

**Density Bonus Determination of Value and Administering Payments
Policy & Procedure – Planning & Development Department****Council Adoption Date: March 27, 2017****Revision Date: July 11, 2022****Reason for the Policy**

Pursuant to Section 482 of the *Local Government Act*, the City of Coquitlam has established a density bonus program through *Zoning Bylaw No. 3000, 1996*. This policy sets out the procedure for determining density bonus values and administering the collection of these contributions in relation to the processing and approval of development applications.

Policy

The City's density bonus program is an important development related revenue source to help fund civic facility and amenity needs that are triggered by or are necessary to support community growth, and that are not eligible for Development Cost Charge funding.

The City's Zoning Bylaw provides the opportunity in specific medium and higher density zones for additional residential density above a stipulated base density Floor Area Ratio (FAR). In exchange for additional residential FAR above these zone specific base densities, the applicant contributes to the City a specified portion of the land value of that bonus density. This policy provides the framework for the City's density bonus program with respect to the procedure for determining density bonus land values and collection of these funds through the development application process where the applicant has chosen this option under the Zoning Bylaw for securing additional residential density for qualifying development applications.

Procedure**1.0 Determining Density Bonus Land Values**

- 1.1 The City's Real Estate Division will determine density bonus land values for specific neighbourhood market areas in the City based on the various Official Community Plan (OCP) land use designations in those areas which correspond to the zones that are subject to the density bonus program (i.e., RM-3, RM-4, RM-5, RM-6, C-5, C-7, and for related Comprehensive Development (CD) zones). The neighbourhood market areas are City Centre, Burquitlam-Lougheed, Austin Heights, Maillardville and Burke Mountain, which relate to the Area or Neighbourhood Plans established in the City's OCP. A listing of the OCP land use designations and the corresponding zones for the neighbourhood market areas is provided for reference in Attachment 1. Due to changing market conditions over time, it may be necessary to modify or subdivide these neighbourhood market areas for the purpose of determining density bonus land values, which is authorized under this policy.

- 1.2 Real Estate staff will determine through monitoring real estate sales and other market data this series of density bonus land values for the neighbourhood market areas. Depending on changing market conditions, the density bonus land values may be reviewed and updated periodically. Professional property appraisal assistance may be utilized by the City in determining the series of density bonus land values for these neighbourhood market areas.
- 1.3 Although based on comparable real estate sale transactions in terms of the price per buildable square foot of base density, the series of density bonus land values may not be a precise representation of market value and will be noted as an approximate benchmark value. The density bonus land values will be determined on a “dollar per square foot (ft²) of gross floor area of density bonus” basis, and also noted on a dollar per square meter (m²) of density bonus gross floor area.
- 1.4 Real Estate staff will advise the Planning & Development Department (P&D) of the series of density bonus land values, and any updates thereto, neighbourhood market area, OCP land use designation and corresponding zone. P&D will make these density bonus land values publically available.

2.0 Administering Density Bonus Payments

- 2.1 P&D staff will advise applicants of the currently prevailing density bonus land values for the neighbourhood market area where the proponent’s pre- or full development application is located. As with other fees and charges processed in connection with development application approvals, the currently prevailing density bonus land values will be noted as an estimate and communicated to the applicant over the course of the development application process.
- 2.2 The amount of the density bonus contribution payable for an application will be calculated by P&D staff at the time of issuance of the Development Permit and based on the applicable neighbourhood market area, the related density bonus land values prevailing at that time and the development project size (i.e., density bonus gross floor area in ft² and m²).
- 2.3 The gross floor area of below-market rental units and non-market housing units, as defined in the Zoning Bylaw, are exempt from density bonus payments.
- 2.4 The quoted density bonus contribution payable will be valid for a 12 month period, starting from the date of Development Permit issuance, and thereafter based on the prevailing density bonus land values determined by Real Estate as per Section 1.2 above, within each subsequent 12 month period. The density bonus land value quoted will be applicable for the following 12 month period, notwithstanding any subsequent changes based on Section 1.2 above to these neighbourhood market area values during that period.
- 2.5 Payment of the density bonus monies to the City will be made at the time of issuance of a Building Permit, but the applicant may submit the monies owing before then if they choose to do so.

- 2.6 Where the Building Permit is not issued or the density bonus monies are not paid within 12 months of issuance of a Development Permit, the density bonus payable for the application will be re-determined following the process set out in Section 2.2 above. The quoted density bonus contribution payable will be valid for the following 12 month period, and updated thereafter for each subsequent 12 month period as need be based on the prevailing density bonus land values determined by Real Estate applicable at that time.
- 2.7 For phased developments where more than one Building Permit will be issued, the density bonus contribution will be payable on a phase by phase basis. As per Section 2.2 above, the density bonus contribution payable will be calculated at the time of issuance of the Development Permit and will apply for 12 months; this value will be applied to any Building Permits issued within that 12 month period. After 12 months, the value will be re-determined following the process set out in Sections 1.2, 2.2, 2.4 and 2.5 of this policy and that same value will be applied to any Building Permits issued within that 12 month period. This same process will be repeated, as necessary, until all phases of the development are completed.
- 2.8 A developer applying for a density bonus will be required to sign a letter of confirmation (refer to Attachment 2) acknowledging the value of the density bonus payable and the point at which the monies owing are collected.

Attachments:

1. Density Bonus Neighbourhood Market Areas – OCP Land Use Designations and Corresponding Zones CEDMS Doc# 4419342
2. Density Bonus Payment Letter to Developer Templates CEDMS Doc# 4420446

Attachment 1: Density Bonus Neighbourhood Market Areas – OCP Land Use Designations and Corresponding Zones

<u>Neighbourhood Market Area</u>	<u>OCP Land Use Designation</u>	<u>Corresponding Zones</u>	
City Centre	Downtown Core	CD	Comprehensive Development
	City Centre Commercial	C-7	High Density Commercial
	High Density Apartment Residential	RM-6	Multi-story High Density Residential
		RM-5	Multi-story High Density Residential
		RM-4	Multi-story High Density Residential
	Medium Density Apartment Residential	RM-3	Multi-story Medium Density Apartment Residential
	Burquitlam – Lougheed	Transit Village Commercial	C-7
RM-6			Multi-story High Density Apartment
RM-5			Multi-story High Density Apartment Residential
Neighbourhood Centre		C-5	Community Commercial
		RM-4	Multi-story High Density Apartment Residential
High Density Apartment Residential		RM-6	Multi-story High Density Apartment Residential
		RM-5	Multi-story High Density Apartment Residential
		RM-4	Multi-story High Density Apartment Residential
Medium Density Apartment Residential		RM-3	Multi-story Medium Density Apartment Residential

Austin Heights	Neighbourhood Centre	C-5	Community Commercial
	Medium Density Apartment Residential	RM-3	Multi-story Medium Density Apartment Residential
Maillardville	Neighbourhood Centre	C-5	Community Commercial
	Medium Density Apartment Residential	RM-3	Multi-story Medium Density Apartment Residential
Burke Mountain	Neighbourhood Centre	C-5	Community Commercial
		RM-4	Multi-story High Density Residential
		RM-3	Multi-story Medium Density Apartment Residential
	Medium Density Apartment	RM-3	Multi-story Medium Density Apartment Residential

Attachment 2: Density Bonus Payment Letter to Developer Templates

1. For Single Phase Developments

Re: (Address of Development and File Number) - Density Bonus Payment

This is to confirm that the value of the density bonus payable has been set at \$_____ per gross buildable square foot (\$_____ per gross buildable square meter) of floorspace for the development and that the total amount payable to the City at the time of issuance of the Building Permit is \$_____.

Yours truly,

Staff Signature and Title

Developer Confirmation:

Signature: _____

Printed Name and Title: _____

Date: _____

2. For Multiple Phase Developments

Re: (Address of Development and File Number) - Density Bonus Payment

This is to confirm that you have elected to pay density bonus monies on a phase by phase basis. The value of the density bonus payable for phase 1 has been set at \$_____ per gross buildable square foot (\$_____ per gross buildable square meter) of floorspace and phase 1 contains _____ft² (_____ m²) of bonus density. The total amount owing for phase 1 is \$_____.

You acknowledge that the value of the density bonus has been determined at the time of issuance of the Development Permit will apply for 12 months and this value will be applied to any Building Permits issued within that 12 month period. You further acknowledge that after that 12 month period, the value will be re-determined following the process set out in the City's Density Bonus Determination of Value and Administering Payments Policy & Procedure for any other Building Permits issued within that subsequent 12 month period. This same process will be repeated, as necessary, until all phases of the development are completed.

Yours truly, _____

Staff Signature and Title

Developer Confirmation:

Signature: _____

Printed Name and Title: _____

Date: _____

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3. For Multiple Phase Developments where an Applicant has elected Density Bonus Prepayment

Re: (Address of Development and File Number) - Density Bonus Payment

This is to confirm that the value of the density bonus payable has been set at \$_____ per gross buildable square foot (\$_____ per gross buildable square meter) of floorspace and all phases of the development contain a total of _____ ft² (_____ m²) of bonus density. You have elected to pay all the monies owing for all phases of development at the time of issuance of the first Building Permit. Based on the overall development bonus density of _____ ft² (_____ m²) of floorspace, the total amount owing is \$_____ .

Yours truly,

Staff Signature and Title

Developer Confirmation:

Signature: _____

Printed Name and Title: _____

Date: _____