



Density Review Phase 2

Update

Presentation to Committee of the Whole

September 19, 2016

barefoot

Overview

- Project Purpose
- Phase 1 Summary
- Phase 2 Summary
- Focus Bonus Density

1. Project Purpose

Project Purpose

- 1. Evaluate** how density is regulated
- 2. Inform** future growth to ensure...
 - Contextual Densification
 - Good Urban Design
 - Policy Alignment
 - Maximum Community Benefit

2. Phase 1 Summary

Phase 1: Key Outcomes

- UPH maximums in the OCP are too low
 - FAR recommended as an alternative
- Bonus density should be thoughtfully employed
- Current parking regulations limit density and diminish design objectives
- Provisions for family-size units could help meet long-term housing needs

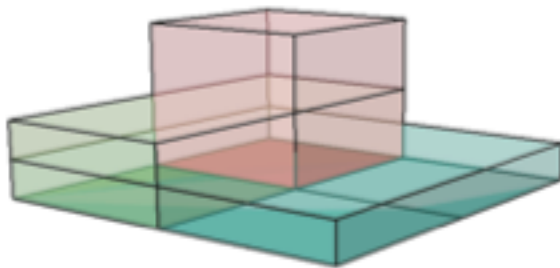
Floor Area Ratio (FAR)

Total Floor Area / Total Lot Area = FAR

What is FAR?

- FAR determines total floor area and so development intensity...
 - but *not* form nor number of units

1.0 FAR



Comparison

Red (4 storeys) = 1.0 FAR

Green (2 storeys) = 1.0 FAR

Blue (1 storey) = 1.0 FAR

3. Phase 2 Summary

Phase 2: Key Outcomes

- Replace UPH with FAR in study area
- Establish new Density Framework
 - Base and bonus FAR in Zoning Bylaw for each zone
 - Also, set amenity contribution per m²
 - High-level, guiding policy in OCP

Phase 2: Key Outcomes

- Min. 10% multifamily units be 3 bedroom
- Min. building wall height (2 storeys) in C1 zone
- Reduce cash-in-lieu of parking fee
 - Pay into new Alternative Transportation Fund

4. Focus on Bonus Density

Bonus Density
Context

Bonus Density

- One part of a broader project
 - Needs more focus, given perception/feedback
- New info today... give consideration to:
 - BD is not ‘selling density’
 - BD captures (some) created value for community
 - BD is a tool for smart growth and good planning
- **Thesis:** Bonus density is the best choice for Sidney, particularly w/ transition to FAR

Existing System

- BD policies in OCP, not Zoning Bylaw
- High 'discretion' (Council decision, every time)
 - And more demand on staff, etc.
- Uncertainty and lack of clarity for all
 - Particularly public and developers
- When it happens, feels like 'selling density'

Existing System

- Result?
 - Many rezonings
 - Too much controversy
 - Creates a negative culture with Council/public
 - Less predictable environment for developers
- Conclusion?
 - Desire to change the current system

**10 Reasons to Employ
Bonus Density
(as recommended)**

Note:

“Bonus Density” = the recommended system

– Concept is interchangeable with “CACs”

Bonus Density

Reason #1

- BD is not 'selling density'
- BD is about capturing **created value** for **public benefit**

Creating Value

- Municipal decisions can **create value**
- Two relevant examples:
 - Rezoning
 - Prezoning
- UPH to FAR = decision that creates value
 - 100 UPH vs. 1.7 FAR = 10 vs. 15 units (same form)
 - More achievable units = more potential profit
 - More potential profit = higher land value/price

Where does that created value go?

- Rezoning with no Bonus Density?
 - Landowners will primarily capture this value
 - Developers less so – will just build more to make the same
- Rezoning with no Bonus Density/CAC?
 - Developers will primarily capture this value
 - Paid a lower value (RM5), getting a higher value (RM7)
- Rezoning/Rezoning with Bonus Density System?
 - Landowners, developers, and community all capture a share of the created value

So...

- Bonus Density is not employed to 'sell' more density
- Bonus Density is employed to distribute created value within a desired density framework

Bonus Density

Reason #2

- BD is a tool to achieve smart growth

Ensuring Successful Densification

- **BD ensures** higher density development is accompanied by amenities/benefits that support successful densification
- Increased densities = increased demand/need for public amenities of all kinds
- Without BD, community will not receive any of the additional value created nor see immediate benefits from additional density ‘impacts’

Bonus Density

Reason #3

- BD is not a revenue generator, like taxes
- BD is a tool to enhance the livability and planning of **areas affected** by density

Development is an Amenity, right?

- Development is an amenity and provides many indirect benefits (e.g., property tax, people)
 - Through long-term planning, can be used to achieve similar amenities and benefits
- But, research shows that value created tends to be significantly greater than value realized
- And, benefits tend to be ‘in general’ rather than in the affected neighbourhoods

Neighbourhood Scale Planning

- BD is used to directly mitigate neighbourhood ‘impacts’ of additional densification
- BD employs the principles of...
 - **Nexus:** Direct link between CAC and impact of dev’t
 - **Proportionality:** Pays for proportional impact on neighbourhood/existing amenities
 - (Not that much in this context)

Neighbourhood Scale Planning

- BD provides amenities directly linked to dev't with far less budget, planning, and implementation considerations by the Town
- So, BD facilitates planning at the neighbourhood scale and achieves 'real-time' planning

Bonus Density

Reason #4

- BD can achieve benefits/amenities that other fees and taxes cannot.

Achieving 'Social' Amenities

- BD can achieve public goals where regulatory power is weak or nonexistent
 - Rental or affordable housing, green buildings, desired land uses (e.g., childcare, employment)

Bonus Density

Reason #5

- Without BD, the switch to FAR may not create conditions for redevelopment

Transition to FAR needs BD

- Rezoning density ≠ facilitating redevelopment
 - Developer risk will remain high
 - Land costs will increase (limited change in financial risk)
 - Uncertainty will remain (no change in financial risk)
 - Developers will want/need to push maximums to achieve a similar development viability as now
 - Works against Town's objectives

Bonus Density

Reason #6

- By distributing created value, BD actually facilitates redevelopment

BD facilitates redevelopment

- BD framework/contributions help to...
 - Moderate land value and so reduce financial risk
- A clear BD framework helps to provide...
 - Greater financial certainty and predictability for developers
 - Greater neighbourhood planning powers
 - Incremental, 'real-time' planning and benefits w/ dev't
 - Greater political certainty and predictability
 - Greater clarity/predictability for the community

Improving Development Climate

- Amenity contributions achieve direct, valued benefits that are easily observable
- Community receives higher quality development and local amenities
- Thus, BD helps to improve public and political sentiment toward development

Bonus Density

Reason #7

- BD achieves higher quality development and urban design

Better Urban Design

- **BD = Better Development**
- Contributions must be tied to the development or its immediate area
 - So, some distributed 'value' goes back into quality design development and surrounding area

Bonus Density

Reason #8

- Bonus density has nothing to do with support for 'bigger buildings' or a change in community character

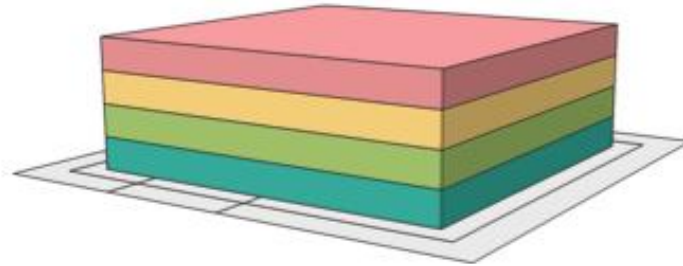
Good Urban Design Wins

- Achieving public benefit should never supersede good design
 - Good design is THE key amenity!
- A building at the max bonus FAR...
 - Only marginally larger building than the base FAR (not a height bonus!)
 - Even less difference if a single FAR building
 - Would **not** be bigger than what is currently achievable!

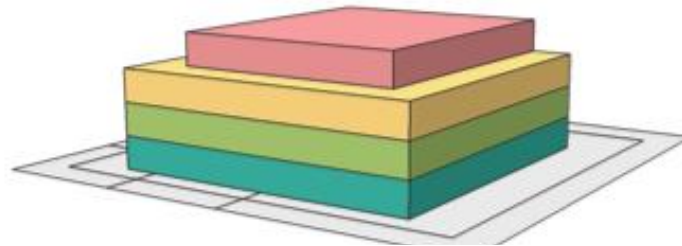
Comparison: Current / Base / Bonus

RM7 Max Building Envelope

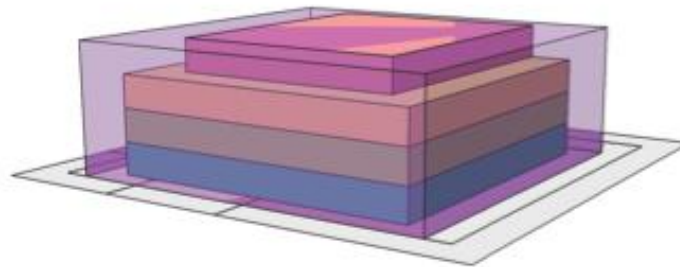
Current UPH



Base FAR



Bonus FAR



Bonus Density

Reason #9

- Now is the time to establish a Bonus Density Framework
- Later may be too late

Bonus Density – Now

- Once FAR is established, hard to retrofit BD
 - Would likely require ‘downzoning’
 - Eliminates property value – highly controversial
 - E.g., 1.7 FAR now, then base 1.3 / 2.0 bonus
 - Much easier to start and then amend as needed
 - Hence, cautious recommended contribution

Bonus Density – Now

- Best practice and research suggests that the **best time** to establish BD systems is when land uses and density/height maximums are initially considered
 - That's right now.

Bonus Density

Reason #10

- Bonus density gives the community a fair 'piece of the pie' from the new density regulations

Where does and where should the **CREATED VALUE** go?

- To landowners?
 - It will with FAR and no Bonus Density
- To developers?
 - It will with rezonings and no Bonus Density/CAD
- To the community?
 - It will (indirectly/insufficiently), regardless
 - It will (proportionately) with Bonus Density system

Bonus Density **Summary**

Why Bonus Density?

- FAR will create value for ‘someone’
 - BD captures some of that value for the community
- Clear BD framework facilitates redevelopment
 - Reduces risks and increases clarity/predictability
- BD is a tool to better accommodate increases in density **in the area** that receives growth
- BD is not selling density.
 - BD is a tool for smart growth

Does BD achieve the Town's goals?

- Contextual Densification?
 - Yes, facilitates redevelopment w/o going 'bigger'
- Good Urban Design?
 - Yes, achieves desirable building forms
 - Yes, facilitates higher quality urban design
- Policy Alignment?
 - Yes, creates clarity + more streamlined processes
- Maximum Community Benefit?
 - Yes, achieves location-specific amenities and benefits that other tools cannot achieve.

Thank you.