
Policy Title:	DENSITY BONUS POLICY – MAJOR OCP AMENDMENTS AND TIER 2 COMMUNITY AMENITY CONTRIBUTIONS
Approval Date:	2021 Feb 22 (RES.R21-111)
History:	2019 NOV 18 (RES. R19-1996) 2014 MAY 26 (RES. R14-865) 2013 MAY 6 (RES. R13-855) 2009 APR 20 (RES. R09-642) 2008 FEB 25 (RES. R08-433) 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 and collected through rezonings 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 negotiation of amenity contributions derived from density bonuses received through rezoning applications.

While this Policy provides a general framework for determining and receiving community benefits related to density bonuses, 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 Tier 2 density bonus developments in all areas of the City where development density increases are proposed greater than those identified in the Official Community Plan, in exchange for voluntary amenity contributions to the City of Surrey, based on a negotiated 75% of land lift density bonus approach. In addition, this policy provides guidelines on consideration of any in-kind Capital Project contributions provided for Negotiated or Flat Rate Community Specific contributions identified in the Zoning Bylaw. The Amenity Contributions provided will help fund and develop civic amenities to meet the needs of a growing City.

3. Tier 2 Density Bonus Approaches

a.) Negotiated 75% of Land-lift Density Bonus

A negotiated density bonus applies to rezonings that include a major OCP Amendment and density increases where:

- the proposed increase is greater than the maximum density allowed in the Official Community Plan, and
- the lot is currently designated Conservation and Recreation, Agricultural, Rural, Suburban, or Suburban Urban Reserve, Mixed Employment, or Industrial in the OCP.

Negotiated density bonus Capital Projects amenity contribution rates 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.

b.) Community Specific Flat Rate Density Bonus

The Community Specific Capital Projects Contributions apply to rezonings with density increases in Surrey Communities where:

- the proposed increase is greater than the maximum density allowed in an approved Secondary Plan or the Official Community Plan;
- the lot is currently designated Urban, Multiple Residential, Commercial, Town Centre, or Central Business District, in the Official Community Plan; and
- the lot falls within the Community Areas identified in Sections C of Schedule G of Surrey's Zoning bylaw.

Community Specific Capital Projects Contribution rates to the City are identified in Section C of Schedule G of Surrey's Zoning bylaw.

4. Determining 75% of Land Lift for Negotiated Density Bonus

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. Estimated lift in value will be 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 change in density:

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

5. Market Reports and Financial Analysis for Negotiated Density Bonus

To assist in 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 a Terms of Reference for the Report. Acceptance of the Report is subject to review and approval by Surrey's Realty Service Division Manager.

6. Capital Project CAC Payments to City

Negotiated Capital Project Density bonus amenity contributions are required to be agreed to and provided to the City of Surrey before the rezoning application has received final adoption.

7. In-Kind Amenity Contributions

In-kind amenities negotiated through rezoning, may be considered by the City of Surrey, in part or in full, as Capital Project 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, daycares, public parks, or civic spaces that are conveyed to the City may be considered eligible for in-kind amenity contributions.

In-kind contributions with valuations greater than the prescribed contribution rates identified in this Policy or as identified in Schedule G of Surrey's Zoning bylaw, will be sought as a priority. In-kind Contributions will be subject to the following conditions:

- Applicants will be responsible for constructing, finishing, furnishing, and equipping the in-kind CAC as well as for payment of all applicable up-front development costs;
- The size, location, of the in-kind CAC will be to the satisfaction of the City and in accordance with applicable plans, policies, and guidelines.
- Any in-kind contributions valuation will be provided through an independent appraisal.

There is no obligation for the City to consider in-kind amenity contributions.

8. 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), and non-residential uses are excluded from the density bonus amenity provisions of this Policy.

9. 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.