



# REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: Request for Waiver of Community Amenity Contributions, Pacific Nazarene Housing Society

File #: [Required]

Doc #:

From: Carl Johannsen, RPP, MCIP  
Director of Development Services

Date: February 4, 2026

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## RECOMMENDATION:

THAT City Council waive \$1,208,000 in Community Amenity Contributions for the Pacific Nazarene Housing Society / BC Builds development application, according to the recommendations in this report dated February 4, 2025, titled "Request for Waiver of Community Amenity Contributions, Pacific Nazarene Housing Society".

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## PURPOSE:

This report responds to a request (Attachment 1) from the Pacific Nazarene Housing Society or 'PNHS' to waive all Community Amenity Contributions (CACs) for their application at 19991 49 Avenue, 19990 50 Avenue, & 4951-4975 & 4991 200 Street.

PNHS has made this request to improve this project's financial viability by reducing the required subsidy per dwelling unit, and on the basis that their application includes multiple on-site community amenities. These amenities include below market dwelling units, a multi-purpose 'community hub' space that will be available for use by community groups, and a large childcare facility. The project is also providing a publicly accessible pathway that will connect to a future greenway going westward from the application site to Conder Park.

This CAC waiver request was evaluated by staff through reviewing applicable bylaws, policies and legislation, and conducting a monetary valuation of each of the on-site amenities included in this development application. This analysis and amenity valuations were then used to support the recommended CAC waivers in this report.

## **POLICY:**

### Official Community Plan Policy

The Official Community Plan (OCP) calls for development applications that involve an increase in density to contribute to community amenities, either through a voluntary on-site amenity contribution or a cash-in-lieu contribution that funds off-site community amenities. This is specified in OCP Policy 3.29 'Amenity Contributions':

#### **3.29 Amenity Contributions**

Development applications that involve an increase in residential density on a property should contribute to community amenities on site or through cash-in-lieu.

'Community amenities' are defined in OCP Policy 3.31, including:

- 3.31.1. Public artwork that is accessible at no cost to the public and maintained in good repair for the life of the development;
- 3.31.2. Childcare facilities;
- 3.31.3. Community facilities (e.g., community centres, libraries, and arts facilities);
- 3.31.4. Affordable and/or special needs housing;
- 3.31.5. Public realm improvements;
- 3.31.6. Parks and open spaces beyond other requirements;
- 3.31.7. Improvements to buildings or properties with heritage value; and
- 3.31.8. Other community amenities identified by Council.

### Council Policy CO-80 ('Policy CO-80')

Policy CO-80 'Amenity Contributions Policy' (Attachment 2) identifies the monetary value of cash-in-lieu contributions ('CACs') on a per dwelling unit basis. This follows OCP Policy 3.29, in terms of supporting cash-in-lieu contributions to fund off-site community amenities, but it also does not negate the possibility of a development application providing on-site amenities that are equivalent to or more than the value of the CAC. Policy CO-80 also serves as a guide for Council to consider CAC reductions for dwelling units that are renting at a minimum of 20% below market rent and are secured by a Housing Agreement for the life of the building. More specifically this involves a 75% CAC reduction for studio, 1 bedroom and 2 bedroom below market units, and a 100% CAC reduction for 3 bedroom below market units. Policy CO-80 also includes a 100% CAC reduction for all non-market rental units.

### Local Government Act

The Local Government Act (LGA) now includes Amenity Cost Charges (ACCs), which were introduced as an option for municipalities to fund community amenities, in a way similar to Development Cost Charges (DCCs). ACCs are also intended to replace CACs once a municipality has an ACC bylaw; the difference between ACCs and CACs being that an ACC is a required charge that funds specifically identified community amenities (similar to DCC projects), whereas a CAC is a voluntary

contribution that funds community amenities as directed by Council. The LGA also prohibits ACCs being charged for affordable housing units obtained by inclusionary housing (which requires a percentage of affordable units to be within a new building).

## **COMMENTS/ANALYSIS:**

### Relevance of OCP, Policy and Legislation to the CAC Waiver Request

Based on the above policy discussion, it is possible for Council to consider the provision of on-site amenities as community amenity contributions and 'in-lieu of cash-in-lieu' CACs, if it is deemed that the proposed on-site amenities reflect the community amenities listed in the OCP (Policy 3.31) and approximate/exceed the cash-in-lieu CAC value. In other words, Council can waive CACs if their value is in proportion to the value of the on-site amenities in a development application.

Furthermore based on new LGA requirements, including prohibiting ACCs for inclusionary affordable housing, the current Policy CO-80 component permitting a 75% CAC reduction for below market units needs to be updated to waive 100% of CACs for all below market units, regardless of bedroom type, to ensure that CO-80 is consistent with the LGA. The forthcoming ACC Bylaw will also include this waiver.

### Application Context, Evaluation and Recommendations

Prior to describing the amenity valuations and recommendations, it is important to set out the application's CAC context, in terms of the CAC amounts applicable to this development application according to Policy CO-80:

1. firstly, if all 302 dwelling units in the PNHS development application were market rental units, no CAC waivers would apply and the total CAC would be \$1,208,000 (302 units x \$4,000 CAC per unit, 2024 rate). This \$1,208,000 CAC amount is referred to as the 'baseline' CAC for the remainder of this report;
2. at the time of 3<sup>rd</sup> reading (April 28, 2025) of the application's rezoning bylaw, the required CAC was \$1,025,000, which was determined by subtracting the \$183,000 CAC reduction amount (that applies to the 60 below market units in the application according to Policy CO-80) from the \$1,208,000 baseline CAC. The \$183,000 CAC reduction is based on 57 below market studio, 1 bedroom and 2 bedroom units receiving a 75% or \$3,000 per unit CAC reduction and 3 below market three bedroom units receiving a 100% or \$4,000 CAC reduction (57 units x \$3,000 CAC reduction + 3 units x \$4,000 CAC reduction = \$183,000 CAC reduction). See Attachment 2 Policy CO-80 for further methodology details.

Staff evaluated PNHS's request to waive all of the \$1,208,000 baseline CAC, by reviewing the City's bylaw and policy context, as well as the LGA, and determining the value of the on-site amenities in this development application. These valuations, which are based on Policy CO-80 and reflect the value of the amenities as City assets/partnerships, equate to recommended CAC waiver amounts (amenity valuation = CAC waiver amount) and are described and summarized below.

### ***On-site Amenity #1: Below Market Rental Units***

PNHS and BC Builds have noted that CACs should not apply to below market rental units and be waived, given that other municipalities have waived CACs for BC Builds projects, and that ACCs wouldn't be applicable to below market units.

Based on the above policy discussion staff have concluded that CACs should not apply to the below market rental units in this application, which are to rent at 20% below market rent, as required by BC Builds, and will be secured by Housing Agreement for the life of the building. This conclusion is based on these below market rental units being an inclusionary housing requirement (comprising a minimum of 20% of the total unit count, as stated in OCP amendment Bylaw No. 3305 related to this application), and that these 'workforce housing' units are considered community amenities that enhance affordability for residents.

### ***Recommended Valuation for #1:***

The PNHS application now includes 91 below market rental units, to be secured in the related Housing Agreement Bylaw No. 3316. Based on the above staff recommend that CACs should not apply to the 91 below market units. This represents a valuation of \$364,000 (91 units x \$4,000 CAC per dwelling unit applicable to market rental units, as per Policy CO-80) that does not need to be provided to the City as a CAC, and thus equates to a \$364,000 CAC waiver amount.

### ***On-site Amenity #2: Community Hub***

PNHS has stated that the ground-floor community kitchen, multi-purpose room and church sanctuary (about 7,600 square feet/706 square metres, located south of the entrance driveway from 200 St.) will be available for use by community groups outside of church use. This 'community hub' model (similar to the neighbourhood house model used in the City of Vancouver) would enable community groups to book space through an on-line booking system and pay an hourly user fee (PNHS notes the user fee is needed to cover operations, maintenance, insurance and capital/debt servicing costs). PNHS believes this community hub space represents an on-site community amenity that, combined with the 20% below market units and child care, warrants the waiver of the CAC. PNHS has also committed to providing an annual report to the City that details hub usage by community groups and supports their position that this hub is a community amenity (see Attachment 3 'Project Vision').

Staff note that the proposed community hub will add community meeting and activity space in a highly accessible location outside of Downtown. The hub also presents an opportunity for the City to partner with PNHS to host City-run recreation programming in a new facility that is more accessible for residents living south of the Nicomekl River and helps to reduce pressure on existing City facilities. City-run programs that could be hosted at the community hub include cooking and food security programs, various recreation activities (music classes, social clubs, low-intensity fitness, etc.) and after-school care (now at Nicomekl Elementary and Stafford Middle schools).

Based on this, and in the interest of gaining direct access to this on-site amenity space to provide City-run community and recreation programming, staff have negotiated with PNHS to obtain the 'first-priority-right-to-book' the use of the kitchen, multi-purpose room and sanctuary for up to 25 hours a week. Any of these hours not used by the City would be available for booking by other user groups.

Furthermore if the community hub is to be considered an on-site amenity that the City can use and thus warrants a CAC waiver, its capital cost value should be close to the requested CAC waiver value. To this end, staff have negotiated with PNHS to delete the capital cost component of the hourly user fee, which the City would pay PNHS to host City-run programs in the hub, for up to 15 hours a week and for the life of the building. This reduces the hourly fee cost by about 50%, and the remaining 50% operating cost component of this fee would be recovered through registration fees paid by those participating in City-run programs at this community hub. The operating cost component of the hourly user fee is to be equal or less than that City facility rental rates (as an example, the current hourly room rental fee at a City facility is \$21 for non-profit groups, to cover operating costs).

The deleted capital cost component of the hourly user fee, for 15 hours of use, is valued at about \$907,000. This is based on the estimated \$5,040,000 capital building cost of the community hub (7,600 square feet/706 square metres; including community kitchen, multi-purpose room, sanctuary, washrooms, storage, and circulation space) and the 15 hours of use representing 18% of a typical 84 hour use week (12 hours a day, 7 days a week; 14 hours a day, 6 days a week, etc.).

Should Council approve the PNHS application, a draft use and user fee agreement will be brought forward for Council's consideration of approval prior to the City entering into a partnership with PNHS for community hub use. If constructed the building is expected to be available for use in 2028-29.

***Recommended Valuation for #2:***

Staff have negotiated with PNHS to enable City-led programming in the community hub, with a user fee that includes zero capital cost and represents \$907,000 in capital value to the City. Given that this will enable City use of an on-site community amenity, staff recommends a \$907,000 valuation for the hub amenity, which in turn equates to a \$907,000 CAC waiver amount.

***On-site Amenity #3: Childcare Facility***

This project includes a large childcare facility (7,642 square feet/710 square metres), and PNHS has indicated that this childcare space is to be used by a private third-party childcare provider and this space may also be sold to a private childcare provider. PNHS has verbally stated and noted in the attached letter (Attachment 1) that they believe the size of this childcare facility will make it a community amenity in

this location, and when combined with the below market rental units and community hub, warrants the waiver of the CAC.

**Recommended Valuation for #3:**

Although it is recognized that the planned childcare facility will provide a community amenity in this part of the City, the City has no planned role or ownership in this facility and thus an amenity valuation is not applicable. Based on the zero valuation for this on-site amenity, staff does not recommend a CAC waiver.

**On-site Amenity #4: Greenway Trailhead**

The PNHS application includes a paved sidewalk/pathway that extends for about 55 metres between 200 Street and the western edge of the application property, which is intended to be the 'trailhead'/first segment of a planned greenway extending westward to Conder Park. Once this greenway is completed as properties redevelop, it will provide multi-modal access to Conder Park from 200 St/Grade Crescent, and opportunities to preserve mature trees and plant new trees along the greenway.

Staff note that the trailhead portion of this greenway on the PNHS site will be secured by a statutory right of way ('SRW') in favour of the City to ensure unobstructed public access, and part of the greenway SRW will be on the current church property. The land area of this SRW on the church property is about 1,800 square feet/167 square metres and is valued at \$90,000 based on property assessment value, and the cost to construct the trailhead sidewalk is estimated to be a minimum of \$17,000 for the 55 metre/180 foot length, for a combined cost of approximately \$107,000.

**Recommended Valuation for Item #4:**

PNHS has been receptive to including this facility as a part of their project and covering its cost, as well as having a publicly accessible trail through their site, and based on this it is reasonable to value the greenway trailhead as part of the City's trail network and an on-site community amenity. Based on the above, staff recommends that the greenway trailhead be valued at \$107,000, which equates into a \$107,000 CAC waiver amount.

**SUMMARY**

The amenity valuations described above are listed and totalled as follows:

<b>On-site Amenities</b>	<b>Amenity Valuations</b>
#1. Below Market Rental Units	\$ 364,000
#2. Community Hub	\$ 907,000
#3. Childcare Facility	\$ 0
#4. Greenway Trailhead	\$ 107,000
<b>Total Amenity Valuation</b>	<b>\$ 1,378,000</b>

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As shown in the table the total on-site amenity valuation is \$1,378,000, which equates to a CAC waiver amount of \$1,378,000 (amenity valuation = CAC waiver amount). This exceeds the baseline CAC of \$1,208,000 that applies to this application according to Policy CO-80.

#### Staff Recommendation

Based on the valuation and waiver amounts being greater than the baseline CAC, staff recommends that Council waive the \$1,208,000 CAC for the PNHS application.

#### **BUDGET IMPLICATIONS:**

If the recommendations in this report and the PNHS application are approved by Council, waiving the CAC for this application will reduce 2026 CAC revenue by \$1,208,000.

#### **ALTERNATIVES:**

1. Do not waive the \$1,208,000 CAC applying to this application.
2. Waive the CAC valuation applying to the 91 below market units in this application (\$364,000), and do not waive the remaining CAC amount.
3. Refer back to staff with direction on CAC waiver components and values.

Respectfully Submitted,



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Carl Johannsen, RPP, MCIP  
Director of Development Services

#### Attachments:

1. Request for CAC Waiver from Pacific Nazarene Housing Society (PNHS)
2. Council Policy CO-80 Amenity Contributions Policy
3. Project Vision Statement from PNHS for Proposed Community Hub

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**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

I support the recommendation.



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Francis Cheung, P. Eng.  
Chief Administrative Officer