



Item
Meeting.....2020 July 20

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT COMMITTEE

DATE: 2020 July 15

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 42000 20
Reference: Bylaw Text Amdmt

SUBJECT: DENSITY BONUS - ZONING BYLAW TEXT AMENDMENTS AND USE OF COMMUNITY BENEFIT BONUS RESERVES POLICIES

PURPOSE: To seek Council authorization for a text amendment to the Burnaby Zoning Bylaw regarding density bonus and bring forward policies on the use of density bonus reserves to a future Public Hearing.

RECOMMENDATION:

1. **THAT** Council be requested to authorize the preparation of a bylaw amending the Burnaby Zoning Bylaw to update section 6.22 with respect to density bonus requirements, and bring forward the text amendment and policies relating to the use of Community Benefit Bonus Reserves and Community Benefit Bonus Affordable Housing Reserve funds, as outlined in Section 3.0 of this report, for advancement to a future Public Hearing.

REPORT

1.0 BACKGROUND INFORMATION

The Community Benefit Bonus Policy enables the City to obtain community benefits in exchange for a voluntary additional density for Comprehensive Development (CD) zoned multiple family residential and mixed-use sites within Burnaby's town centres, in accordance with Section 6.22 and Schedule II of the Zoning Bylaw. Through this Policy, the City has secured important community benefits relating to City parks and public open spaces, civic and cultural facilities, non-profit office/program spaces, affordable housing, child care, and other public amenities.

While the Community Benefit Bonus Policy has permitted cash contributions-in-lieu of amenities since 2008, this option has not been clearly reflected within the Zoning Bylaw. The provision of cash contributions-in-lieu as part of this Policy further enables the City to accept a cash contribution-in-lieu, subject to Council approval, for the future provision of community benefits in Burnaby which are made possible through the accumulation of these contributions. This report brings forward an amendment to the Zoning Bylaw to update section 6.22, including confirming acceptance of cash contributions-in-lieu of community benefits and clarifying the basis for the valuation of bonus density under section 6.22.

Further, this report outlines Council authorization of changes to City policies with respect to the use of such contributions-in-lieu held in the City's Community Benefit Bonus Reserve and Community Benefit Bonus Affordable Housing Reserve.

2.0 CITY POLICY FRAMEWORK

The advancement of the proposed Zoning Bylaw amendments and policies aligns with the following goals and sub-goals of the Corporate Strategic Plan:

- **A Connected Community**
 - Partnership – Work collaboratively with businesses, educational institutions, associations, other communities and governments.
- **A Thriving Organization**
 - Financial Viability – maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets.

3.0 ZONING BYLAW TEXT AMENDMENTS AND COMMUNITY BENEFIT BONUS RESERVES POLICIES

According to Section 482 of the *Local Government Act*, a Zoning Bylaw may allow an increased density subject to the established conditions related to the conservation or provision of amenities, or the provision of affordable and special needs housing.

Section 6.22 of the Zoning Bylaw stipulates that the maximum floor area ratio in the RM1 through RM5 Districts may be increased beyond the permitted base density, and in accordance with the floor area ratio requirements of the Zoning Bylaw in these districts, provided that the subject property:

- is located in a town centre area, and is approved for density bonus in the community plan for Brentwood Town Centre, Lougheed Town Centre, Edmonds Town Centre, or Metrotown;
- is rezoned to CD Comprehensive Development District; and,
- has a comprehensive development plan which includes the conservation or provision of amenities, or the provision of affordable or special needs housing, equivalent in value to the property's increased value attributable to the increase in floor area ratio.

As noted, currently section 6.22 of the Zoning Bylaw does not specifically reference cash contributions-in-lieu as an option to receive an additional density beyond the permitted base density in multiple family residential developments. However, since 2008, and expanded in 2013, the Community Benefit Bonus Policy has permitted cash contributions-in-lieu of the provision of amenities or affordable or special needs housing in exchange for additional density on the development site, so as to enable the City to accumulate funds for the City's priority amenities and affordable or special needs housing priorities.

Further, Council has authorized the following amendments to the Community Benefit Bonus Policy:

- to combine the existing quadrant-based Community Benefit Bonus Reserves to a City-Wide Community Benefit Bonus Reserve.

Currently, the Community Benefit Bonus Policy requires that housing or amenities provided through the Community Benefit Bonus Reserves should be related to the area where the development is located. As such, where possible, affordable housing or amenities should be provided on the development site that benefits from the increased density, and otherwise, in the relevant town centre area (quadrant).

This requirement limits the provision of community amenities in areas of the City where the Community Benefit Bonus Reserves to fund the construction of such amenities are limited. Considering that community amenities within the City benefit all residents of Burnaby, not just those living within a specific quadrant, it is recommended that 80% of the cash contribution-in-lieu of community benefits be allocated to fund amenities on a City-wide basis rather than to the quadrant where the funds were collected. The proposed City-wide approach will provide greater financial flexibility and options on where funds can be spent. It will also allow the City to pool resources for the construction of required community amenities throughout the City.

Cash contributions-in-lieu collected by the City as part of any previous or future rezoning applications are subject to this amended policy. As such, 80% of the cash contributions-in-lieu for all multiple family residential developments in the RM1 through RM5, and RM3s through RM5s Districts within town centre areas, should be allocated to fund amenities on a City-wide basis rather than the quadrant where the funds are collected.

- to establish an Operating Housing Reserve with the interest earned on the Community Benefit Bonus Affordable Housing Reserve.

On 2020 January 15, the Financial Management Committee approved a report recommending the creation of an Operating Housing Reserve, where the interest earned on the Community Benefit Bonus Affordable Housing Reserve until 2019 December 31, and subsequently at each year-end, would be transferred. The proposed Operating Housing Reserve will be used for housing-related operating costs, such as the operation of warming centres and homeless shelters, and staffing hired for housing-related initiatives.

In recent years, due to robust development activities, and developers' cash contributions-in-lieu of on site amenities in exchange for the additional density, the Community Benefit Bonus Affordable Housing Reserve and the interest earned has grown at a steady pace. However, in future, any persistent decline in cash contributions-in-lieu could result in the erosion of available Community Benefit Bonus Affordable Housing Reserves and the interest earned. The City will be required to use the annual base operating budget when the

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ongoing operating costs and grants associated with affordable non-market housing exceed the available interest earned on Community Benefit Bonus Affordable Housing Reserve.

According to this policy, the interest earned on cash contributions-in-lieu to the Community Benefit Bonus Affordable Housing Reserve from any previous or future rezoning application to allow multiple family residential developments in the RM1 through RM5, and RM3s through RM5s Districts within the town centre areas will be transferred to Operating Housing Reserve to fund housing-related operating costs (non-capital purposes).

In order to administer the amended Community Benefit Bonus Policy which involves the use of cash contributions-in-lieu, an amendment to Section 6.22 and Schedule II of the Zoning Bylaw are required. The proposed Zoning Bylaw amendments will clarify cash contributions-in-lieu as an option to receive bonus density on a development site. The collected funds will be allocated exclusively for the future provision of community amenities and/or affordable or special needs housing.

An amendment to Section 6.22 of the Zoning Bylaw is also required to clarify that the amount of cash contributions-in-lieu or value of the community benefit bonus in the RM1 through RM5, and RM3s through RM5s Districts, located in town centre areas, is to be calculated based on the value of the additional residential floor area ratio provided in exchange for the provision of community benefits. In the RM1 through RM5, and the RM3s Districts, the value of the community benefit bonus is equivalent to the value of the additional floor area ratio in excess of the base residential density that is attributed to the provision of such community benefits. In the RM4s and RM5s Districts, in addition to the base bonus density similar to the RM1 through RM5, and RM3s Districts, a supplemental bonus density (up to 1.6 FAR in the RM4s District and up to 2.4 FAR in the RM5s District) is also permitted for the provision of community benefits equivalent in value to 50% of such supplementary residential bonus density.

Although bonus density is permitted under the RM3s, RM4s and RM5s Districts, these districts are currently not referenced in Section 6.22 of the Zoning Bylaw. As part of the proposed update to Section 6.22, a housekeeping change is recommended to add references to these Districts to the opening paragraph. Appearing elsewhere on Committee's open agenda is another Zoning Bylaw text amendment report which proposes changes to Schedule II related to increased Floor Area Ratio for the construction of structure parking on sites with topographic or geotechnical considerations. As this proposed amendment affects the formatting of the Bylaw, the cash-in-lieu provisions within Schedule II have been included in that parallel report.

Recommended Bylaw Amendment

THAT Section 6.22(1) of the Zoning Bylaw be amended with wording the same or similar to the following:

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(1) In the RM1, RM2, RM3, RM4, RM5, RM3s, RM4s, and RM5s Districts, for the conservation or provision of amenities, or the provision of affordable or special needs housing, the maximum floor area ratio may be increased in accordance with the floor area ratio requirements set out in Schedule II of this bylaw applicable to such zoning districts, provided that:

- (a) the lot is located in a town centre area, is approved for density bonus in the community plan for Brentwood Town Centre, Lougheed Town Centre, Edmonds Town Centre, or Metrotown, and is rezoned to the CD (Comprehensive Development) District;*
- (b) the amenities, or affordable or special needs housing are included as part of the comprehensive development plan for the CD (Comprehensive Development) District, or cash-in-lieu contributions are provided; and*
- (c) the total value of the amenities, affordable or special needs housing, or cash-in-lieu contributions, is equivalent to the value of the additional residential floor area attributable to the increase in floor area ratio for the provision of such amenities, affordable or special needs housing, and 50% of the additional floor area ratio described in sections 204.6(3) or 205.6(3) of this bylaw.*

4.0 CONCLUSION

The above Zoning Bylaw text amendment is proposed in order to clarify certain aspects of zoning requirements and support City practices and Council policies related to the Community Benefit Bonus Policy. It is recommended that Council approve the above proposed amendment to section 6.22 of the Zoning Bylaw and direct that the Zoning Bylaw text amendment and policies relating to the use of Community Bonus Reserves and Community Benefit Bonus Affordable Housing Reserve funds, as outlined in Section 3.0 of this report, be advanced to a future Public Hearing.


E.W. Kozak, Director
PLANNING AND BUILDING

PS:tn

cc: City Manager
Director of Engineering
Director Public Safety and Community Services
City Solicitor

Director Finance
Director Corporate Services
Director Parks, Recreation and Cultural Services
City Clerk