



## Statement of Policy and Procedure

<b>Department:</b>	Finance	<b>Division:</b>	Administration
<b>Subject:</b>	Community Benefit Bonus Policy		
<b>Issued date:</b>	1997 February 25	<b>Effective Date:</b>	1997 March 03
<b>Approved by:</b>	Council Resolution from Meeting of 1997 March 03		

### 1. Background

Burnaby's Community Benefit Bonus Policy was first established in 1997 and provides a framework through which developments within the City can achieve extra density in return for providing a community benefit that meets the social, cultural, recreational, or environmental needs of residents in Burnaby. Burnaby's Community Benefit Bonus Program is based on a voluntary density bonus approach, as provided for by provincial legislation, the Burnaby Zoning Bylaw, and Council's approved policies. The Policy is a key means by which the City achieves necessary and strategically important community benefits, including community amenities and affordable and/or special needs housing, to serve our growing communities. The policy also enables cash contributions-in-lieu which support the future conservation or provision of community benefits.

The Burnaby Zoning Bylaw permits bonus density in multi-family zones within the City's Town Centre areas. The district zones specify a base density that can be built with no amenity contribution and additional density that can be built if amenity community benefit is offered. Developers/applicants interested in building the bonus density are required to rezone to a Comprehensive Development zone for each site. The City determines whether there is a suitable opportunity to develop an on-site community benefit. Where there is not a suitable opportunity, the City will accept a cash contribution-in-lieu to be used in the future for a community benefit, to be determined by Council.

### 2. Purpose

**2.1.** The purpose of this policy is to establish an administrative framework for cash contributions-in-lieu that are triggered by a developer's application to increase development density as permitted under the Burnaby Zoning Bylaw.

### **3. Application**

This policy is applicable to sites that are zoned for multi-family residential use (RM1, RM2, RM3, RM4, and RM5, RM3s, RM4s and RM5s) which meet the following conditions:

- 3.1.** The lot must be located in the City of Burnaby boundaries and be approved for density bonus within the adopted community plans within Burnaby's town centre areas;
- 3.2.** The lot must be re-zoned to Comprehensive Development (CD) District; and,
- 3.3.** The comprehensive development plan for the lot must include the conservation or provision of amenities or the provision of affordable housing equivalent in value to the increase in the value of the lot attributable to the increase in floor area ratio (FAR).

### **4. Principles of the Community Benefit Bonus Policy**

The following are the underlying principles, which have been adopted by Council for the City's Community Benefit Bonus Policy:

- 4.1.** The amenity or housing obtained through the Community Benefit Bonus Policy will meet an identifiable special community need;
- 4.2.** Bonus density should not be granted to obtain amenities or housing that would have otherwise been provided or have been provided by the private market through the rezoning process. Bonus density will not be used to obtain items that are part of the normal City infrastructure such as watermains, sanitary or storm sewers, roads, etc.;
- 4.3.** The Community Benefit Bonus Program will balance the need to establish extra density that is appealing to developers with development that respects good community planning principles in terms of appropriate densities, building form and community impacts; and,
- 4.4.** The mutual agreement of the City and developer/applicant to the proposed level of density and the community benefit obtained will be a crucial ingredient in assessing a development using bonus zoning. Proposals shall be considered on a case-by-case basis and on their own merits relative to site, size and type of project, economic conditions, and the nature of the community benefit provided.

### **5. Legal Authority**

- 5.1.** Section 482 of the Local Government Act allows municipalities to permit bonus density in their zoning bylaws in exchange for the conservation or provision of amenities or affordable housing.
- 5.2.** Section 483 of the Local Government Act allows municipalities to enter into a Housing Agreement for affordable and special needs housing.
- 5.3.** Section 6.22 of the Burnaby Zoning Bylaw and other provisions within it allow for density bonusing.

## 6. Policy

**6.1.** The Community Benefit Bonus Policy shall apply to development sites that are zoned multi-family residential within the City of Burnaby boundaries.

**6.2.** Community benefits can be achieved under three programs:

Priority Amenities List                      This List consists of Priority Amenities, as selected and approved by Council, to be achieved as the funds become available through the budget process.

Site Specific Amenity                      Achievement of community amenities and affordable and/or special needs housing as part of the review of individual rezoning applications (a case-by-case approach).

Affordable and/or Special Needs Housing Program                      This Program is used to secure:

- affordable and/or special needs housing units in conjunction with private developments;
- provide support to community-initiated housing projects through affordable housing reserve grants;
- provide support to City initiated housing projects through affordable housing reserve disbursements; and,
- accept cash contributions-in-lieu for future affordable and/or special needs housing development.

**6.3.** Community amenities and affordable housing may be provided on-site or abutting the site. In cases where an on-site amenity or housing is not appropriate and a developer/applicant wishes to take advantage of a density bonus, a cash contribution-in lieu may be permitted.

**6.4.** Whenever possible, public community benefits should be secured by the City in the public domain through ownership or long-term lease.

**6.5.** The Official Community Plan and Community Plans may also establish additional or alternative policies, guidelines, or provisions.

### **6.6. Eligible Community Amenities and Affordable Housing**

As per Section 6.22 of the Burnaby Zoning Bylaw, the following amenities are eligible for consideration, whether the community amenity or affordable housing is on or off a development site:

- a) Community amenities:
- major public open space or plaza;
  - public facilities, including libraries, community or recreation centres, arts facilities, youth centres;
  - space for community or non-profit groups that serve the community;
  - public art;

- extraordinary public realm improvements including landscaping treatment and special street furniture;
  - improvements to park land or other public facilities;
  - extraordinary environmental enhancements;
  - child care facilities;
  - public safety facilities including fire stations and RCMP/police detachments;
  - active transportation infrastructure including cycling corridors, paths and lanes, multi-use pathways, trails, sidewalks, transit shelters, and bike racks or storage lockers;
  - composting and organic processing facilities including biofuel and organic diversion facilities;
  - public electric vehicle charging stations;
  - extreme weather shelters.
- b) Affordable/Special Needs Housing:
- units developed under senior government non-profit housing programs;
  - price controlled limited-equity market units;
  - units controlled or managed or owned by non-profit housing groups providing affordable housing;
  - guaranteed rental units; and,
  - housing for people with special needs such as those with physical or mental disabilities, or victims of violence.

#### **6.7. Calculation of the Density Bonus**

- a) Section 6.22 of the Burnaby Zoning Bylaw identifies the permitted density maximums for multi-family residential use.
- b) The value of the community benefit(s) is calculated to be equivalent to the market land value per square foot of buildable space of the bonused density.

#### **6.8. Collection and Reporting of Density Bonus Cash Contributions-in-Lieu**

- a) The full amount of a cash contribution-in-lieu shall be paid prior to Final Reading of the Burnaby Zoning Bylaw amendment. If adoption is not given by Council to the zoning bylaw amendment, the density bonus cash contribution-in-lieu shall be returned to the developer/applicant.
- b) All cash contributions-in-lieu collected pursuant to this policy shall be recognized as revenue in the year received and shall be subsequently transferred to the Community Benefit Bonus Reserve or Community Benefit Bonus Affordable Housing Reserve, prior to year end.

#### **6.9. Reserves for Deposit of Cash Contributions-in-Lieu**

- a) The Council shall establish a City-wide Community Benefit Bonus Reserve and a Citywide Community Benefit Bonus Affordable Housing Reserve for deposit of cash contributions-in-lieu. Funds therein shall only be used for community amenities and/or affordable housing initiatives. Reserves shall be established as non-statutory reserves. Reserves shall earn interest applicable to the annual yield on the City's consolidated investment portfolio.

- b) Council has established an Operating Housing Reserve that will be used to fund operating costs associated with housing related initiatives. At the end of each year, any interest earned on the Community Benefit Bonus Affordable Housing Reserve shall be transferred to the Operating Housing Reserve. Any interest earned on the Operating Housing Reserve will be allocated to annual general operations.
- c) Expenditures from the Community Benefit Bonus Reserve and Community Benefit Bonus Affordable Housing Reserve shall only fund amenities of a capital nature.
- d) All Expenditures funded from the Community Benefit Bonus Reserve, the Community Benefits Bonus Affordable Housing Reserve and the Operating Housing Reserve shall be included in the Burnaby Five Year Financial Plan Bylaw.
- e) Funds from the Community Benefit Bonus Reserve may be used to fund future amenities within the City of Burnaby boundaries.
- f) The usage of funds in the Community Benefit Bonus Reserve shall be limited to only those projects that provide incremental benefits to Burnaby residents, namely, net new projects or replacement projects that improve, increase, or enhance the services provided by the asset being replaced or bettered.

**6.10. Allocation of Density Bonus Cash Contributions-in-Lieu**

The value of the cash contributions-in-lieu is divided such that 80% shall be allocated to a City-wide Community Benefit Bonus Reserve and 20% shall be allocated to a City-wide Community Benefit Bonus Affordable Housing Reserve.

**6.11. Affordable Housing Funding Criteria**

- a) *City Initiated Projects:* For City initiated capital affordable housing projects that are directly advanced by the City, the Community Benefit Bonus Affordable Housing Reserve can be used to contribute towards a project's development costs such as, land acquisition, architectural and consulting services, servicing, permit fees, construction. The Operating Housing Reserve can be used to fund ongoing operating costs associated with housing related initiatives.

City initiated affordable housing projects can be constructed either on their own standalone City site, or in conjunction with a private housing or mixed-use development with the agreement of the property owner.

- b) *Community Sponsored Projects:* For Community sponsored affordable housing projects that are advanced by non-groups or government agencies, Community Benefit Bonus Affordable Housing Reserves can be used to contribute a grant towards a project's development costs such as land acquisition, architectural and consulting services, servicing, permit fees, construction. The Operating Housing Reserve can be used to fund ongoing operating costs associated with housing related initiatives.

Community sponsored affordable housing projects include non-market rental projects targeted to low income families or individuals, seniors, people with disabilities or other groups who have particular housing needs that are difficult to meet through the private market.

- c) Applicants shall be given a maximum two-year time limit from the time Council approves a funding allocation of Community Benefit Bonus Affordable Housing Reserves to the issuance of a Building Permit. Should a Building Permit not be issued within a two-year period, the applicant will seek Council approval to have the funding extended for a further period; otherwise the approved allocation of funds will be cancelled.
- d) To secure the Community Benefit Bonus Affordable Housing Reserves, an applicant may be required to enter into a Housing Agreement under section 483 of the Local Government Act.
- e) A Section 219 Covenant may also be registered on title, indicating that a) the project is in receipt of Community Benefit Bonus Affordable Housing Reserve from the City; b) that the property is intended to be used for affordable housing purposes in accordance with its adopted plan of development and c) if the project fails to advance to completion within a five year period, or if the project reverts to a use other than non-market affordable housing at a future date, the City would be repaid the funds received with applicable interest.

**6.12. Priority Amenity Program**

- a) The Finance Department, in conjunction with the Planning and Development Department shall prepare and submit to Council through the budget process, a Priority Amenities List of proposed eligible future amenities and affordable housing projects for review, and approval in principle. The Priority Amenities List shall include a cost estimate of the planned amenity, and any associated operating costs to be funded through the City's operating budget, or in the case of a housing development project, through the Operating Housing Reserve.
- b) Annually, the Priority Amenities List shall be reviewed and adjusted as the community benefits are achieved or community needs and priorities change. If opportunities arise outside of the timeframe or a review process, a report to council with an amended list will be submitted to Council, for review, and approval in principle.
- c) Within the Priority Amenities List, the approved specific amenity or affordable housing project would become eligible for construction once sufficient reserve balances are available or a combination of funding sources are achieved. As needed, Council will review and adjust the list with regard to priority items, as the community benefits are achieved, or community needs and priorities change.
- d) The City shall ensure that sufficient operating budget capacity is available to fund ongoing operational and maintenance costs arising from a proposed community amenity and that there is sufficient Operating Housing Reserve available to fund the ongoing operational costs of a proposed housing project.

**6.13. Five Year Capital Plan**

The Five-Year Finance Plan shall include priority community amenities and affordable/special housing projects that can currently be funded from the Community Benefit Bonus Reserve and/or the Community Benefit Bonus Affordable Housing Reserve as well as those projects that are unfunded at this time.

## 7. Definitions

Affordable and/or Special Needs Housing	“Affordable and/or Special Needs Housing” is housing that is affordable to low- or moderate-income households or which has features that the private market does not or cannot provide.
Density Bonus	Is additional density provided in return for Community Benefits.
Density Bonus Zoning	The provincial guidelines define “Density Bonus Zoning” as “authorized under LGA s. 483, is intended to provide options for the developer to build either to the “base” density or to a higher level of density, if they provide certain amenities or affordable housing, or meet other specified conditions. The developer, by right, always has the option of developing at the base level of density, but usually has an incentive to consider higher densities.”
Cash Contribution-in-Lieu	A “Cash Contribution-in-Lieu” is a contribution to the City from the applicant, which is based on the value of the bonused density, to be used for the future conservation or provision of a “Community Benefit”.
Community Benefit	A “Community Benefit” is defined as one or more of the following: <ol style="list-style-type: none"> <li>1. Community Amenities</li> <li>2. Affordable and/or Special Needs Housing</li> <li>3. Cash Contribution-in-Lieu</li> </ol>
Community Amenity	A “Community Amenity” is something which enhances the desirability/livability of a property and/or the local community, and can include: <ol style="list-style-type: none"> <li>(a) a major public open space or plaza;</li> <li>(b) public facilities, including libraries, community or recreation centres, arts facilities, youth centres;</li> <li>(c) space for community or non-profit groups that serve the community;</li> <li>(d) public art;</li> <li>(e) extraordinary public realm improvements including landscaping treatment and special street furniture;</li> <li>(f) improvements to park land or other public facilities;</li> <li>(g) extraordinary environmental enhancements;</li> <li>(h) child care facilities;</li> <li>(i) public safety facilities including fire stations and RCMP/police detachments;</li> <li>(j) active transportation infrastructure including cycling corridors, paths and lanes, multi-use pathways, trails, sidewalks, transit shelters, and bike racks or storage lockers;</li> <li>(k) composting and organic processing facilities including biofuel and organic diversion facilities;</li> <li>(l) public electric vehicle charging stations;</li> <li>(m) extreme weather shelters.</li> </ol>

Priority Amenity List

This List consists of Priority Amenities, as selected and approved by Council, to be achieved as the density bonus funds becomes available.

**8. Responsibility**

This policy shall be administered by the Finance Department and the Planning and Development Department. Any recommended changes to this policy shall be approved by Council.

<b>Version:</b>	<b>Date:</b>	<b>Description:</b>	<b>Updated by:</b>
1	2007	Community Benefit Bonus Policy	Director Planning/Building
2	2020	Community Benefit Bonus Policy	Director Finance
3	2023	Community Benefit Bonus Policy	Director Budgets & Reporting