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ACT Solutions

"How-To" Model for Density Bonusing Implementation Surrey, B.C.

The issue

In July 1993, the B.C. Government legislated Bill 57 to promote affordable and special needs housing. The legislation allows municipal governments to set out basic densities for a given zone and alternative densities to be granted as a bonus if a developer meets specified conditions as outlined in a bylaw.

The City of Surrey immediately recognized the potential of Bill 57, given its continuing rapid growth and demand for affordable housing. There was, however, no template to guide the City on how to implement a bonusing system. So to implement Bill 57, Surrey had to create its own density bonusing model.

The plan

Surrey received an ACT grant to help develop the required policies, procedures and guidelines to implement the density bonusing provisions of Bill 57.

A discussion paper, produced by Surrey's Planning and Development Department, served as a tool for engaging various industry stakeholders in the process. It was quite specific in showing where the City wanted to go with a density bonus system. It spelled out exactly how density bonusing might be applied to specific zoning designations in the city, thus giving industry reviewers a realistic look at how it could affect their businesses.

The project team

City of Surrey Planning and Development Department
A 15-member Development Advisory Committee that provides industry feedback and advice to municipal staff on development issues

The results

In June 1996, City Council received a report containing proposals for implementation of Bill 57. Council accepted the report and instructed staff to proceed with preparing bylaw amendments and revisions to the Official Community Plan to make density bonusing a reality.

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In 1997, staff submitted a report to Council containing the required changes and outlining in detail how the density bonusing system would work in Surrey. Staff recommended a cash-in-lieu system, with the amount set at \$750 per unit of extra density. The money would be used to provide community amenities as defined in the Surrey Parks and Recreation Master Plan.

Even though Council approved the report in principle, implementation of density bonusing was put on hold and remains in abeyance. There were three reasons for this decision:

1. In 1997, the City raised its development charges, and it feared that implementing the proposed bonusing plan would be viewed by industry as an attempt to secure yet another fee.
2. The City also felt the development charges offered more overall flexibility in meeting development needs than the limited returns expected from a density bonusing plan.
3. City officials had concerns that implementation of a density bonusing fee on the heels of revised development charges would restrict Surrey's ability to increase other fees and charges when needed.

Despite the fact that Surrey did not proceed with density bonusing, its template for implementation could serve as a guide for other municipal governments considering this development tool.

The City's work prompted the provincial government to amend Bill 57 to allow cash payments in lieu of amenities as part of the bonusing trade-off.

Related reports

Proposed Zoning Bylaw

Amendments—Implementation of Bill 57 (City of Surrey report to the Mayor and Council, May 5, 1997)

Reports may be obtained on loan from CMHC's Canadian Housing Information Centre (CHIC) at chic@cmhc-schl.gc.ca or by calling 1-800-668-2642 and asking for CHIC.

ACT case studies may be downloaded from the ACT Web site (see sidebar), ordered on-line from CMHC at www.cmhc.ca or by contacting CMHC at 1-800-668-2642.

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