

**TO:** MAYOR & COUNCILLORS  
**FROM:** GENERAL MANAGER PLANNING AND DEVELOPMENT  
**SUBJECT:** **PROPOSED ZONING BYLAW AMENDMENTS – INCLUSIONARY RENTAL REQUIREMENTS AND COMMUNITY BENEFIT BONUS**  
**PURPOSE:** To propose amendments to the Burnaby Zoning Bylaw to implement Inclusionary Rental Requirements and Community Benefit Bonus provisions.

## RECOMMENDATIONS

**THAT** the proposed amendments to Burnaby Zoning Bylaw, 1965 as described in Section 3.0 of the report titled “Proposed Zoning Bylaw Amendments – Inclusionary Rental Requirements and Community Benefit Bonus” dated August 26, 2025, be approved;

**THAT** the City Solicitor be authorized to bring forward amendments to Burnaby Zoning Bylaw, 1965 substantially as set out in Attachment 1, 2 and 3 of the report, and that the bylaw be advanced to First and Second Reading at a future date;

**THAT** a Public Hearing not be held for the proposed amendments to Burnaby Zoning Bylaw, 1965 described in the report, as they are consistent with the Burnaby Official Community Plan; and

**THAT** the City Solicitor be authorized to bring forward bylaws to establish the Community Benefit Bonus Amenities Reserve Fund and Community Benefit Bonus Housing Reserve Fund, as described in Section 3.6 of the report.

## EXECUTIVE SUMMARY

This report presents the proposed Burnaby Zoning Bylaw, 1965 (“Zoning Bylaw”) text amendments to implement the inclusionary rental requirements as outlined in the Council report titled “Proposed Inclusionary Rental Requirements” dated April 8, 2025, and the community benefit bonus regulations as outlined in the Council report titled “Proposed Amendments to Community Benefit Bonus Policy” date April 8, 2025.

### 1.0 POLICY SECTION

The proposed amendments to the Zoning Bylaw align with the following provincial and municipal laws, bylaws and policies, including:

- Burnaby Housing Needs Report (2021; Interim Update 2024);
- Corporate Strategic Plan (2022);
- HOME: Burnaby's Housing and Homelessness Strategy (2021);
- Mayor's Task Force on Community Housing Final Report (2019);
- *Local Government Act* (2015);
- Social Sustainability Strategy (2011);
- Burnaby Official Community Plan (1998), and
- Draft Burnaby Official Community Plan (2025).

## **2.0 BACKGROUND**

On April 8, 2025, Council endorsed amendments to the inclusionary rental requirements and community benefit bonusing as outlined in the reports titled, "Proposed Inclusionary Rental Requirements" and "Proposed Amendments to Community Benefit Bonus Policy", respectively. Both reports included directing staff to bring forward amendments to the Burnaby Zoning Bylaw, 1965, in line with the proposed amendments.

Additionally, with respect to the Community Benefit Bonus (CBB) Policy, Council directed staff to:

- Target affordable housing and childcare as amenities to be provided in the eastern quadrants of Burnaby;
- To eliminate the R9 District;
- To permit up to 10 storeys of additional CBB height in the R6 District; and
- To permit unlimited storeys of additional CBB height in the R8 District.

These changes are reflected in the proposed CBB schedule (see **Attachment 3**) to be added to the Zoning Bylaw.

## **3.0 GENERAL INFORMATION**

### **3.1 Proposed Inclusionary Rental Requirements Regulations**

A new Schedule XI – Inclusionary Rental Requirements (see **Attachment 2**) is proposed to be added to the Zoning Bylaw to outline the requirement for the delivery of non-market rental units in new mid- and high-rise residential developments. The following is proposed to be included in the new Schedule XI:

- Applicable developments;
- Required percentage of inclusionary rental units; and
- Conditions related to inclusionary rental units including the duration of affordability, mechanisms for securing the affordability, and regulations related to the off-site provision of inclusionary rental units.

Several new definitions (detailed in **Attachment 1**) are proposed to be added to Section 3.0 of the Zoning Bylaw to support the proposed new Schedule XI, including:

- City of Burnaby Quadrants

- Eligible Tenant
- Housing Agreement
- Inclusionary Rental Unit
- Inclusionary Rental Rate
- Market Rental Unit
- Permitted Cumulative Average Rent
- Replacement Rental Unit
- Voluntary Non-Market Rental Housing Unit

The definition relating to Burnaby's four quadrants will also inform the proposed Community Benefit Bonus schedule outlined in Section 3.3 of this report.

#### Tenant Eligibility Criteria

The Rental Use Zoning Policy (RUZP) sets tenant household income eligibility for inclusionary units at not more than BC Housing's published Housing Income Limits (HILs). With the proposed affordability set at CMHC market median rents for Burnaby Census Subdivision, HILs income levels would be insufficient for tenant households to afford the new inclusionary rents. The 2024 CMHC median rents for Burnaby would only remain at less than 30% of HILs for studio units. All other unit rents would exceed 30% of HILs. The proposed revised tenant household income eligibility criteria (rents equal to 20-30% of gross household income) would remain similar to the range of income eligibility established under RUZP and enable tenant eligibility to adapt with the annual changes to CMHC median rents.

### **3.2 Inclusionary Rental Requirements Implementation Approach**

#### Annual Review & Reporting

As directed by Council on March 11, 2025, staff will review the inclusionary rental requirements annually, initiating a proforma analysis to understand any changes to the housing market, construction costs, interest rates, and demand. Staff will provide an updated report to Council with the findings of the analysis and any recommended changes to the inclusionary rental requirements. Ultimately, the goal is to deliver affordable housing units in line with the City's housing needs and to ensure development is not deterred. As part of the annual report, staff will also identify the inclusionary rental units, or payment-in-lieu of providing inclusionary units (if approved by Council as an option in the future), that were completed or provided during that period.

### **3.3 Proposed Community Benefit Bonus (CBB) Regulations**

A new Schedule XII – Community Benefit Bonus (see **Attachment 3**) is proposed to be added to the Zoning Bylaw with the intent to align the City's CBB bylaw schedule with recent Provincial legislation changes, and to permit additional bonus height in exchange for onsite community benefits or payment-in-lieu. Under the *Local Government Act*, density bonus is available in exchange for community benefits in the form of an amenity

or affordable or special needs housing. The CBB bylaw schedule uses the term CBB Housing to define affordable and special needs housing.

Regulations relating to the following are proposed to be set out in the new Schedule XII:

- Eligible Housing and Amenity Types
- Community Benefit Bonus Housing and Amenity provision requirements
- Method for Calculating Minimum Community Benefit Bonus Housing and Amenity Requirements
- Provision of Community Benefit Bonus Amenity or Housing Off-Site
- Provision of Payment-in-Lieu of Community Benefit Bonus Housing or Amenities
- Effective Date

Several new definitions are proposed to be added to Section 3.0 of the Zoning Bylaw to support the proposed new Schedule XII (see **Attachment 1**):

- Community Benefit Bonus
- Community Benefit Bonus Amenity
- Community Benefit Bonus Amenities Reserve Fund
- Community Benefit Capital Cost Rate
- Community Benefit Bonus Housing
- Community Benefit Bonus Housing Reserve Fund
- Community Benefit Rate
- Social Service Centre

### **3.4 CBB Implementation Approach**

#### Permitted CBB Heights

In line with direction provided at the April 8, 2025 Council meeting, the height bonuses are identified within the Mid- and High-Rise Residential Districts (R6 – R8). Bonus opportunities may also be supported through Council approval as part of a Rezoning in the Low- and Mid-Rise Residential Districts (R3 – R5) throughout the City.

#### CBB Provisions

The CBB schedule to be added to the Zoning Bylaw defines eligible housing and breaks amenity types into two categories:

- Civic Amenity Types, and
- Alternative Amenity Types.

A new broader definition for Social Service Centre is proposed as a Civic Amenity Type to capture public and non-profit facilities that provide community and social programs, services and resources. Alternative Amenity Type options are expanded and detailed to ensure environmental, heritage and open space, plaza or park improvements options are available where they otherwise would not be contemplated and/or the improvements exceed minimum requirements.

In line with direction provided at the April 8, 2025 Council meeting, staff will encourage applicants and seek opportunities to provide additional affordable housing and child care within the eastern quadrants.

#### Determining the Community Benefit Rate and Capital Costs Rate

In order to establish the value and sizes required for the CBB Housing and Amenity provision, the Community Benefit Rates (CBR) and Capital Cost Rates (CCR) will be posted and adjusted, as needed, at least once per calendar year. Upon approval by Council, these rates will be included in the CBB schedule in the Zoning Bylaw. The CBR rates will be broken down by:

- Zoning District (R6, R7 and R8),
- Tenure (Market Strata and Market Rental), and
- Quadrant (NW, NE, SW and SE Quadrants).

CCR are broken into three categories:

- Category 1 - Civic Facilities,
- Category 2 - Social Service Centres and Child Care Facilities, and
- Category 3 - Community Benefit Bonus Housing

The identified CBR and CCR Rates are proposed in this way in order to apply the most accurate and applicable costs to calculations. The CBR and CCR are currently in development and will be the subject of a future report to Council.

#### Calculating the Minimum Community Benefit Bonus Housing and Amenity

The CBR and CCR rates will be utilized as part of the calculation method within the bylaw to determine the area and/or value of the CBB Housing and CBB Amenity to be provided. The calculation method has been broken into three main steps, with sub-steps, to determine the CBB Housing and CBB Amenity provision options. Throughout, applicants may opt to provide payment-in-lieu.

#### Affordable Housing Provision through CBB

Where the provision of affordable housing is being secured, the *Local Government Act* requires the CBB bylaw to include requirements that address the required portion of affordable housing units, tenure, affordability, and length of time during which the affordable housing units need to meet bylaw conditions. The City may also include requirements related to the ownership and/or management of the units and unit sizes.

The CBB schedule to be added to the Zoning Bylaw requires that 10% of the additional bonus units and the calculated associated minimum area achieved through utilizing additional CBB height, will be provided as CBB Housing. Tenure, timeline terms and ownership/management of the units are detailed in the proposed CBB schedule, but are generally intended to be City-owned, non-market rental units operated by the Burnaby Housing Authority or a non-profit organization.

### **3.5 Effective Date and Transition Approach**

#### **Effective Dates for Inclusionary Rental and Community Benefit Bonus Requirements**

The proposed Inclusionary Rental Requirements will be effective immediately upon adoption of the text amendment bylaw for all new rezoning applications that utilize the R5 to R8 Zoning Districts.

Given that the CBR and CCR rates have not been established yet, the following are proposed as the effective dates for the CBB schedule and the development applications that they will apply to:

- The CBB schedule will be effective on the date the Zoning Bylaw is amended to include the initial CBR and CCR.
- The CBB schedule will apply to any development application that has not yet received First Reading when that schedule comes into effect (i.e. when the CBR and CCR are established and adopted).

#### **Transition Approach for Inclusionary Rental and Community Benefit Bonus Requirements**

Given that the Inclusionary Rental Requirements and Community Benefit Bonus related rates (CBR and CCR) will be reviewed and potentially updated on an annual basis, it is proposed that a consistent approach be taken for applying updated requirements to active development applications for each. The approaches will be advanced with future amendments to both the inclusionary rental and community benefit bonus requirements and may consider;

- The type of development application (rezoning, development permit, etc.); and
- The status of the development application (bylaw readings or permit issuance).

### **3.6 Statutory Reserve Funds**

At this time, payment in lieu of Inclusionary Rental is not proposed. However, payment in lieu is proposed as an option for CBB. Under the *Local Government Act*, sections 482.3(5) – (9), when a local government receives payment in lieu under a CBB bylaw, specific requirements apply:

#### **CBB Amenities Reserve Fund**

A statutory reserve fund for payments received in lieu of amenities must be established and the fund (including interest) may only be used to:

- Cover capital costs of conserving or providing amenities,
- Pay principal and interest on a debt incurred as a result of an expenditure, or
- Fund partnering agreements with third parties undertaking eligible capital work.

### CBB Housing Reserve Fund

A statutory reserve fund for payment received in lieu of CBB Housing must be established and the fund (including interest) may only be used to:

- Pay the capital costs for the provision, construction, alteration, or expansion of qualifying housing,
- Pay principal and interest on a debt incurred as a result of an expenditure, or
- Provide funding to eligible organizations to carry out qualifying work.

### Bylaw Requirement for Expenditures

- Any expenditures from either reserve fund must be authorized by bylaw.

In anticipation of the City receiving payment in lieu for CBB, it is proposed that bylaws be brought forward at this time to establish the Community Benefit Bonus Amenities Reserve Fund and Community Benefit Bonus Housing Reserve Fund.

## **4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

Under Section 464(2) of the LGA, a local government may decide not to hold a public hearing on zoning bylaw amendments that are consistent with the OCP. The proposed Inclusionary Rental and Community Benefit Bonus text amendments described under Section 3.0 of this report are consistent with the current Official Community Plan and draft Official Community Plan 2050. Therefore, it is recommended that a Public Hearing not be held.

Where a Public Hearing will not be held, public notice of the proposed Zoning Bylaw text amendments must be completed prior to bringing forward the amendment bylaws for First Reading, in accordance with section 467 of the *Local Government Act* and the City's Public Notice Bylaw. A public notice will be published on the City's website and distributed as part of the City's online newsletter.

Informal consultation was held with industry while developing the bylaw schedules. Formal consultation on the Draft Inclusionary Rental and Community Benefit Bonus Zoning Bylaw schedules was undertaken with industry at an event held on August 7, 2025 in the Burnaby Council Chambers and on-line. The written and verbal feedback received is summarized below:

- Proposed regulations are clear, legible and transparent
- Bylaw structure addresses industry best practices
- Greater alignment of assumptions on economic analysis is encouraged
- Adjustments to account for most current economic conditions is necessary

After adoption of the amendment bylaws, staff will work with the Communications Department to create and implement online resources for staff and developers in respect to the CBB and Inclusionary Rental requirements. Staff have initiated the

development of a work program to ensure the Inclusionary Rental requirements, Community Benefit Rates, and Capital Cost Rates are updated at least once per calendar year, and more often if necessary.

## **5.0 FINANCIAL CONSIDERATIONS**

The City retained consultants, Coriolis Consulting and Parcel Economics, to undertake separate financial feasibility analysis for Inclusionary Rental and Community Benefit Bonus in line with Provincial requirements. While financial feasibility is dependent upon many factors, all of which are highly dynamic, it cannot be determined that every eligible site or development type maintains financial feasibility at any specific point in time. It has been confirmed that inclusionary rental on market rental projects is not financially feasible, and community benefit bonus on market rental projects remains challenging. However, on a broad policy basis, the proposed Inclusionary Rental and Community Benefit Bonus Zoning Bylaw schedules have been determined not to deter development.

Respectfully submitted,

E.W. Kozak, General Manager Planning and Development

## **ATTACHMENTS**

Attachment 1 – Proposed Supplementary Amendments

Attachment 2 – Inclusionary Rental Requirements

Attachment 3 – Community Benefit Bonus

## **REPORT CONTRIBUTORS**

This report was prepared by Kyra Lubell, Planner 2, and Kaitlynn Given, Planner 3, and reviewed by Johannes Schumann, Director Community Planning, Jesse Dill, Director Development, Sarah Alexander, Director Business Operations Lands and Facilities, Ratan Grewal, Deputy General Manager Finance, and May Leung, City Solicitor.