

CITY OF VANCOUVER



POLICY REPORT  
URBAN STRUCTURE

Report Date: April 17, 2007  
Author: David Ramslie  
Phone No.: 604.871.6195  
RTS No.: 05437  
VanRIMS No.: 02-3000-11  
Meeting Date: May 3, 2007

TO: Standing Committee on Planning and Environment

FROM: Director of Planning in consultation with General Manager of Engineering Services, Director of the Housing Centre, General Manager of Parks and Recreation and the Director of Social Planning

SUBJECT: Downtown South Public Benefits Strategy for 2007 - 2021 and Amendment to Development Cost Levy By-Law

RECOMMENDATION

- A. THAT Council approve the 2007 to 2021 Downtown South Public Benefits Strategy generally as described in this report and summarized in Figure 3.
- B. THAT Council approve an increase in the Development Cost Levy (DCL) rate for the Downtown South DCL Area from \$9.50 per square foot (\$102.26 per square meter) to \$13.00 per square foot (\$139.93 per square meter), and a grace period of eighteen months be provided from the date of Council approval before this rate increase comes into effect.
- C. THAT Council approve revised allocation of DCL proceeds in the following manner: Replacement Housing 42%, Parks 38%, Childcare 13% and Street Improvements 7% to be effective immediately.
- D. THAT the Director of Legal Services be instructed to amend the area specific by-law to implement the revised allocations to take effect immediately, and the increased development cost levy for Downtown South to take effect in 18 months.
- E. THAT staff take the necessary steps to notify the development industry and affected stakeholders upon Council approval of the new Public Benefits Strategy and the accompanying DCL rate increase.

- F. THAT staff continue to investigate alternative strategies and additional sources of funding on an ongoing basis, in order to supply the complete public benefits package.

### **GENERAL MANAGER'S COMMENTS**

The General Manager of Community Services recommends approval of the foregoing.

### **CITY MANAGER'S COMMENTS**

The City Manager notes that the normal grace period for implementation is 12 months and therefore suggests that Council amend Recommendation B and D to reflect 12 months. With this change, the City Manager recommends approval of Recommendations A through F.

### **COUNCIL POLICY**

On March 21, 1989, The Vancouver Charter was amended to permit the City to charge DCL's where new development contributes to the need for new parks, childcare facilities, replacement housing and highway facilities.

On July 30, 1991, Council approved the rezoning of Downtown South to allow high-density residential and mixed-use redevelopment.

On January 7, 1992, on the basis of a Downtown South Public Benefits Strategy which focused on the delivery of parks, childcare, and a one to one replacement housing strategy, Council adopted an area-specific Downtown South DCL of \$6 per square foot (for most uses) to finance a portion of the associated capital projects to serve future growth.

On January 5, 1993, Council increased the Downtown South DCL rate to \$6.18 per square foot particularly in order to reflect inflation in construction costs.

On June 24, 2003, in dealing with the Financing Growth report, Council resolved to make DCL rates subject to a rate review every 3 years, taking into account inflationary factors affecting construction costs, and land values, and other relevant factors.

On September 15, 2004, Council increased the Downtown South DCL rate to \$9.50 and requested staff report back with a review of the Public Benefits Strategy for Downtown South, and pending the findings of that review, formulate a new Public Benefits Strategy and DCL rate.

### **SUMMARY**

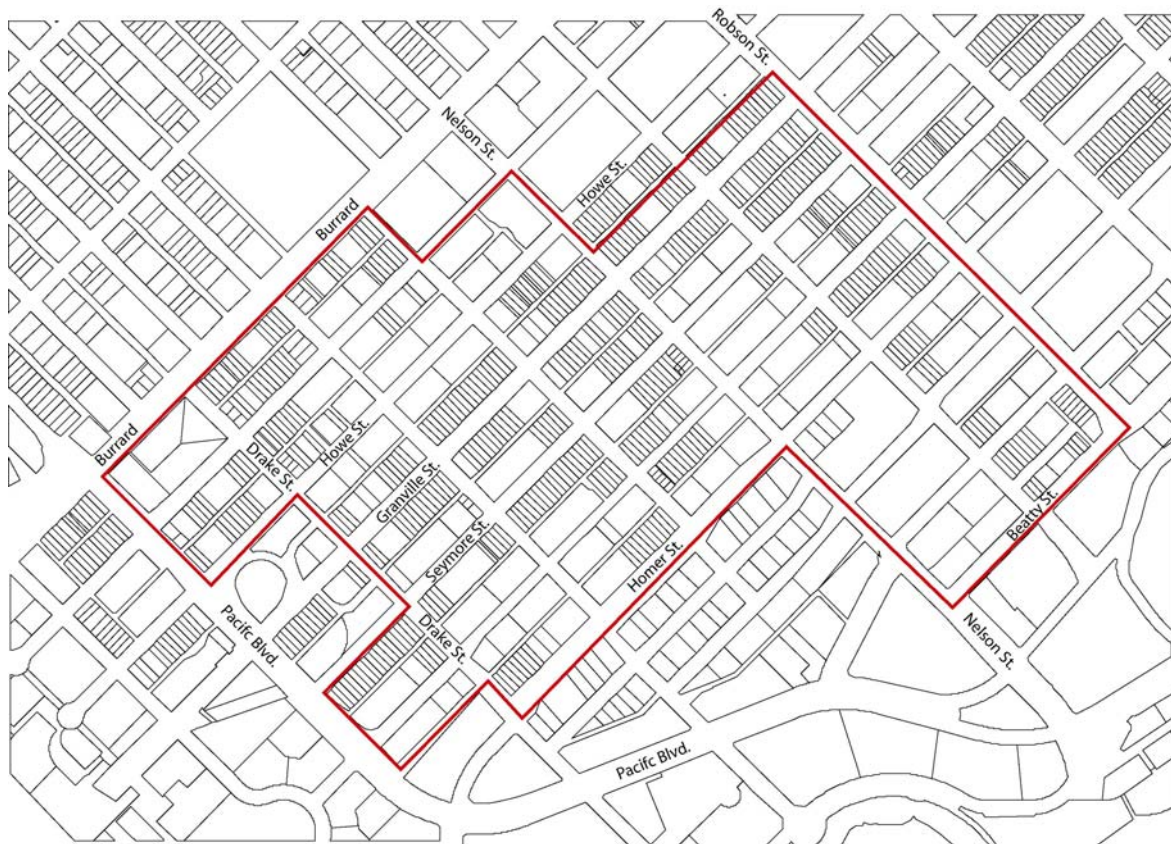
This report presents an update to the original 1992 Downtown South Public Benefits Strategy (DTS PBS), which focused on the delivery of parks and childcare spaces as well as a one-to-one replacement strategy for the loss of affordable housing. The revised benefits targets for 2007 to 2021 reflect the needs of the larger and more diverse population in Downtown South and better reflect the funding challenges faced by departments in delivering services and amenities. It also includes a number of improvements to pedestrian infrastructure and public

transit in the DTS as a benefit target for the first time. See Figure 3 for a summary of current and revised amenity targets. The total cost of the benefits package is estimated at \$81.1 million.

Given the expanded scope of the PBS and the updated costs, the recommended rate increase for the Downtown South DCL from \$9.50 per square foot to \$13.00 per square foot will recover approximately 71% of the costs. Staff further recommends that the rate increase be implemented 18 months after it is approved by Council to allow for the land market to adjust to the increased DCL and current development projects “in the system” to pay the current lower DCL. This is longer than the regular 12 month grace period usually given and is in response to the longer than normal processing time currently being experienced by the development community. An independent economic study commissioned by the City that concluded that this rate increase could be absorbed by the market without displacing or deterring development, or affecting housing affordability. With the rate increase, DCL’s are estimated to generate \$58 million by 2021. See Figure 6 from the recommended allocations and the forecasted DCL capital.

In the process of updating the public benefits strategy and the DCL rate members of the public, service providers and stakeholders such as the Urban Development Institute were consulted.

**Figure 1: Map of Downtown South DCL Area Boundary**



## PURPOSE

This report presents an updated Public Benefits Strategy for Downtown South which is intended to ensure that as the area continues to develop, the community will receive a variety of amenities to serve the needs of the area residents and the loss of affordable housing in the area will be replaced. It recommends Council adoption of a new DCL allocation and an increase in the DCL rate.

## BACKGROUND

In 1991, Council approved a new zoning for Downtown South (DTS) that allowed high density residential uses close to a consolidated employment core. Downtown South's population was anticipated to increase from 3,000 residents in 1991 to 11,000 residents in 2016.

In 1992, Council approved a DTS Public Benefits Strategy (PBS) which included housing to replace lost low-cost units lost through development, provision for parks, child care facilities, and street trees.

The target for replacement housing was to provide 1,000 affordable housing units because it was to replace SRO (single room occupancy) units that it was estimated would be lost.

The target for parks was to provide 2.8 hectares (7.0 acres) of park as follows: two one-block parks (each being about 1 hectare or 2.5 acres) and two smaller parks (each being about 0.4 hectares or 1.0 acre).

The target for child care facilities was to provide 189 spaces, which would be provided in 3 or 4 childcare centres.

At that time, Council approved an area-specific DCL rate of \$6.00/sq. ft. to help achieve the Public Benefits Strategy, with allocations as follows:

- 45% toward replacement housing;
- 43% toward parks;
- 7% to childcare; and
- 5% toward street trees.

It is important to note that the total DCL funds raised from the \$6.00 rate was sufficient to cover only about 40% of the total public benefits targets of the time. The balance was anticipated to be funded mainly through the plan, local improvements, or senior government funding.

No transportation items were included in the 1992 DTS PBS because at that time the City did not have either the Vancouver Transportation Plan or the Downtown Transportation Plan to identify the needs. Since then, it has also been determined that street improvements [highway facilities] for all modes including pedestrians, bicycles and transit can be funded by DCL's.

In 1993, Council raised the DCL to \$6.18 to account for inflation in construction costs.

In 1998, because street trees were determined not to be eligible for DCL funding, Council removed the allocation toward street trees and redistributed the 5% to the other amenities, with the revised allocations as follows:

- 47.25% toward replacement housing;
- 45.35% toward parks; and
- 7.4% to childcare.

In 2004 planning staff undertook a rate review that included an economic impact analysis, a review of the amenities delivered to date, and the development activity in the neighborhood. Based on this review, Council approved a rate increase of \$3.32 to make the DCL \$9.50. This increase offset a portion of the increased land and construction costs in supplying amenities.

Other findings of the 2004 review were that the population growth and demographics of Downtown South were different from what was originally forecast. A third key finding was that the level of senior government funding was not what it was originally projected to be. All of these factors prompted staff to recommend a public review for Downtown South to Council.

## DISCUSSION

This revised 2007 - 2021 Downtown South Public Benefit Strategy updates the original 1992 DTS PBS. As in that case, it focuses on the benefits that are eligible for DCL funding, i.e. park land acquisition and development costs, child care, replacement of affordable housing, and street Improvements.

Two legal limitations of DCLs are:

- with the exception of funds for replacement housing, all DCL's collected in a DCL area must be spent in that area; and
- DCL's may fund the costs of growth, but not the costs of meeting past deficiencies.

This discussion will describe the following components of the updated 2007 - 2021 Downtown South Public Benefits Strategy, which generally reflect the steps in the staff analysis:

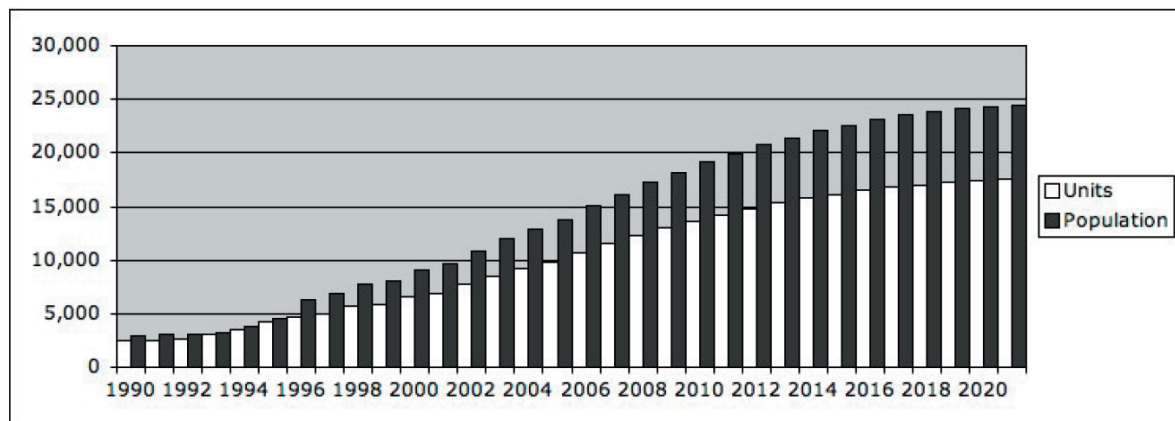
- population growth and demographics,
- original and revised public benefits targets,
- cost of the benefits package,
- proposed DCL rate increase, and
- proposed allocation of DCL revenue to the different categories of benefits.

### 1. Population Growth and Demographics

The 1992 DTS was based on a total projected population of 11,000 people by 2016, with a limited number of families with children.

The 11,000 estimate was reached in 2002. The population currently stands at about 14,000 residents. Staff also estimate, based on the remaining undeveloped land, the current zoning, and the current average person per unit ratios that an additional 10,000 people will move into the neighbourhood between 2007 and 2021. (See Figure 2). It is now estimated that the population of Downtown South will reach 24,000 residents by 2021.

Figure 2: Growth and Projected Growth of Population and Units in DTS



The original DTS PBS was based on the idea that a high density, tower-form neighbourhood would attract relatively few families with children. For this update, a community demographic profile was prepared which resulted in children less than 19 years of age now being estimated to constitute 4% of the total population, or approximately 500 and 600 children. Further evidence of the unexpected success in bringing families into Downtown South is that the elementary school that serves the area, Elsie Roy, was at capacity the day it opened and is now over capacity. It is also worth noting that the waitlist for downtown childcares is now approaching 1800 names, many of whom are Downtown South residents.

## 2. Public Benefits Strategy

### a. Outcomes of the 1992 DTS PBS

Figure 3 shows the original 1992 targets, as well as what has been achieved.

During the 1992 to 2006 period, a total of \$41.1 million was collected in DCL's in Downtown South. A total of \$39.0 million has been spent or committed, leaving a balance of \$2.1 million in the DCL fund on December 31, 2006.

#### Housing

During the 1992 to 2006 period, 688 SRO units were lost, which is slightly less than what staff had assumed (750 units: 50 units lost per year for 15 years). To date, 553 replacement housing units have been provided. This means that the City has achieved about 80% of the target set in 1992. In addition, the City has acquired three undeveloped sites with a capacity for 300 additional affordable units. (One of these, 1321 Richards, has been funded for 88 low-income singles' units to come on stream in 2009.) The strategic move to bank this land was done to help ensure the long terms success of the one-for-one strategy. It should be noted that senior government funding was available to add to DCL funds, and this assisted in achieving the outcome.

A total of \$18.9 million in DCL's has been spent or committed on replacement housing.

#### Parks

A total of 0.53 hectares (1.3 acres) of park has been developed at two sites: the first phase of Emery Barnes Park (0.36 hectares or 0.9 acres at Richard & Davie) opened in 2003, and a small park at the edge of Yaletown (0.17 hectares or 0.4 acres at Mainland & Nelson) set to

open in spring 2007. This represents about 20% of the target set in 1992 (i.e. 0.53 hectares (1.3 acres) of park land delivered out of a target of 2.8 hectares (7.0 acres)).

In addition, 0.53 hectares (1.3 acres) of land has been acquired for the second phase of Emery Barnes Park (Seymour & Davie). If this land is included in the total, it means that the City has achieved about 40% of the target set in 1992 (i.e. 1.06 hectares (2.6 acres) of park land delivered out of a target of 2.8 hectares (7.0 acres)). This is considerably less than the target, representing approximately what could be funded through DCLs, which were to recover 40% of the total cost of the target. Park Board has received only \$3.2 million in Capital Plan funding for land acquisition.

A total of \$20.1 million in DCL's has been spent or committed for parks.

### Childcare

While no childcare spaces have yet been built in Downtown South, a 37 space childcare was recently negotiated as a density bonus for a new development at 833 Homer Street. The childcare allocation from DCLs collected to date is \$3.0 million (7.4% of \$41.1 million in DCL's collected), which is enough to construct a second 37 space childcare assuming a development partner covers the land cost. This means that the City will have achieved about 40% of the target set in 1992 (i.e. 74 spaces out of a target of 189 childcare spaces). This again is consistent with the 1992 strategy where childcare was projected to finance 40% of its costs from DCLs.

### b. Challenges of the 1992 DTS PBS

In some cases progress toward the 1992 public benefits targets has been substantial, in others more limited. Several factors account for the difference between objectives and outcomes. In terms of funding, as mentioned above DCL's were intended to fund only about 40% of the PBS targets, with the remainder to come from the capital plan and other sources of revenue such as senior governments and community amenity contributions (CAC's). In addition to this, the costs and practical issues with acquiring land and constructing amenities have been more serious than anticipated.

### Housing

The biggest challenge facing the provision of replacement housing is the absence of senior government funding for housing construction. Other challenges are escalating land costs (an increase of 600% since 1991) and the scarcity of development sites due to the rapid build up in the neighbourhood.

### Parks

There are three main challenges facing the provision of parks. First is the significant increase in population (more than twice the original projection), leading to added demand for parks. Second is escalating land costs (an increase of 600% since 1991). Third is the dwindling opportunity to acquire moderately-sized parcels of land that would be suitable for parks because most of these parcels have been acquired for current or future residential developments.

### Childcare

The biggest challenge facing the provision of childcare is the absence of senior government funding for childcare construction. Other challenges include escalating land costs (an increase of 600% since 1991) a shortage of suitable sites, and the difficulty of finding suitable development partners.

c. Updated 2007 -2021 DTS PBS Targets

The third and fourth columns of Figure 3 below summarize the recommended updated PBS targets and City costs.

In developing updated public benefits targets, staff looked first at the population projections and demographics and Council-adopted policies and standards. This was then assessed against feasibility given the current and forecasted funding and the physical constraints of delivering the benefit. The cost of the new DTS PBS targets was then undertaken. This costing had the benefit of 15 years of experience delivering services to this neighbourhood, and is considered to accurately reflect the costs involved with the benefits.

Figure 4 shows in a general illustrative manner the current and anticipated amenities to be funded by DCL's.

Figure 3: Summary of Public Benefits Strategy:

	1992-2006		2007-2021		1992-2021
Department	Original Public Benefits Targets	Amenities Achieved	Updated Public Benefits Targets	City Costs	Total Public Benefits
<b>Housing</b>	Approximately 688 units	533 units+ enough land to accommodate 300 more units	550 Units*	\$39,800.000	1238 units
<b>Parks</b>	2.8 Hectares of Park	.53 hectares of park has been secured and is built or being built. .53 hectares has been secured but is not yet developed	.48 hectares to be secured and developed + .53 hectares which is secured and will be developed.	\$25,400.000	1.54 Hectares of Park (note reduction in overall target)
<b>Childcare</b>	189 Childcare Spaces	74 Childcare Spaces**	134 Childcare Spaces	\$9,840,000	323 Childcare Spaces
<b>Engineering Services (Highway Facilities)</b>	None	Nothing through DCL's***	Street Improvements: Greenway + Pacific Boulevard Blvd + Spot Improvements+ Allowable Street Car Infrastructure	\$6,125,000	Street Improvements: Greenway + Pacific Boulevard Blvd + Spot Improvements+ Allowable Street Car Infrastructure

\*150 units require land acquisition and development, and 300 units require only development because the sites have already been acquired.

\*\*37 spaces have been secured through a density bonus at 833 Homer St. and currently there is enough DCL funding to construct an additional 37 spaces.

\*\*\* Significant transportation upgrades in the neighbourhood such as bike lanes traffic bulges, and the Canada Line have or are being installed in the area but are not funded from DCLs.



There are a number of important points to note about the revised benefit targets.

### Housing

Staff anticipate that all of the existing 550 SRO units will be lost during the 2007 to 2021 period, which represents an average loss of 37 units per year. The target is to replace all SRO units lost, therefore to provide 550 replacement housing units. The City's share of the cost of providing 550 replacement units is estimated to be \$39.8 million, with it being anticipated that some senior government funding will be available.

### Parks

The target for parks for the 2007-2021 period is to:

- build the second phase of Emery Barnes Park (Seymour & Davie);
- acquire and develop as park a City-owned parcel (0.31 hectares or 0.8 acres) at the corner of Richards & Smithe; and
- Acquire and develop two mini-parks (.17 hectares or 0.4 acres) in the area between Granville Street and Burrard Street, where no parks currently exist.

If the target for 2007-2021 is supported and funded, it will mean that a total of 1.54 hectares (3.81 acres) of park will be provided for Downtown South over the 1992 to 2021 period. This means that the City will have achieved about 55% of the target set in 1992 (i.e. 1.54 hectares (3.81 acres) of park land delivered out of a target of 2.8 hectares (7.0 acres)). When measured in relation to the estimated population of 24,000 residents, it yields a 'neighbourhood park' ratio of 0.06 hectares (0.16 acres) per 1,000 residents, which represents 6% of the city-wide standard of 1.1 hectares (2.75 acres) per 1,000 residents.

As noted above, the 1992-2007 period saw about 40% of the original park target achieved, due mainly to the fact that Park Board only had access to DCL funds. The reduced overall target for parks reflects a "plan approach" rather than a "standards approach": that is, a recognition of both the high land costs and practical difficulty of buying land assemblies large enough for parks has gone into targeting specific achievable outcomes for the updated PBS.

While the park acreage that will be achieved will be well below the City-wide park standard, it has always been recognized that it would be impractical to achieve that standard in DTS, and that access to False Creek parks (David Lam, Andy Livingston, future Creekside Park extension and "Trillium" park) particularly for sports activities, would have to provide for many needs, particularly sports activities.

Staff note that beyond the DTS PBS target, it may be possible for additional park space to be provided through dedication of land on large development sites (i.e. without land cost) or through Community Amenity Contributions at rezonings.

### Childcare

The target is to provide an additional 134 childcare spaces during the 2007 to 2021 period. This is based on City standards applied to the anticipated number of children that will be added to the area during the 2007 to 2021 period. The City's share of the cost of providing 134 childcare spaces is estimated to be \$9.8 million, noting that there is a low land cost component to providing the child care because the facilities are co-located with developments.

If the target for 2007 to 2021 is supported and funded, this means that the City will have achieved about 65% of the target for the 1992-2021 period (i.e. 208 childcares spaces

delivered out of a target of 323 childcare spaces). The remaining 115 childcare spaces will have to be achieved through alternative sources of funding referenced in this report.

### Engineering

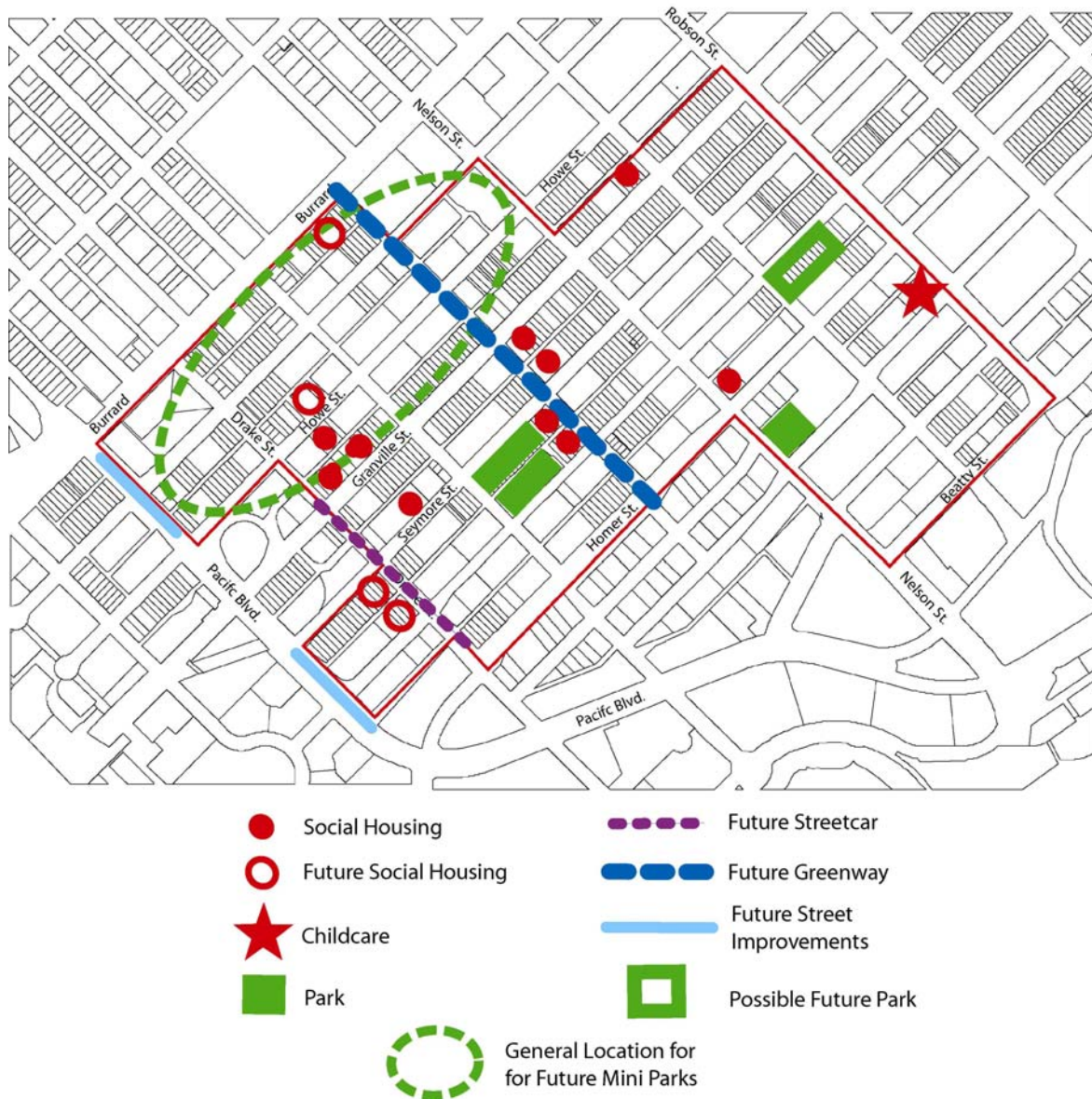
The items that have been included in the updated PBS under the umbrella of highway facilities are pedestrian, cyclist and transit improvements to the street right of way. Proposed projects include:

- the portion of the Helmcken/Comox Greenway located in Downtown South;
- the portion of the Pacific Boulevard Streetscape Enhancements located in Downtown South;
- various uncompleted items from the Downtown Transportation Plan such as transit improvements, lane crossings, corner bulges, signal upgrades;
- the portion of the Pacific Boulevard/Burrard Street Improvements for Pedestrians and Bicycles located in Downtown South; and
- the completion of 'missing links' in the Downtown South streetscape.

The "greening" of the public realm will also assist in mitigating the park deficiency, to some degree. The cost of providing these transportation improvements is estimated to be \$6.1 million.

A document containing details of the amenity requirements for both the original and updated strategies including costing is available from the City Clerk.

Figure 4: Locations of the current and Anticipated DCL Funded Amenities: (Illustrative only)



Notes:  
 -Engineering spot improvements distributed throughout DCL area

### 3. Proposed DCL Rate Increase

In the 1992 DTS PBS, it was anticipated that sources other than DCL's (i.e. capital plan, CAC's, bonusing, and senior government funding) would supply 60% of the necessary funding, overall. In the ensuing 15 years, this has been shown to be unrealistic.

Analysis of the DCL funding for amenities in the Downtown South DCL area has revealed that funding from non-DCL sources has varied by particular category of benefit, but that on average 70% of funds for amenities comes from DCLs.

Given the costs of the revised DTS PBS targets, the current \$9.50/sq. ft. DCL rate would recover only 56% of the costs. This led staff to undertake a review of the rate, to see if an increase was feasible. Staff are recommending a \$3.50 increase in addition to the current \$9.50 DCL rate for a total of \$13.00. This recommended rate will recover approximately 71% of the total updated amenity costs for the area.

Staff retained Coriolis Consulting to evaluate the impact of a DCL rate increase on the development industry and the housing market. Coriolis undertook a market impact review of the possible DCL rate increases within the range identified by the need to fund a greater portion of a larger public benefits package. The study concluded that the rate increase would not adversely impact developer profit or housing affordability if the market were given sufficient time to respond.

Normally a 12 month grace period is provided. In this specific case staff recommends that the increase should not apply until 18 months after Council approval. This extended implementation period should not be looked upon as precedent setting but rather as a response to the large volume of priority development approvals currently in the permitting process. This special circumstance is causing the City's permitting and approval times to be longer than usual.

#### 4. DCL Allocations

The total 2007 - 2021 DTS PBS will cost \$81.1 million and, overall, 71% (\$56 million) of it will be covered by DCL's if the recommended rate increase is approved. It is proposed that Capital Plan funds, senior government funding, the provision of amenities through density bonusing and community amenity contributions would make up the remainder of funding.

It should be noted where there is no access to senior government funding, if funding beyond DCL's is not achieved, the targets may not be achieved. For example in the case of Parks, it would likely mean the development of one of the proposed mini-parks will not occur.

All of this information was used by to staff to formulate recommended DCL allocations. While recognizing that some benefits may attract separate funding more easily than others, the allocation strategy provides enough DCL capital to ensure that a reasonable threshold of each of the amenities could be provided, regardless of the success in achieving other sources of funding.

Figure 5: PBS Costs and Recommended DCL Allocations

Department	Total Costs of updated PBS	Recommended Allocations	Projected DCL Capital	Percent of Cost Covered
<b>Housing</b>	\$39,800,000.00	<b>42%</b>	\$24,300,000	61%
<b>Parks</b>	\$25,400,000.00	<b>38%</b>	\$22,100,000	87%
<b>Childcare</b>	\$9,840,000.00	<b>13%</b>	\$7,500,000	76%
<b>Engineering</b>	\$6,125,000.00	<b>7%</b>	\$4,100,000	67%
<b>Total:</b>	<b>\$81,165,000.00</b>	<b>100%</b>	<b>\$58,000,000</b>	<b>71%</b>

Staff note that while in some cases the recommended percentage allocations are lower than the current allocation, because of the DCL rate increase, the actual DCL funding in absolute terms for every category of amenity will increase over the previous allocation and rate.

A document containing details of the allocation percentages and the resulting forecasted DCL capital for all amenity categories for both the original and updated is available from the City Clerk.

Figure 6: Comparisons of the Current and Recommended Allocations

	Current Allocations 1992-2006	Recommended Allocations 2007-2021
Housing	47.25%	<b>42%</b>
Parks	45.35%	<b>38%</b>
Childcare	7.40%	<b>13%</b>
Engineering	0.00%	<b>7%</b>

## 5. Public Consultation

During the PBS review staff undertook the following consultation:

- two Open Houses for DTS residents where feedback was received from over 100 downtown residents,
- Two workshops have been held with area youth who are typically not reached at public workshops.
- Meetings with key stakeholders, including 3 meetings with UDI
- Notification of this report to those wished to stay apprised of this project.

Common themes raised by general residents included:

- Amenities should be accessible to all people regardless of income or age
- Completion of Emery Barnes Park is widely anticipated;
- Another park is desired north of Nelson as these residents are furthest away from other neighborhood's parks;

- The continued delivery of social housing is important to the neighborhood
- Completion of the Helmcken-Comox greenway is important to residents.
- There is concern over the lack of child care in the neighborhood and the long waiting lists for facilities that are in within walking distance; and
- After-school programs for children were identified to be oversubscribed;

Other commentary not directly related to the provision of DCL fundable public amenities included:

- Amenities should be designed with safety in mind. Particular concerns are crime, the effects of drug use (e.g. used needles, people under the influence), and traffic hazards to pedestrians.
- The area needs social services (ie addiction treatment and counseling) beyond those which the Public Benefits Strategy can deliver;

Common themes that were raised by youth were focussed on expanding the range of services funded by DCL's, improving access to social housing and focussing the design of park space on more youth centered activities such as play areas, basketball, and skateboarding. (Details of all these consultations are on file with the City Clerk.)

After Council's decision, staff will provide information directly to various interested groups, notifying them of Council's decision by way of an information bulletin. Staff will also hold one more session with the same youth representatives.

## FINANCIAL IMPLICATIONS

This report recommends an updated public benefits strategy for Downtown South. The total cost of this strategy is \$81,165,000. This report also recommends an increased DCL rate that would cover an average of 71% (approximately \$58,000,000) of the total costs of this strategy.

The delivery of these amenities will occur between 2007 and 2021. Staff also recommends that alternative sources of funding such as capital plan, density bonusing, and voluntary CAC's be investigated.

## SOCIAL IMPLICATIONS

The updated Downtown South Public Benefits Strategy is intended to help meet the social needs of new residents by providing part of the social infrastructure including parks, child care spaces and replacement of affordable housing.

## CONCLUSION

Downtown South is expected to reach a population of 24,000 by 2021 creating an increased demand for public amenities. In that time construction and land costs are also forecast to increase. The recommendation in this report including the updated allocation strategy and rate increase will ensure that there is a balanced suite of amenities and replacement housing is delivered.