



# Corporate

NO: R034

# Report

COUNCIL DATE: February 26, 2001

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>February 22, 2001</b>
FROM:	<b>General Manager, Planning &amp; Development General Manager, Parks, Recreation &amp; Culture</b>	FILE:	<b>0523-001</b>
SUBJECT:	<b>Indoor Amenity Space in Multi-Family Residential Projects</b>		

## RECOMMENDATION

It is recommended that Council:

1. receive this report as information;
2. approve the approach to the provision of indoor amenity space for multi-family residential projects as documented in this report;
3. instruct the City Clerk to bring forward an amendment by-law to the Official Community Plan (OCP), as described in Appendix I, to allow for a reduction and/or elimination of the indoor amenity space requirements in some circumstances;
4. adopt the policy attached as Appendix II to provide direction for staff in addressing indoor amenity space requirements for multi-residential projects; and
5. instruct the City Clerk to bring forward a by-law to create a reserve fund in support of the policy referenced in 4. above (Appendix IV).

## BACKGROUND

The development industry through the Development Advisory Committee has requested that the City review

the amenity space requirements as stipulated in the Zoning By-law related to multi-family residential projects. Currently, the Zoning By-law requires that indoor amenity space be provided in each multi-family residential project based on a ratio of 32 square feet per dwelling unit within the project. The indoor amenity space is not included in the calculation of Floor Area Ratio in relation to the site's zoning. Once the multi-family project is occupied and a strata-Council is formed, the administration, scheduling, and maintenance of the amenity space become the responsibility of the strata-council.

The development community has identified several concerns about the City's indoor amenity space requirements. They advise that the amenity space is often not utilized or under-utilized in comparison to the cost of providing it and the amenity space adds to the overall acquisition cost and regular monthly strata/maintenance fees of the owners of the dwelling units within each residential project and, as such, unnecessarily increases the cost of home ownership. They are also concerned that the amenity space may vary considerably in size from project to project according to the number of dwelling units within the project. For example, in small multiple family developments (e.g. less than 20 units), the amenity space is often too small to be useful and in larger multiple family developments (e.g. 100 units or more) the amenity space requirement results in relatively large and costly space which can be difficult to manage.

During the early 1980's, the City initiated the requirement for on-site amenity space for multiple family housing developments. This requirement was introduced as a means to ease the burden of new growth on public recreational amenities. It was recognized that due to the limited outdoor amenity space per dwelling unit in these projects, the occupants would put more pressure on public recreational facilities unless some indoor space was provided on each site. The indoor amenity space is intended as a social gathering and meeting area, or to house sports and fitness facilities. Where the indoor amenity space is well designed to meet the needs of the residents of the housing development, the amenity space tends to be well utilized, which in turn alleviates the demand on public facilities.

## DISCUSSION

City staff acknowledged that the concerns of the development industry are valid to varying degrees and agreed to review the matter.

To assist in examining the issue, a consultant, G.P. Rollo and Associates, was retained by the City to review the City's indoor amenity space by-law requirements. The consultant's work included identifying issues surrounding the current requirements, surveying other Lower Mainland municipalities regarding their practices and regulations with respect to indoor amenity space provisions, developing and evaluating alternative approaches and making recommendations to the City. The current outdoor amenity space requirement (also at 32 square feet per unit) for multi-family developments has not been identified as being problematic by the development community or the City and, therefore, was not included in the review.

The attached Appendix III documents the results of the consultant's survey of the amenity space requirements of other municipalities in the lower mainland. In summary, of the eleven municipalities contacted by the consultant, five municipalities (City of Burnaby, West Vancouver, New Westminster, Delta, and the District of North Vancouver) have no amenity space provisions or floor area exclusions for amenity spaces in their Zoning By-laws.

The following six municipalities make some provisions for amenity space requirements, either requiring an amenity space or exempting the amenity building from the floor area ratio for the project site:

1. The Township of Langley has an amenity space requirement on a per dwelling unit basis for multi-family projects. The Township requires a minimum of 404 sq. ft. of amenity space for multi-family projects of 10

units or less and an additional 24 sq. ft. per dwelling unit in excess of 10 units. As a comparison, Surrey has no minimum amenity space requirement. Both jurisdictions exempt the amenity space from the floor area ratio.

2. The City of Langley requires 24.76 sq. ft. per dwelling unit for developments containing 20 or more units. The City of Surrey requires 32 sq. ft. per dwelling unit for all multi-family projects regardless of the number of units. Both jurisdictions exempt the amenity space from floor area ratio.

3. The District of Coquitlam requires 53.8 sq. ft. per bedroom except for bachelor and one-bedroom units, which are exempt from the requirement. The City of Surrey bases its amenity space requirements on a per dwelling unit basis only.

4. The City of Vancouver does not have a per dwelling unit amenity space requirement. However, amenity spaces are excluded from the calculation of the floor area ratio. The exclusion is the lesser of up to 20% of allowable space or 10,000 sq. ft.

5. The City of Richmond does not have a per dwelling unit amenity space requirement. However the City allows the maximum floor space ratio for all multi-family zones to be increased by 0.1 provided that the space is used entirely to accommodate indoor amenity space.

6. The City of White Rock does not have a per dwelling unit amenity space requirement. However, The City of White Rock exempts up to 1,000 square feet of amenity space from a multi-family project's floor area calculation.

In consultation with staff and the development community, the consultant identified and evaluated alternative approaches with regard to indoor amenity space with a view to identifying the approach which best addressed the needs of the City, the residents of multi-family projects and the development community.

The following optional approaches were identified and evaluated by the consultant and reviewed by the Development Advisory Committee:

- *Option 1 - Status Quo:* Leave the current 32 square feet per dwelling unit requirement in place.
- *Option 2 - Sliding Scale Requirement:* The principle of a square foot requirement per dwelling unit is maintained, but the amount required per unit decreases as the number of units in the project increases.
- *Option 3 - Enhance flexibility of current amenity requirement:* The current 32 square foot requirement will remain in place in the Zoning By-law and an additional clause is included which allows the developer of each project the option of making a voluntary cash contribution to the City in lieu of constructing the private indoor amenity space. The cash contribution would be directed to funding the construction of public recreational facilities in the same community as the project is located.
- *Option 4 - Payment for Public Recreational Facilities:* Under this option, the 32 square foot indoor amenity space requirement would be eliminated from the Zoning By-law and a new requirement would be introduced obligating the developer of each multi-family project to make a payment to the City for the purpose of developing public indoor recreational facilities.
- *Option 5 - Developer Decides Based on Market Forces and Floor Area Exclusions:* Eliminate the requirement in the Zoning By-law related to the provision of indoor amenity space. The Zoning By-law already exempts amenity space from the floor area used to calculate density in relation to the density provisions of the Zoning By-law.

## **Results of Evaluation of Options:**

The Development Advisory Committee reviewed the options and expressed the view that Option 5 best met their needs since under this option they would only need to construct amenity space if there was a “project marketing” reason to justify the construction. Option 5 is focused on encouraging developers to consider providing amenity space as opposed to making it a strict requirement. It was, however, recognized by the Committee that the broader issue of providing recreational amenity space for the residents of the City might not be well served by this option. The Committee was of the view that Option 3 appeared to best balance the needs of both the City and development community provided that the cash-in-lieu payment was less onerous than the cost of constructing the amenity space as currently required and provided that the cash payments received by the City were exclusively used to assist in building public recreational facilities in the community within which the project providing the cash contribution is located. It was also suggested that the option be expanded to include the possibility of the developer of a project providing a combination of the construction of some indoor amenity space and a smaller cash-in-lieu contribution.

Option 1 is unsatisfactory to the development industry from a cost and market perspective. The funds being expended to build indoor amenity buildings are not being expended in the most effective way. Option 2, although less costly overall would have the same weaknesses as Option 1. Option 4 is a subset of Option 3 but does not offer the same flexibility to the development community as Option 3 and, therefore, is less attractive than Option 3. Based on the above evaluation, Option 3 is viewed as the preferred option.

If Option 3 is adopted it will be necessary to establish by policy, a cash-in-lieu rate (i.e., an “indoor amenity fee”) per dwelling unit that will form the basis for cash contributions from the developers of multi-family residential projects. It is recognized that larger City-managed recreational facilities provide better quality amenity space per square foot of floor area than smaller private facilities. A rate of \$750 per dwelling unit is considered to be an appropriate rate under most circumstances to achieve reasonable public recreational space in place of the private indoor amenity space that is currently being constructed on a site-by-site basis under the Zoning By-law. If this rate is used, it will be a cost saving to developers in comparison to the cost of constructing 32 square feet of amenity space per dwelling unit.

The indoor amenity space fee will be used to assist in funding the costs of constructing public recreation facilities at the town centre level as identified in the Parks, Recreation and Culture Master Plan. The proposed voluntary cash-in-lieu alternative will enable the City to consolidate resources to accelerate the provision of more useable and versatile public recreational facilities.

To address the Development Advisory Committee's concerns that funding collected from projects within any specific community be applied to the construction of public recreational facilities within the same community, it will be necessary to set up a reserve account for each of the 6 separate communities within the City. Contributions made by any project within each community will be deposited into the reserve account for that community and would only be used to fund the construction of public recreational facilities in that specific community. Interest accrued from the balances in those specific accounts will remain in those accounts. Funds collected from this process could only be used to help construct Parks, Recreation and Culture Major Capital Projects and will not be used to offset operating expenses or outdoor park development expenses.

## **Implementation**

Should Council approve the implementation of Option 3 as is recommended, the current 32 square foot indoor amenity space requirement in the Zoning By-law will remain intact. However, the applicant for a multi-residential project can volunteer to provide a cash contribution on a per dwelling unit basis to public

recreational facilities as documented in Appendix II. The intent to provide a voluntary contribution for indoor amenity space will be noted in the planning report to Council for each specific development application where the applicant proposes such a contribution. As well, the reduction or elimination of the indoor amenity space will be reflected in the architectural drawings that comprise part of the Development Permit considered by Council for each multi-residential project (with or without a rezoning). Council approval of the Development Permit will include Council approval of the reduction or elimination of the indoor amenity space requirement for the project. The *Local Government Act* allows the local government to use Development Permits to vary by-laws and regulations related to land development except use and density, provided that the relaxation is in accordance with the development permit guidelines contained in the OCP. Accordingly, an amendment to the Official Community Plan (OCP), as proposed in Appendix I, will be required. An amendment to the OCP requires a public hearing.

The Legal Services Division has reviewed this report and has found it acceptable from a legal perspective.

## CONCLUSION

To respond to concerns raised by the development industry related to the provision of indoor amenity space in multi-residential projects, City staff has completed a study of the matter with the assistance of a consultant and have formulated recommendations as documented in this report. The recommended course of action has been reviewed with the Development Advisory Committee. The Committee has concluded that the recommended approach is reasonable as it provides more flexibility to the development industry in implementing multi-residential projects.

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General Manager      General Manager  
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Appendix I      Official Community Plan Amendment

Appendix II      Policy for Indoor Amenity Contribution

Appendix III      Indoor Amenity Space Study Report by G.P. Rollo and Associates

Appendix IV      Proposed Indoor Amenity Space Capital Works Reserve Fund By-law