
Policy Title:	DENSITY BONUS POLICY – OCP AND SECONDARY PLAN AMENITY CONTRIBUTIONS
Approval Date:	2019 NOV 18 (RES. R19-1996)
History:	2014 MAY 26 (RES. R14-865) 2013 MAY 6 (RES. R13-855) 2009 APR 20 (RES. R09-642) 2008 FEB 25 (RES. R08-433)vb 2007 OCT 15 (RES. R07-2745)
Department:	Planning and Development

Policy Statement

This Policy establishes guidelines by which density bonus amenity contributions may be negotiated through development in accordance with Section 482(2)(b) of the *Local Government Act* and Surrey Zoning Bylaw, 1996 No. 12000, as amended.

1. Intent

This policy is intended to guide the determination of the value of negotiated amenity contributions derived from density bonuses, that occur through a rezoning application that increases density above Surrey's Official Community Plan (OCP), and/or approved Secondary Plan densities. The Amenity Contributions provided for will help fund civic amenities to meet the needs of a growing City.

While this Policy provides a general framework for determining community benefits related to rezoning applications, City Council has the legislative authority to adjust or alter any component of this Policy as part of its decision-making process in approving a rezoning application.

2. Application

This policy applies to all areas of the City where residential development density increases are proposed greater than those identified in an approved Secondary Plan and/or the Official Community Plan, in exchange for voluntary amenity contributions to the City of Surrey. These rates are negotiated through a rezoning application and will be based on a 75% land lift.

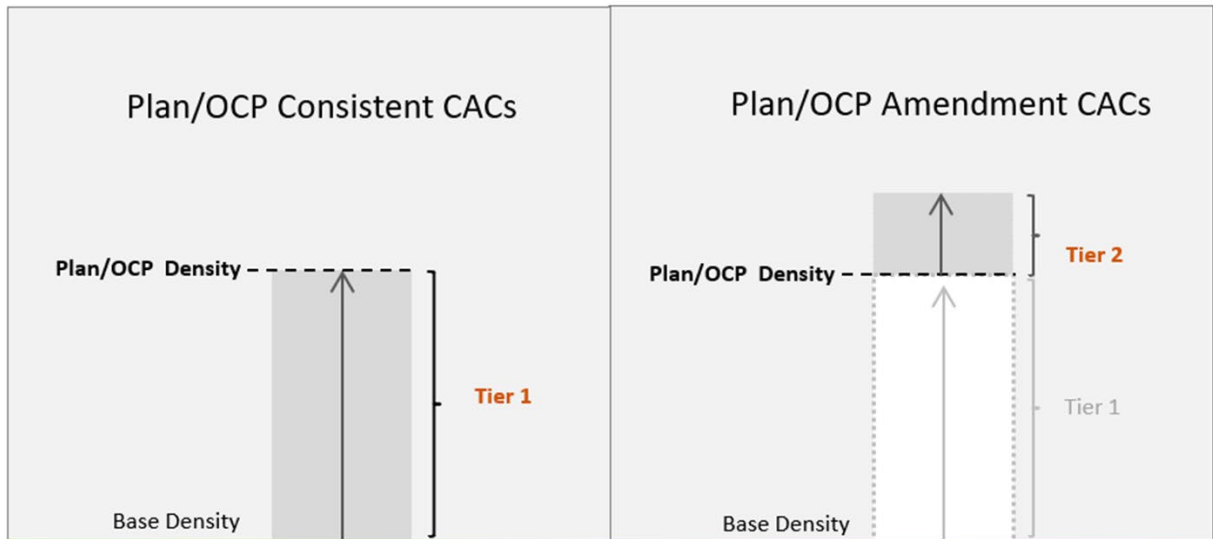
This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

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3. Density Bonus Tiers

Surrey's density bonus provisions are divided into two tiers: those consistent with a Secondary Plan or the OCP and those that are not. Negotiated increases in density that are not consistent with a Secondary Plan or the OCP are the focus of this Policy and are illustrated in Tier 2 Diagram below:

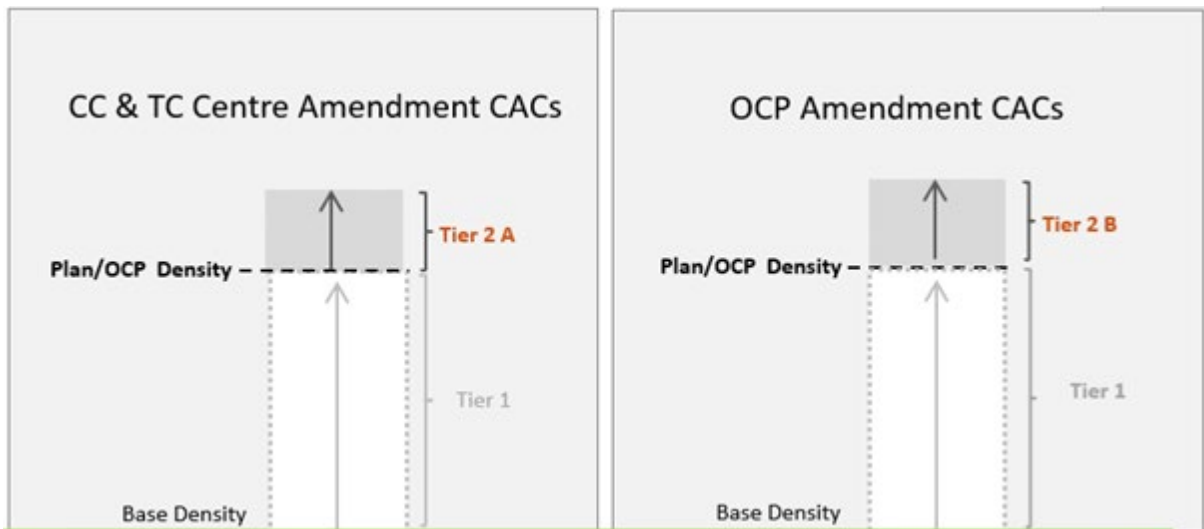


Tier “1” – this applies to the portion of proposed density increase that is consistent with the maximum density already permitted in the Secondary Plan or OCP. This density bonus is charged at a fixed per unit rate and is administered through the Surrey Zoning Bylaw (see Schedule “G” for all Area-Specific Contribution Secondary Plan and Infill Areas) and is only applicable to the portion of bonus density that does not exceed the OCP or Secondary Plan designation.

Tier “2” – this applies to the portion of proposed density increase that exceeds the Secondary Plan or OCP designation.

Tier 2 also includes two subcategories for charging Community Amenity Contributions (CAC) based on a land lift approach (illustrated below) and include:

- (A) **Flat Rate Bonus Density:** development projects in City Centre and Town Centers; and
- (B) **Negotiated Rate Bonus Density:** development that require a City Centre and Town Centre over 2.0 FAR, and/or Secondary Plan or OCP density bonus increases.



(A) Flat Rate Density Bonus

Flat rate density bonuses will apply to areas within an existing City Centre or Town Centre area. These areas and rates for density bonus are charged as a flat per square foot rate and are administered through the Surrey Zoning Bylaw (see Schedule “G” for City and Town Centre Areas). They apply for development projects that propose increasing density above the existing Secondary Plan Density of no more than a 2.0 FAR density bonus. The rates are only applicable to the portion of floor space that is above the approved City Centre, Town Centre or OCP density.

These rates are based on a 75% lift in land value and have been translated to a flat rate identified in Schedule “G” of the Surrey Zoning Bylaw.

(B) Negotiated Rate Density Bonus

Negotiated density bonus rates apply where a density bonus in excess of a 2.0 FAR is proposed in a City Centre or Town Centre, or a request an increase in density is above that prescribed in the Secondary Plan or Official Community Plan, as part of a rezoning. Negotiated density bonus amenity contribution to the City will be based on a 75% lift in land value, above the prescribed density maximums, for the market value of the land.

Determining Percentage of Land Lift:

The percentage of land lift is expected to be 75% of the land lift; however, the final land lift percentage will be agreed upon through negotiation between City staff and the development proponent, based on the estimated lift in value determined from a Financial Analysis and Market Report that considers the difference in market value of the land under the following scenarios and with regard to a change in density:

1. The market value of the land before the density lift (i.e. under existing land use regulations); and
2. The market value of the land after the density lift, (i.e. under land use controls and densities proposed by the Applicant).

Market Reports and Financial Analysis:

To assist determining 75% of market rate, a Market Report and Financial Analysis, paid for by the development proponent, is required to determine the value of the land lift. The Market Report will be prepared by a professional, accredited by the Appraisal Institute of Canada (AACI) and prepared using a comparative analysis and/or residual value analysis, as appropriate. The City of Surrey must approve the professional selected and will provide Terms of Reference for the Report. Acceptance of the Report is subject to review and approval by Surrey's Realty Services Division.

4. CAC Payment to City

Negotiated Density bonus amenity contribution payments will be provided to the City of Surrey before final adoption of the Zoning Bylaw.

5. In-Kind Amenity Contributions

There is no obligation for the City to consider in-kind amenity contributions; however, the City may consider receiving in-kind amenity contributions instead of a density bonus cash contributions. Non market affordable or special needs housing provided as a density bonus amenity contribution (which are subject to a Housing Agreement under section 905 of the *Local Government Act*), as well as, public daycares, public parks, or civic spaces that are conveyed to the City may be considered eligible for in-kind amenity contributions as part of a rezoning application for increased densities.

6. Exemptions

Secondary suites, purpose-built rental (with a Housing Agreement), social or non-market affordable housing dwelling units, dwelling units used as a caretaker's residence, supportive housing projects, one-for-one rental replacement units (with a Housing Agreement), agricultural properties, and non residential uses are excluded from the density bonus amenity provisions of this Policy.

7. Reserve Fund Allocation of CACS

All funds collected through the use of this Policy will be deposited into the Surrey Capital Projects Reserve Fund Bylaw No. 19958. The funds collected will support projects identified in the City of Surrey's Annual Five-Year Capital Financial Plan.