionary Housing Units in projects less than 350 units	\$ / per unit	\$ / per unit

¹ Density Bonus Rates would be based on land lift analyses for different areas in the District of Saanich. The implementation of Density Bonus Zoning and comprehensive updates to the Policy's Density Bonus Rates, will determine / justify different Density Bonus Rates by geography.

² Limited Mixed Use = 50% or less of the ground level leasable floor area is dedicated to commercial use.

³ Mixed Use = >50% of the ground level leasable floor area is dedicated to commercial use.

* Purpose-built Rental needs to be secured for at least 50 years.

Note: Saanich has not yet developed Density Bonus Zoning under the current Zoning Bylaw. This section is a placeholder for the future Density Bonus Rate Structure.

6.0 COMMUNITY AMENITY CONTRIBUTION EXEMPTIONS

Where a rezoning application satisfies any of the following exemption conditions, as listed below, those portions of the rezoning application are considered exempt from the identified Community Amenity Contributions outlined in this Policy.

The conditions for exemption from Community Amenity Contributions include:

1. Not-for-profit rental housing units.
2. Non-Market homeownership units.
3. Purpose-built rental projects, where the rental tenure is secured for a period of 50 years or more, or the life of the building.
4. Projects with six (6) units or fewer.
5. Non-residential developments.

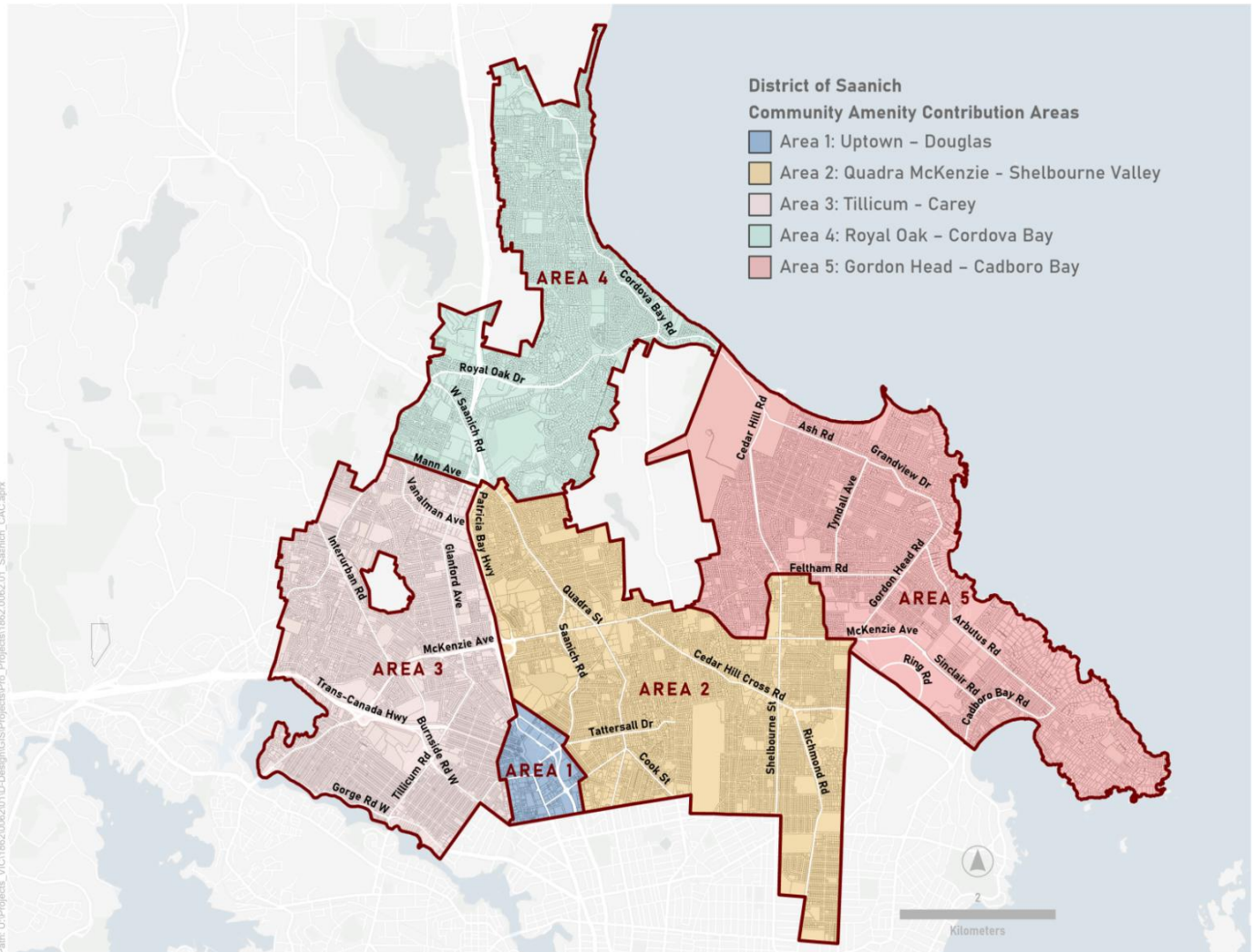
7.0 COMMUNITY AMENITY CONTRIBUTION ELIGIBILITY, AREAS, AND PRIORITIES

To support the equitable distribution of Community Amenity Contributions, this Policy divides the District of Saanich into five areas. Establishing these areas supports localized amenities and prioritizes the allocation of cash-in-lieu contributions to locations near where new developments are located (see **Figure 1**, below). The District has developed a prioritized list of Local Community Amenity projects found in **Appendix B**. The prioritized list acts as a guide for both in-kind and cash-in-lieu contributions. These five geographies include:

- **Area 1:** Uptown – Douglas
- **Area 2:** Quadra McKenzie – Shelbourne Valley
- **Area 3:** Tillicum – Carey
- **Area 4:** Royal Oak – Cordova Bay
- **Area 5:** Gordon Head – Cadboro Bay

A guide to the allocation of cash-in-lieu community amenity contributions is found in **Section 7.1**, below.

Figure 1 – District of Saanich Community Amenity Contribution Areas



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7.1 ALLOCATION OF COMMUNITY AMENITY CONTRIBUTIONS

1. Community Amenity Contributions (CACs) provided in-kind, or funded through CAC Target Rates or Density Bonus Zoning, are determined based on the following criteria:
 - a. Tied to serving a growing population (residents and employees);
 - b. Alignment with identified priority amenities shown in **Appendix B**. The list of public benefit amenities has been informed through recent public engagement and existing references within the District’s Local Area Plans, Action Plans, Centre, Corridor and Village Plans, Master Plans, and local needs assessments.
 - c. Located at or near (or contribute to funding amenities within or near) the general area where the rezoning is taking place. This applies to in-kind CACs, as well as the allocation of cash-in-lieu CACs. Refer to **Figure 1** for the District’s CAC Areas.
2. The distribution of Cash-in-lieu Community Amenity Contributions (CACs) collected through CAC Target Rates, CAC Negotiations, or Density Bonus Rates are allocated between the Affordable Housing Fund, Local Amenity Fund, and Local Park Acquisition Fund, in accordance with **Table 4**, below.

Table 4 – Allocation of Community Amenity Contributions

	Affordable Housing Fund (District-wide)	Local Amenity Funds (Area-specific)	Local Park Acquisition Funds (Area-specific)
All Community Amenity Contribution Areas (Areas 1 to 5)	30%	50%	20%

3. Cash-in-lieu contributions towards the Affordable Housing Fund, identified in **Table 4**, are distributed across the District of Saanich to areas where the highest needs and priorities have been identified.
4. Cash-in-lieu contributions towards the Local Amenity Fund and Local Park Acquisition Fund, identified in **Table 4**, are used in the Community Amenity Contribution Areas, as shown in **Figure 1**, in which they have been collected and directed towards identified amenity items identified in **Appendix B**.

8.0 PAYMENT OF COMMUNITY AMENITY CONTRIBUTIONS

Community Amenity Contributions received as in-kind or cash-in-lieu contributions must be secured through necessary legal agreements and covenants with the District to Final Reading. All contributions must be received or verified prior to the issuance of a Building Permit

9.0 MONITORING AND EVALUATION: COMMUNITY AMENITY CONTRIBUTIONS POLICY AND RATES

Monitoring and evaluation of this Community Amenity Contributions and Inclusionary Housing Policy includes two recurring updates:

1. **Annual CAC Policy Update** – Affordable Rental Rates, CAC Target Rates, and Density Bonus Rates as shown in **Tables 1, 2** and **3**, respectively undergo annual updates. Rates to Table 1 are updated in alignment with CMHC’s published annual rates. Updates to Tables 2 and 3 take effect on **October 1st** of each year. The later updates shall include a detailed pro forma based review of key development costs, including construction, financing, and land costs, for a minimum of 10 development sites to be selected by staff.
 - a. Annual updates are at the full discretion and approval of the Director of Planning.
2. **Comprehensive CAC Policy Update** – Both this Policy and Framework for Implementing and Negotiating CACs are to be comprehensively reviewed in two (2) years following adoption by Council and every five (5) years thereafter, or at an earlier date based on the recommendations of the Director of Planning or pursuant to Council direction.
 - a. Updates are inclusive of robust financial and economic analysis of the affordable rental rates, target rates, and Density Bonus Rates (as per **Tables 2** and **3**).
 - b. Affordable rental rates, CAC Target Rates, and future Density Bonus Rates are also to be comprehensively reviewed and adjusted as necessary, and underlining assumptions will be updated and applied for each annual review (i.e., construction, financing, and land costs).

While annual updates to this Policy are enacted through the approval of the Director of Planning, comprehensive updates, as per 9.2 above, are at the sole discretion of the District of Saanich Council.

10.0 PHASING-IN OF APPLICATIONS

The District recognizes that the feasibility of proposed projects can be impacted by updates to set target rates, and the following ensures an equitable process in the phasing-in of applications:

1. Applications received on or after October 1, 2023, are subject to this Community Amenity Contributions and Inclusionary Housing Policy, and subject to rates shown in **Tables 1, 2, and 3**, as updated and published annually on October 1.
2. Applications received prior to October 1, 2023, may choose to opt into the target CAC rates of the Community Amenity contributions and Inclusionary Housing Policy or proceed with rates in effect at the time of their application.
3. Active applications subject to this Community Amenity contributions and Inclusionary Housing Policy are subject to annual rates as per **Tables 1, 2, and 3** at the time of First Reading on an application by District of Saanich Council.

