

Attachment 2

Existing Practices to Obtain and Calculate Community Amenity Contributions

Obtaining Community Amenity Contributions

Along with the Province of BC's recommended "planning ahead" approach on a community level to identify service deficiencies and other community needs, the two key principles of "nexus" and "proportionality" are also recommended. The two key principles of "nexus" and "proportionality" are used to help ensure applicants see community amenity contributions (CACs) as fair and reasonable and will help community members accept new development. Nexus is when a direct and demonstrable link between CACs and the impacts of the new development exist and are easily identified. Proportionality is achieved when a CAC from an applicant is comparable to the impacts their development generates and consistent with the CACs made by other applicants. The proper use of these principles will help strike a balance to create a framework that obtains amenities to address growth while not deterring development.

Maintaining public records of all types of CACs (e.g. financial, physical structures, and land) can also help applicants anticipate financial impacts and incorporate these costs into their project viability assessment. Processing times for rezoning may be reduced, as the information provides applicants a starting point to consider what amenities may be included in their rezoning proposal. This practice enables residents to be aware of the tangible benefits received from accepting new development in their community.

Calculating Community Amenity Contributions

CACs are usually obtained through a negotiated approach or a targeted approach. CACs that utilize targeted rates create transparency and timeliness whereas negotiated approaches lack predictability and add uncertainty to a project. A number of methods exist for establishing targeted CAC costs, including the following two most common examples:

- 1) The "needs-based assessment" approach firstly identifies impacts of growth and required community infrastructure beyond DCCs needed to mitigate those impacts identified. Secondly, the costs of the community infrastructure is then estimated and costs per unit or per square foot for builders is established.
- 2) Revenue based methods include the property value "lift" approach to secure CACs. This involves estimating the land value prior to rezoning, estimating the value after rezoning, and using this information as the bases for determining financial targets to negotiate as CACs.

As each local government is unique, the method for calculating and obtaining CACs should be thoroughly explored to appropriately serve the region in which it will be applied.