

CITY OF COQUITLAM

Policy and Procedure Manual



Community Amenity Contribution (CAC) Collection Policy & Procedure – Planning & Development Department

Council Adoption Date: November 18, 2019

Revision Date: July 11, 2022

Reason for the Policy

This policy provides a framework for determining and receiving financial contributions under the City's Community Amenity Contribution (CAC) program. It has been prepared to provide clarity and consistency in the administration of the CAC program.

Policy

1. **What are CACs?**

CACs are a voluntary financial contribution made by an applicant to a municipality at the time of rezoning of a property to assist with offsetting the impact of development and helping fund amenities necessary in the community to support growth. CAC programs typically apply only to new residential density created as part of development associated with rezoning applications. CAC funds are used to help fund and off-set the financial burden of providing new amenities in the community needed as a result of further population growth resulting from rezoning development applications. Many Metro Vancouver municipalities have CAC programs, each of which varies in terms of how it is structured and applied.

Coquitlam's CAC applies up to a maximum base floor area ratio (FAR) times the lot area of a subject property depending on the zone: 1.85 FAR for the RM-3 zone, 2.5 FAR for the RM-4, RM-5, RM-6 and C-7 (Burquitlam-Lougheed) zones, and 3.0 FAR for the C-7 (City Centre) zone. For higher density developments above the 1.85, 2.5 or 3.0 FAR base densities, the City has an optional Density Bonus Program that developers can utilize depending on the zone they have applied for, which is also based on financial contributions to the City to fund needed community facilities and amenities.

2. **Who pays CACs?**

The CAC program applies to all new residential development in Coquitlam, including newly created single-family residential lots, duplexes, triplexes, quadruplexes, townhouses and apartment buildings that are being processed through a rezoning application. The CACs are to be submitted or secured by the party that makes a rezoning application prior to Council consideration of final approval of the zoning bylaw amendment. If an applicant chooses not to contribute CACs, the application will be advanced for Council's consideration advising of this response.

3. **When do CACs Apply?**

The CAC program applies to all new residential floorspace up to a maximum base density FAR of 1.85, 2.5 or 3.0 times the lot area depending on the zone, for multi-family projects (duplexes, triplexes, quadruplexes, townhouses and apartments) when there is a rezoning application involved. Additionally, it applies to all new single-family lots created through a subdivision requiring a rezoning.

CACs do not apply to non-residential floorspace in commercial, industrial or institutional developments. Nor do they apply to below-market rental housing or non-market housing that is covered by a Housing Agreement. They also do not apply, for example, to a new home replacing an existing home on a lot if there is no rezoning application, even if the new home is much larger than the existing home or when an addition is being made to an existing home.

4. **CAC Rate Structure**

Effective as of February 1st, 2023 (the “Effective Date”), the Citywide CAC rates are:

- \$64.58 per m² (\$6.00 per sq. ft.) for net new multi-family residential gross floor area up to a base density FAR of 1.85, 2.5 or 3.0 depending on the zone;
 - of this, \$10.76 per m² (\$1.00 per sq. ft.) shall be directed towards the Childcare Partnership Reserve Fund (CCPRF)
- \$10,000 for all new single family lots created through a subdivision requiring a rezoning.

The above CAC rates apply to all pertinent residential rezoning applications received on or after the Effective Date and until such time as the rates are annually adjusted as per this policy.

The CAC rate structure set out above will be adjusted yearly based on annual CPI increases reported by Statistics Canada early each year. (“CPI” means the Consumer Price Index for Vancouver, all items, not seasonally adjusted, as set forth from time to time in the “Consumer Price Index” published by Statistics Canada annually.)

Applications received prior to the Effective Date, or a subsequent annual CPI adjustment date, will be subject to the rates that were in effect on the date the application was received. However, these rezoning applications will need to achieve final rezoning approval within six months of the Effective Date, or the subsequent annual CPI adjustment date, to be subject to the CAC rates in effect at the time of application submission. Applications achieving final rezoning approval after the six-month period will be subject to the adjusted CAC rates in effect at that time.

5. CAC Credits

A CAC credit would be applicable for any existing residential floor area on a lot that is being redeveloped for a multi-family development or for the existing lot in a subdivision (i.e., one residential lot credit). Existing floor area of a building is to be verified by the applicant through a certified survey prepared by a Registered BC Land Surveyor.

Example:

1. Multi-family replacing single-family
25,000 sq. ft. new floor area – 1 existing lot at \$10,000 = 25,000 x \$6 = \$140,000 contribution
2. Multi-family replacing multi-family
100,000 sq. ft. new floor area – 50,000 sq. ft. existing floor area = 50,000 x \$6 = \$300,000 contribution
3. Single-family subdivision
2 new lots – 1 existing lot = 1 new lot x \$10,000 = \$10,000 contribution

6. CAC Submission Options

There are two options available for an applicant submitting CACs:

1. The applicant can make a financial contribution as per Section 4 above; or
2. Subject to the City's need and approval, the applicant can contribute (build and donate) a public amenity that is identified in the *Parks, Recreation and Culture Master Plan Implementation Strategy* or another public amenity, as identified by Council, that are of the same value as the CACs calculated as per the above rate structure as applied to the subject development.

Option 1: If Option 1 is chosen, the CAC funds submitted will be deposited into the appropriate finance account relative to the development site location.

Option 2: If Option 2 is chosen, the applicant must submit a construction cost estimate prior to Building Permit issuance for the proposed public amenity to be provided in-lieu of the financial contribution on a 1:1 basis. For example, if the CAC financial contribution is \$500,000, then the value of the amenity provided under this option will need to equal \$500,000. Completion of the public amenity under this option will be secured by appropriate legal agreements and financial instruments to be entered into prior to Council's consideration of final rezoning approval.

7. Timing of CAC Submission

CACs are to be submitted in full prior to Council's consideration of final reading of a rezoning bylaw. If the applicant declines to submit the CACs related to their rezoning application, the alternate process is set out in Section 2 above.

If the rezoning application would facilitate a multi-family development and a Development Permit application has not yet been submitted at the time of Council consideration of the rezoning application bylaw, CACs will be determined based on the

maximum achievable building floor area of the zone (minus any applicable CAC credit as per Section 5 above).

8. CAC Submission Procedure

If Option 1 has been chosen in Section 6 above, the CAC submission is to be made prior to Council consideration of final reading of the rezoning application bylaw.

The CAC submission may be held in trust by the applicant's lawyer or the City pending Council adoption of the rezoning application bylaw.

9. Multiple-Phase Projects

Where the rezoning application involves multiple phases, the applicant must pay all of the CACs prior to Council approval of the rezoning application bylaw.

10. Housing Choices Projects

CACs do not apply to a rezoning application from RT-1 Infill Residential to RT-3 Multiplex Residential where the proposed rezoning does not result in additional units or floor area from what would be permitted under the existing RT-1 zoning of a property.

Attachment:

1. CAC Template Contribution Letter CEDMS Doc# 4421093

DATE

City of Coquitlam
3000 Guildford Way
Coquitlam BC V3B 7N2

Attention: [NAME], File Manager:

**RE: Proposed rezoning of lands at [ADDRESSES], Coquitlam (the “Lands”)
City of Coquitlam File: PROJ XX-XXX
Community Amenity Contribution to Offset Rezoning Burden**

We are writing to you today concerning the contribution to be paid by us to the City of Coquitlam in the sum of **\$XXX,XXX** in connection with the development of the Lands (the “Development”). We acknowledge that the contribution will be used by the City to fund City amenities that will offset the financial burden on the City resulting from the rezoning related to the Development. We also acknowledge that the amenities will benefit both the Development and the community as a whole.

We confirm that:

- the contribution is entirely voluntary;
- we were advised to seek independent legal advice with respect to making the contribution and signing this letter and acknowledge that to the extent we fail to obtain legal advice, we will not use such failure against the City;
- the contribution does not obligate the City’s Council to approve the proposed rezoning bylaw in connection with the rezoning application (the “Rezoning Bylaw”);
- the contribution will be available for use by the City immediately upon the final approval of the Rezoning Bylaw; and
- if the Rezoning Bylaw is not adopted, expires or is abandoned, then the contribution will be repaid to us without interest.

Lastly, we understand that the contribution is in no way in lieu of or to offset any development cost charges, in-kind contributions, or any other development servicing amount that may be due to the City in connection with the Development, including charges, levies or any other fees that the City is authorized to impose.

Yours truly,

[Click here and type your name]

[Click here and type job title]

c - [Click here and type cc's; select all and delete if not needed]