

TO: MAYOR AND COUNCILLORS
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT
SUBJECT: **PROPOSED HEIGHT-BASED DEVELOPMENT FRAMEWORK**
PURPOSE: To introduce a height-based development framework and consider amendments to the inclusionary rental policy as well as the community benefit bonusing policy.

RECOMMENDATION

THAT the proposed height-based development framework, as outlined in the report titled “Proposed Height-Based Development Framework” and dated October 07, 2024, be endorsed by Council;

THAT staff be directed to prepare the multi-family residential zoning districts, commercial zoning districts, comprehensive development district regulations, and supplementary zoning regulations in alignment with the proposed height-based development framework, as described in Section 3.4 of the report, and to bring forward a report to Council at a future date describing the proposed amendments to the Zoning Bylaw required to implement the new zoning districts and regulations;

THAT staff be directed to prepare inclusionary rental zoning amendments, as described in Section 3.6 of the report titled “Proposed Height-Based Development Framework” and dated October 07, 2024, and to bring forward a report to Council at a future date describing the proposed amendments to the Zoning Bylaw;

THAT staff bring forward a report at a future date regarding detailed amendments to the Community Benefit Bonusing Policy, as described in Section 3.7 of the report titled “Proposed Height-Based Development Framework” and dated October 07, 2024; and

THAT staff be directed to apply the new height-based development framework to rezoning applications using the CD rezoning approach described in Section 3.4.5 of the report titled “Proposed Height-Based Development Framework” and dated October 07, 2024.

EXECUTIVE SUMMARY

This report presents the proposed height-based development framework being advanced through the Zoning Bylaw Rewrite project in alignment with the Official Community Plan (OCP) update. The proposed framework aims to simplify and

modernize the City’s approach to development while ensuring alignment with recent changes in Provincial legislation. The existing development framework in Burnaby relies on Floor Area Ratio (FAR) to determine allowable development potential, which is both complex for staff to administer, and is challenging for the public and applicants to understand when engaging with City plans and policies. The proposed framework aims to address these issues by focusing on building height and form, simplifying development regulations, and improving the quality and reliability of planning and development outcomes.

Along with the introduction of a height-based development framework, revisions to the inclusionary rental requirements and density benefit bonusing are being proposed. This report outlines the findings of an extensive financial analysis that was undertaken to ensure the proposed inclusionary rental requirements are economically viable, as required by legislation, and continue to support a diverse mix of housing units across the City. With recent changes in provincial legislation, and the introduction of new development financing tools, staff are looking to introduce the new framework and associated policies in a timely manner to ensure development applications can proceed efficiently and effectively in Burnaby. The proposed height-based development framework represents a significant shift towards a more transparent, user-friendly, and adaptable approach to city planning in Burnaby.

1.0 POLICY SECTION

The proposed height-based development framework and amendments to the Rental Use Zoning Policy and Community Benefit Bonus Policy aligns with the following provincial and municipal laws, bylaws, and policies, including:

- *Local Government Act* (2015)
- Corporate Strategic Plan (2022)
- Burnaby Housing Needs Report (2021)
- HOME: Burnaby’s Housing and Homelessness Strategy (2021)
- Mayor’s Task Force on Community Housing Final Report (2019)
- Burnaby Official Community Plan (1998)

2.0 BACKGROUND

2.1 Best Practices in Zoning

A zoning bylaw is a tool for regulating land use, which communicates technical requirements relating to use, density, and location of uses on a site. Zoning Bylaws have historically been used to separate incompatible uses, which has in some cases resulted in the separation of residential areas from essential services such as businesses, grocery stores, and medical facilities. Current best practices in zoning are moving away from restrictive and exclusionary zoning bylaws and towards more inclusive zoning to enable the mixing of compatible uses. To achieve this, many municipalities are introducing zoning bylaws that have less rigid zoning categories, instead creating built form regulations that meet overarching planning and community

building objectives. Current best practices in zoning also focus on the use of images and diagrams to illustrate complex regulations and improve transparency and legibility.

2.2 Zoning Bylaw Rewrite Project

In late 2023, the City initiated the Zoning Bylaw Rewrite project, which involves a comprehensive review and update of the City’s Zoning Bylaw. While the Zoning Bylaw is updated many times a year in response to emergent use and development trends, it has not been comprehensively reviewed since it was adopted in 1965. Outdated regulations impede creative business or development opportunities and ultimately add time and cost to applicants wishing to do business in Burnaby.

The objectives of the Rewrite include:

- Providing more flexible and modern regulations;
- Reducing complexity to improve ease of understanding;
- Enhancing user-friendliness for residents, applicants, and City staff; and
- Implementing and aligning with City plans and policies, and Provincial legislation.

Phase 1 of the Zoning Bylaw Rewrite was developed to comply with and implement new Provincial housing legislation and simplify the City’s residential zoning districts. On June 10, 2024, Council adopted amendments to the Zoning Bylaw to create the new R1 Small-Scale Multi-Unit Housing (SSMUH) District, to replace the R1-R12 Single- and Two-Family Districts. Further amendments are required to establish zoning regulations that align with Provincially mandated transit-oriented area designations, and new legislation related to development financing, inclusionary zoning and density benefits.

2.3 Existing Development Framework

The City of Burnaby utilizes an Official Community Plan (OCP) and a comprehensive set of neighbourhood-scale Community Plans to guide future development. While many of these policy documents are in the process of being updated, they continue to inform incoming development applications. These plans provide high-level guidance on land use and density, often without stipulating a specific zoning designation. Applicants and the public would benefit from increased clarity regarding the potential of development sites and the relationship between land use designations and zoning districts.

The existing development framework largely lives in the Zoning Bylaw, and despite periodic amendments to the Bylaw, the development regulations, which were first introduced in 1965, would benefit from simplification and modernization.

Comprehensive Development (CD) rezonings are often required to advance applications that align with current City objectives, and to facilitate mixed-use development sites. While CD rezoning is an effective tool for unique sites, the implementation of CD rezoning in Burnaby often results in negotiation over development parameters and more prolonged application review times as a consequence of outdated zoning regulations and a lack of inherently mixed-use zoning districts.

Floor Area Ratio (FAR), which is the ratio of the total gross floor area of a building to the size of a lot, is the primary tool for determining the density or development potential of a

site in Burnaby. While FAR is a commonly used tool in many municipalities, the built form outcomes resulting from prescribed FARs are not well understood, as FAR does not directly determine the height or massing of a building, only the total floor area. As such, under a development framework that relies predominantly upon FAR, there is little certainty regarding building heights and the resultant form of development. In addition, calculating FAR is complex and time intensive for applicants and staff, as there are numerous exclusions to floor area for uses and features including exterior wall thickness, elevator shafts, amenity areas and service runs, unenclosed balconies, and many others. Recognizing the complexities and unclear outcomes of utilizing FAR as a development control, increasingly within our region, municipalities and government agencies are exploring alternatives to an FAR-based development framework, including relying on more form-based approaches. Outside of our region, form-based development frameworks are commonplace and have been utilized for decades to achieve high-quality and transparent planning and development outcomes.

FAR is also used in the existing development framework to achieve Community Benefit Bonusing and calculate Rental Use Zoning programs. For all lots where inclusionary rental, or replacement rental units are required, additional floor area is permitted to offset the cost of providing the non-market rental units. For lots zoned multi-family residential located in Town Centres, supplementary floor area may be available subject to the contribution of a community amenity or payment of cash-in-lieu.

In addition to this, on June 24, 2024 the City of Burnaby adopted Amenity Cost Charges (ACCs) and expanded the Development Cost Charges (DCCs) program to help pay for the cost of building community amenities and infrastructure related to growth, including some amenities that would previously have been paid for through funds collected via community benefit bonusing. ACCs and DCCs are charged on the total number of dwelling units or floor area depending on the land use category. With the introduction of the new and updated development financing options, the existing development framework requires updating to ensure development in the City continues to be financially viable and that the desired scale of development is achievable.

With the review of several significant policy and regulatory documents currently underway, and the desire to continue to support new development in Burnaby, there is the opportunity to fundamentally rethink the development framework to improve transparency, remove needless complexity, and achieve better planning and development outcomes across the City.

3.0 GENERAL INFORMATION

In place of the FAR-based development framework, a height-based development framework is being explored through the Zoning Bylaw Rewrite project. A height-based development framework is an approach to city building that prioritizes the form of development and the relationship of buildings to the public realm. While the proposed approach focuses on the built form, land use designations and zoning districts will still establish permitted uses. The height-based development framework is designed with the following objectives in mind:

- Create a transparent, user-friendly framework that provides clarity on building height and form;
- Simplify the development regulations and development approvals process;
- Allow greater flexibility and mixing of land uses;
- Enhance urban design standards;
- Align with the OCP & new Provincial Legislation; and
- Maintain opportunities for affordable housing.

To achieve these objectives, the proposed approach includes establishing permitted building heights for each OCP land use designation and corresponding zoning district, removing FAR as a development control mechanism, introducing Development Permit Area (DPA) form and character guidelines, aligning major planning policies, reducing the number of distinct zoning districts, enhancing opportunities for mixed use development, and updating the Inclusionary Rental and Community Benefit Bonus policies.

3.1 Height-Based Development Framework

Under a height-based framework, the development potential of a lot is determined by the permitted building height and required setbacks. Additional DPA form and character guidelines provide direction on the size and shape of buildings to ensure they fit well within their surroundings. This approach simplifies development regulations and provides clarity to the community about the anticipated type and size of buildings expected in a neighbourhood.

The key element for adopting a height-based development framework is the removal of FAR as a development control mechanism. Given the intricacies and complexity of calculating FAR, design professionals invest a significant amount of time trying to maximize the potential floor area rather than designing quality, livable buildings that are well integrated in our community. As such, a height-based development framework has the potential to not only simplify and speed up approvals, but also reduce unnecessary costs incurred during the design process.

3.1.1 Height Variances and Transfers

To account for site constraints, encourage desirable housing and public realm outcomes, and to facilitate a range of building heights where desirable, variances to the permitted building height may be supported. Additional height would require discretionary approval by the General Manager of Planning and Development and may be considered for sites that are significantly constrained by environmental features, require a significant amount of dedication, provide publicly accessible open space, or provide voluntary commercial floors or non-market housing.

Similar to the process of density transfers under the current development framework, transfer of height agreements for residential uses may also be negotiated by transferring the same number of storeys from one site to another. Height transfer agreements may only be utilized for scenarios where there are considerable site

constraints or community assets are being retained, such as those identified as having heritage or cultural value.

To maintain the integrity of a height-based development framework, additional height supported on residential sites through discretionary approvals or height transfers would be limited to the permitted height of the next most permissive residential zoning district.

3.1.2 Height Averaging

On master planned sites, or lots where multiple buildings are planned, height averaging may also be considered to maintain variation in the built form where desirable. This is being proposed to ensure that buildings are not all constructed to the same height on sites with a single land use designation or zoning district.

For example, in a zone with a building height limit of 20 storeys, height averaging may be used to permit a 15-storey apartment building, a 20-storey apartment building, and a 25-storey apartment building, provided the variance contributes positively to the character and urban design of the surrounding area. Again, to maintain the integrity of the height-based framework, height averaging of residential buildings would be limited to the permitted height of the next most permissive residential land use category or zoning district.

3.2 Height-Based Development Framework Implementation

The proposed framework will be implemented through three different planning tools, including the OCP, Zoning Bylaw, and forthcoming DPA Form and Character Guidelines. Each tool plays an important role in the implementation of the height-based framework.

3.2.1 Official Community Plan

The OCP is a comprehensive plan that sets the long-term vision for the City of Burnaby. Related to the height-based framework, the OCP would:

- Describe the land use designation categories and permitted uses at a conceptual level;
- Identify the location of each land use designation and any opportunities for mixed-use sites;
- Provide an overview of the height-based framework; and
- Provide specific considerations for master planned sites.

3.2.2 Zoning Bylaw

The Zoning Bylaw is the main implementation tool of the OCP and would provide further detail on the height-based framework. The Zoning Bylaw would:

- Establish a suite of zoning districts that align with the OCP land use designations;
- Provide a comprehensive list of permitted uses for each zoning district;
- Establish requirements for mixed-use areas;
- Identify regulations related to building form including height and setbacks;

- Provide greater detail on additional supported height and height averaging;
- Identify inclusionary rental requirements and opportunities for community benefit bonusing; and
- Identify any other special development regulations and the conditions under which they would apply.

3.2.3 Form & Character Development Permit Area Guidelines

DPA Guidelines are another tool available to municipalities to specify requirements respecting the form and character of development. While the City of Burnaby historically has not utilized development permits, DPA Guidelines for Form and Character, as well as for Streamside Protection and Enhancement, will be introduced as part of the OCP update. The Form and Character guidelines will form an integral part of the height-based development framework and establish conditions that will further shape new buildings and inform how those buildings integrate within their context. The DPA Guidelines would provide direction on elements such as building setbacks, podium facades, landscaping, materiality, and the relationship to the public realm.

3.3 Draft Land Use Framework & Zoning Districts

The new OCP land use designations and zoning districts will work together to prescribe what is possible on properties across the city. OCP land use designations are categories that determine the range of current and future intended uses of a property, while a zoning district sets out permitted uses and describes detailed regulation.

3.3.1 Aligning the OCP and Zoning Bylaw

Going forward, the intention is for each OCP land use designation to correspond to one zoning district in the new Zoning Bylaw. This approach is being pursued to create a transparent, user-friendly development framework that provides clarity regarding the future potential of a site. Table 1 outlines the land use designations being proposed through the Burnaby 2050 OCP project and associated zoning districts that will be advanced through the Zoning Bylaw Rewrite project.

Table 1 – Land Use Designations and Corresponding Zoning Districts

Land Use Designation	Description	Zoning District
Neighbourhood Commercial	Commercial uses provided at a scale and intensity that meets the day to day needs of the surrounding neighbourhood.	C1
General Commercial	Commercial uses provided at a scale and intensity that meets the needs of the City or region.	C2
Employment	Light industrial and creative employment uses, with some opportunities for affordable/rental housing for lots within 200m of a SkyTrain Station.	E1

	Industrial	Industrial uses that vary in scale and intensity and allow for related accessory uses.	E2
	Agriculture	Agricultural uses that align with the Agricultural Land Reserve (ALR) regulations, with additional regulations for small holdings located outside of the ALR.	A1
	Institutional	Institutional, cultural, and recreational uses provided at various scales and intensities.	I1
	Parks, Natural Areas & Open Space	Parks, natural areas, conservation areas, and open spaces and related uses provided at various scales.	P1
	Small-Scale Multi-Unit Housing	Single family, duplex, and multiplex residential buildings, up to 6 dwelling units on a lot.	R1
	Townhouse	Ground-oriented residential townhouse forms with opportunities for neighbourhood commercial uses.	R2
	Low-Rise Apartment 1	Low-rise residential apartment form with opportunities for ground-oriented residential and neighbourhood commercial uses.	R3
	Low-Rise Apartment 2	Low-rise residential apartment form with opportunities for ground-oriented residential and neighbourhood commercial uses.	R4
	Mid-Rise Apartment 1	Mid-rise residential apartment form with terracing and opportunities for ground-oriented residential and neighbourhood commercial uses.	R5
	Mid-Rise Apartment 2	Mid-rise residential apartment form with terracing and opportunities for ground-oriented residential and neighbourhood commercial uses.	R6
	High-Rise Apartment 1	High-rise residential apartment use, typically with a podium, and opportunities for ground-oriented residential and neighbourhood commercial uses.	R7
	High-Rise Apartment 2	High-rise residential apartment use, typically with a podium, and opportunities for ground-oriented residential and neighbourhood commercial uses.	R8
	High-Rise Apartment 3	High-rise residential apartment use, typically with a podium, and opportunities for ground-oriented residential and neighbourhood commercial uses.	R9

The new Zoning Bylaw is proposed to have fewer distinct zoning districts that enable a greater mixing of compatible uses. This approach aligns with the Burnaby 2050 OCP

project as well as best practices in zoning to create a more permissive and flexible zoning framework. To ensure protection from nuisance uses within a more flexible framework, regulations such as siting parameters, or site-specific permitted uses will be utilized.

3.3.2 Mixed-Use Sites

In addition to enabling a greater mixing of compatible uses within each land use designation and correlated zoning district, the OCP land use designation map will identify mixed-use sites using “overlays” where uses from two or more land use designations are permitted.

To achieve mixed-use sites within the context of the Zoning Bylaw, overlay zoning districts would be applied. An overlay zoning district is added to a base zoning district to allow for additional uses. This differs from our current practice where development permissions from standard zoning districts, including density, are added together when mixed-use sites are created through the use of Comprehensive Development (CD) Districts.

In some instances, there may be a minimum requirement for uses identified in the base or overlay land use designation(s). For example, where a neighbourhood commercial designation is identified in the OCP, the Zoning Bylaw would prescribe a minimum of 1 storey of street-oriented commercial.

Figure 1 indicates how a mixed-use site with a residential base zoning district (R8) and a commercial overlay district (C2) would be graphically presented in the OCP. On a map, the overlay zoning district would be shown as a coloured outline. The proposed approach to enabling mixed-use sites enhances flexibility, allows for various combinations of districts, and minimizes the need for CD Districts. Where mixed-use sites are identified, the land use designation or zoning district with the most permissive height allowance would apply, rather than the cumulative heights of each district. Where residential zoning is applied, the residential height allowance would take precedence. This approach is consistent with providing transparency on the anticipated type and size of buildings expected in a neighbourhood and allows for greater flexibility in the proportions of land uses applied within a development, without being constrained by arbitrary FAR limitations.

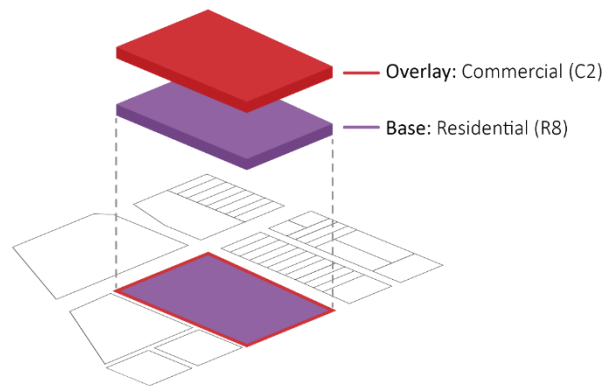


Figure 1 – Mixed-Use Site

3.4 Residential & Commercial Zoning Districts

Amendments to the Zoning Bylaw are required to advance early concepts related to the height-based development framework, respond to recent changes in Provincial legislation, and to ensure development applications can continue to progress. It is

anticipated that amendments to the residential and commercial districts, as well as amendments to the Inclusionary Rental requirements and the Community Benefit Bonus Policy would be developed as generally described below.

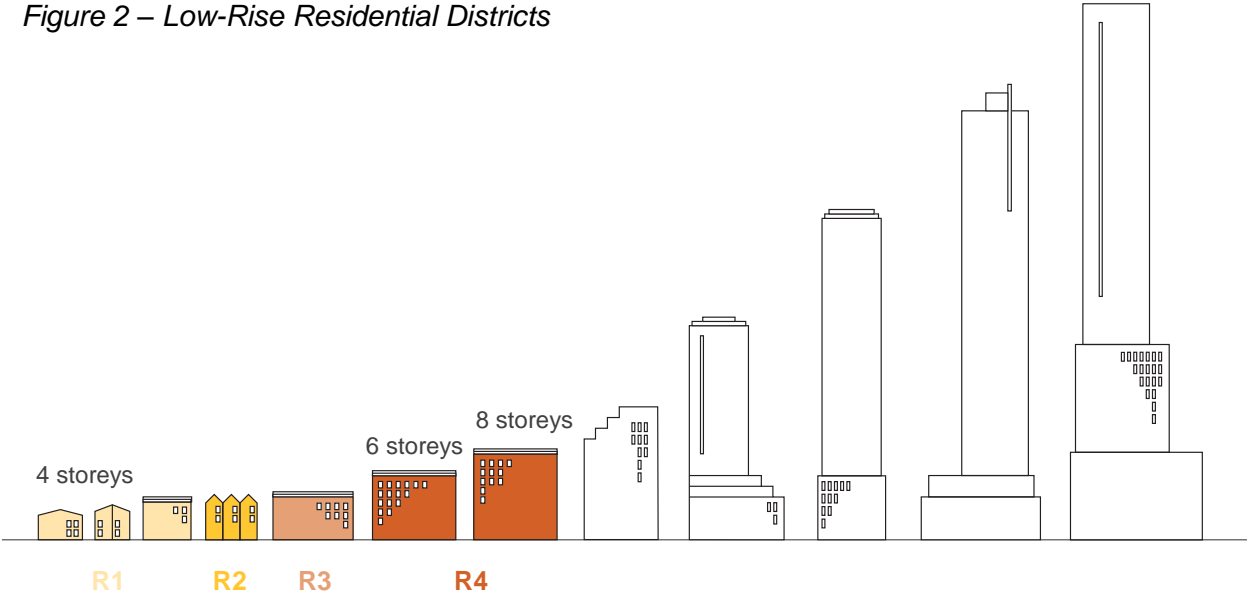
The R2, R3, R4, R5, R6, R7, R8, R9, C1, and C2 zoning districts would align with the proposed OCP land use designations, highlighted in Table 1, and generally permit the building heights and uses as described below.

3.4.1 Small-Scale Multi-Unit Housing, Townhouse & Low-Rise Residential Districts

The R1 – Small-Scale Multi-Unit Housing District, adopted on June 10, 2024, permits between 1 and 6 ground-oriented units per lot of up to 4-storeys (12m) in height.

The R2 – Townhouse District would permit townhouse forms, up to 4-storeys in height. This district would permit neighbourhood scale commercial uses where appropriate.

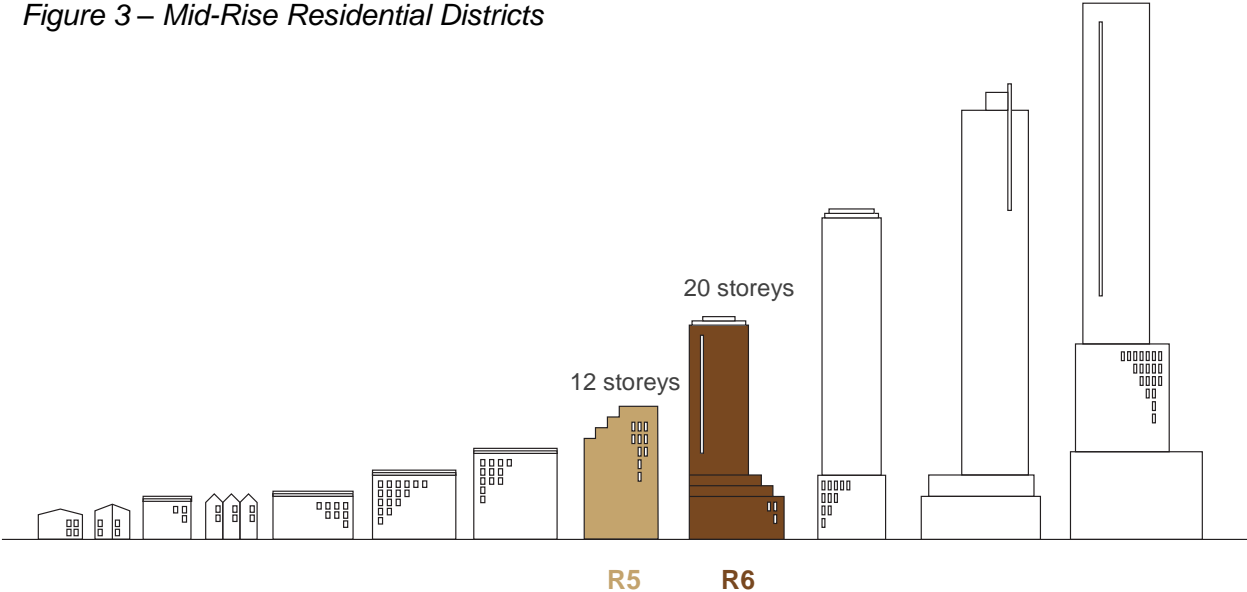
Figure 2 – Low-Rise Residential Districts



The R3 – Low-Rise Residential District would permit apartment buildings up to 4-storeys in height and the R4 – Low-Rise Residential District would permit apartment buildings that are up to 6-storeys in height, or up to 8-storeys in height if the property is located within a designated Transit Oriented Area (i.e. within 800m of a SkyTrain station). These districts would also permit neighbourhood scale commercial uses where appropriate.

3.4.2 Mid-Rise Residential Districts

Figure 3 – Mid-Rise Residential Districts



The R5 – Mid-Rise Residential District would permit terraced apartment buildings up to 12-storeys in height.

The R6 – Mid-Rise Residential District would also permit terraced apartment buildings up to 20-storeys in height.

The proposed mid-rise apartment districts form a crucial component of the height-based development framework, providing a transition from the low-rise residential to high-rise residential neighbourhoods. This form of missing middle apartments has been rare in Burnaby, in part due to the existing FAR based development framework.

All mid-rise Residential Districts would include opportunities for ground-oriented commercial uses.

3.4.3 High-Rise Residential Districts

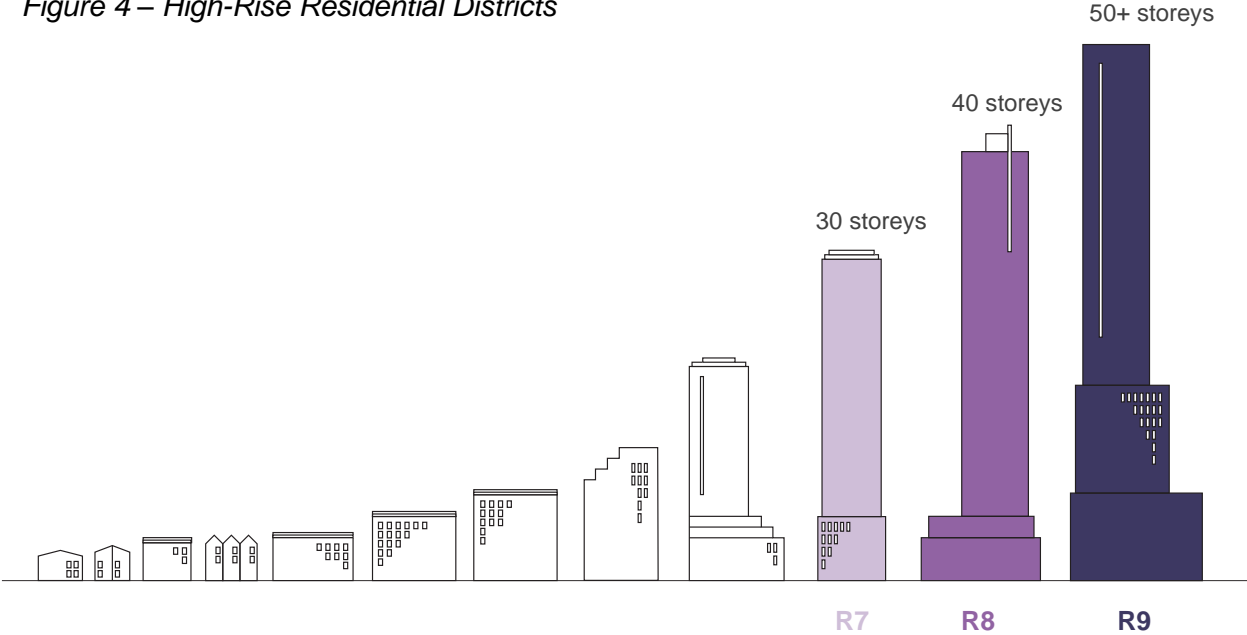
The R7 – High-Rise Residential District would permit apartment buildings up to 30-storeys in height.

The R8 – High-Rise Residential District would permit apartment buildings up to 40-storeys in height.

The R9 – High-Rise Residential District would permit apartment buildings that are 50-storeys or greater in height. This district is intended to be permitted within the city centre and town centres as designated by the OCP.

All high-rise Residential Districts would include opportunities for ground-oriented commercial uses.

Figure 4 – High-Rise Residential Districts



3.4.4 Commercial Districts

The C1 – Neighbourhood Commercial District would permit low-rise buildings up to 4-storeys in height and permit commercial uses that support the daily shopping needs of nearby residents such as small grocery stores, convenience stores, cafes, and smaller scale offices.

Figure 5 – Commercial Districts



The C2 – General Commercial District would permit all scales of commercial development including large-scale retail, food, hospitality, and offices uses at various

building heights. Currently, the City of Burnaby has very few sites that are zoned strictly for commercial uses and it is anticipated that most of our commercial spaces will be provided through mixed-use developments in the future. It is envisioned that the C2 District would be applied as an overlay zoning district, and therefore the permitted height for the C2 District would be informed by the base zoning district or other overlays applied to the site.

While only two distinct commercial districts have been identified, as noted in the residential districts it is proposed that commercial uses be permitted at various scales within each of the residential districts to further enable the creation of complete communities through the mixing of compatible uses.

3.4.5 Supplementary Regulations & Comprehensive Development Districts

Staff anticipate bringing forward changes to additional sections of the Zoning Bylaw to support the implementation of the new height-based residential and commercial zoning districts. Specifically, interim amendments to the CD District regulations in the Zoning Bylaw are required to ensure applications can continue to move forward during the transition period to the new development framework. Under the current framework, CD Districts utilize underlying zones to determine the permitted uses and total development potential. CD Districts are intended as a custom zoning district that permit flexibility of uses and regulations in order to achieve development that is unique to a site. To enable the submission and acceptance of rezoning applications that align with the height-based framework prior to the enactment of the new corresponding zoning districts in the Zoning Bylaw, which is discussed later in this report, the following amendments to the CD Districts are proposed:

- Remove reference to underlying zoning districts;
- Allow for custom zoning districts that align with the OCP or Community Plan; and
- Define regulations in writing as an alternative or in addition to drawing sets.

These amendments will better address the unique contexts of specific sites; create regulations that provide more clarity for staff, applicants, and the community; ensure CD District sites remain flexible in permitting new businesses and complementary land uses at future points in time; better align Burnaby’s CD zoning practices with that of other municipalities; and ensure provincially mandated requirements can be more readily addressed by the existing Zoning Bylaw over the course of the next year.

3.5 Rental Use Zoning Policy

On March 9, 2020, Council adopted the Final Rental Use Zoning Policy, which established requirements for the provision of affordable housing, created opportunities for new rental housing, and provided protection for existing rental housing in Burnaby by implementing rental use zones with specific rental requirements and incentives. The Policy is applied through rezoning to new multi-family residential developments and applicable commercial developments, and is structured into the following four streams:

- Stream 1: replacement rental
- Stream 2: inclusionary rental

- Stream 3: voluntary rental
- Stream 4: protection of existing rental

With the adoption of new amenity and development cost charges, changes in construction costs and development revenues, the proposed transition to a height-based development framework, and the enactment of the Provincial Bill 16 *Housing Statutes Amendment Act* (HSAA), adjustments are required to Stream 2 and Stream 3 of the Rental Use Zoning Policy to ensure rental units continue to be secured with new development. Subsequent amendments to Stream 1 and 4 of the Policy, as well as updates to unit sizes and unit mix requirements will be brought forward for Council consideration at a future date as part of the completion of the Zoning Bylaw Rewrite, and the introduction of a new Tenant Protection Bylaw.

The guiding objectives for the proposed amendments to Stream 2 and 3 as outlined in this report are as follows:

- simplify the calculation of required inclusionary rental housing;
- balance the supply, affordability, and diversity of non-market rental housing throughout Burnaby in keeping with Burnaby’s housing needs and HOME Strategy;
- align with Provincial legislation and financial feasibility requirements;
- continue to encourage and incentivize the supply of market rental housing; and,
- adopt the inclusionary requirements and market rental opportunities by bylaw.

As referenced above, the most recent changes to the *Local Government Act* and *Community Charter*, under Bill 16 Housing Statutes Amendment Act (HSAA), were granted Royal Assent on April 25, 2024. The Bill included amendments to the *Local Government Act* in respect of a wide range of topics, including the authority for local governments to enact bylaws for Inclusionary Zoning and Tenant Protection based on established criteria.

In accordance with legislation, where a municipality requires inclusionary housing, the requirements must be adopted by bylaw. Transitioning the requirements of the Rental Use Zoning Policy from a Council adopted rezoning policy to a bylaw also provides additional powers and flexibility to secure non-market housing through development that is not subject to rezoning. This enables municipalities like Burnaby to explore alternative development approval processes, such as pre-zoning, to expedite housing delivery without compromising on the City’s non-market housing objectives. It is therefore anticipated that the amendments to Stream 2 and 3 as generally detailed in this report, be adopted into the Zoning Bylaw along with the amendments to the residential and commercial districts also outlined in this report.

3.5.1 Financial Testing Requirements

Under section 482.9 of the *Local Government Act*, which was introduced by the HSAA, in adopting an inclusionary zoning bylaw, the local government must undertake and consider a financial feasibility assessment. To this end, the City retained the services of a financial consultant to test approximately 400 scenarios and iterations of an

inclusionary rental program that balances the need for financial viability, supply, and affordability. Three main variables shaped the analysis, including:

- the percentage of non-market rental units required;
- the rental rates of the units; and
- the location of inclusionary rental.

A geographic analysis to better understand the financial implications of inclusionary requirements in various parts of the City is necessary, recognizing that land values and development revenues vary significantly across different regions of the City. The starting point for the analysis was to review the financial implications of our current Rental Use Zoning Policy, understand the impacts of recently adopted amenity and development cost charges, and then to assess the tradeoffs between securing lower rent levels and prioritizing supply, recognizing supply and vacancy rates are major factors driving affordability in the region. It should be noted that the threshold for a development being financially viable is not necessarily well defined by legislation and may be interpreted differently by some depending on the context. For the purposes of this review, the threshold for viability was generally assumed to result in a 15% return on investment (ROI). This is a common minimum ROI assumed by the development community and lenders when assessing the viability of a project. This ROI takes into account the timelines associated with many typical development projects, which can take over 3 years from start to completion, resulting in approximately 5% return when calculated annually. While some applicants may pursue developments at a lower ROI, it is not common, and developments with a lower ROI may find it challenging to secure financing, particularly when other traditional investment opportunities yield similar or higher returns.

Overall, the analysis highlighted and supported the need for a more dynamic, nuanced and flexible approach to meeting the City’s non-market housing needs, recognizing the challenging macro-economic climate for development with respect to current interest rates and development costs, as well as the markedly different development revenues across the City. Highlights of the analysis are summarized below:

- since the adoption of the Final Rental Use Zoning Policy, construction costs have increased to a greater degree than saleable/rent values, largely driven by the impacts of interest rate rises, inflationary increases in material and labour costs, and increases to other development related charges. As such, the existing offset density is generally not sufficient to fully offset the costs of inclusionary rental housing, particularly in non-combustible (concrete) construction;
- recently adopted ACCs and DCCs, which are required to fund amenities in the City, impact development costs and by extension impact the viability and scale of inclusionary rental housing that can be provided. For some developments, particularly outside of Metrotown, ACCs and DCCs have a greater financial impact than the existing Community Benefit Bonusing (density bonus) Policy;
- inclusionary rental requirements in all locations at the rent levels tested were not viable in either market rental developments, or in 6 storey and smaller forms of development;

- at the rent rates tested, inclusionary rental units provided at a rate of 10-12% of total strata units are viable within the Brentwood area. Conversely, development in the Edmonds area, regardless of the scale, could not support the costs of providing inclusionary rental units. This is largely due to the lower development revenues currently experienced in Edmonds, compared with revenues in Brentwood;
- in the Brentwood context, all else being equal, increasing density for projects with inclusionary requirements generally improves development revenues and by extension the viability of inclusionary rental requirements, but only to a point, after which returns diminish due to costs associated with longer construction timelines, and deeper excavations. In Edmonds, all else being equal, increasing density for projects with inclusionary requirements results in less viability, as the revenues resulting from the increased density do not offset costs associated with providing the additional inclusionary rental units;
- developments of 12-storeys in Brentwood cannot support the same affordability and supply of inclusionary rental units as developments of 20 storeys or greater, but can support approximately 10% of total strata units at a slightly reduced affordability rate (CMHC median rents); and
- waiving DCCs on required inclusionary rental housing improves development returns, generally in the order of 0.6-0.8% based on the scenarios tested, which is not considered significant, but for marginally viable development sites may result in the project proceeding if DCCs are waived on inclusionary rental housing.

In light of the findings of the financial analysis, amendments to established rental rates and inclusionary percentages are considered necessary to continue to deliver inclusionary non-market housing options in line with Burnaby’s housing needs.

Notwithstanding the above, given the dynamic nature of development costs and revenues, as well as Burnaby’s evolving housing needs, it is recommended that additional ongoing analysis be undertaken concurrently with required updates to the Housing Needs Report to monitor and test the appropriateness of the inclusionary requirements, with adjustments as necessary brought forward for Council’s consideration.

3.5.2 Stakeholder Feedback and Consultation

Legislation requires that during the development of an affordable and special needs housing bylaw, the municipality must provide one or more opportunities it considers appropriate for consultation with persons and organizations that the municipality considers will be affected by the bylaw. The amendments to Stream 2 and 3 of the Rental Use Zoning Policy as outlined in this report are informed and shaped by a wide range of analysis, research, and feedback, including, but not limited to community input gathered through Community Plan and OCP consultation efforts, Burnaby Community Assembly input on Livable and Resilient Neighbourhoods, input from the development community through the Urban Development Institute, lessons learned from applying the Rental Use Zoning Policy over the preceding 4 years, and updated analysis on our 20

year Housing Needs. Should Council support the amendments, staff will further consult with the development industry, in addition to other affected parties, including senior government funding agencies and non-profit housing operators.

3.6 Proposed Amendments to Rental Use Zoning Policy

3.6.1 Stream 2 Amendments

Resulting from the findings of the analysis undertaken, it is proposed that Stream 2 inclusionary rental requirements be amended as follows:

Amendment #1 - Apply inclusionary rental requirements only to new residential strata development.

The proposed approach aligns with Provincial recommendations for inclusionary housing policy, as well as recent recommendations from the Regional Planning Advisory Committee (RPAC) Housing Subcommittee of Metro Vancouver on Inclusionary Housing policy, which recommends that purpose built rental housing be excluded from inclusionary requirements, based on financial viability grounds, noting that rental developments have much longer return on investment horizons, with the same or comparable upfront development and financing costs to strata development.

Other non-strata tenures that add to the City’s housing needs, such as co-op housing, would not be included in the inclusionary requirement for strata condo development. Exempting rental projects from the requirement to provide inclusionary rental units would likely encourage the supply of rental housing, helping to ease rent increases due to low vacancy rates. This approach is also necessary in order to provide a viable development path for many housing projects in those areas of the city with comparatively low unit sale values, which would otherwise be financially unviable or marginally viable if providing inclusionary housing were required. It is noted that in some cases, rental housing may be secured as part of a strata development. In those cases, the applicant would be required to enter into a housing agreement and related legal agreements with the City to ensure the units remain under rental tenure for a specified term.

Amendment #2 – Apply inclusionary rental requirements only in the R5, R6, R7, R8, and R9 Districts.

The analysis showed that the scale of inclusionary housing produced by low density developments (6 storeys and below) is typically not delivered at an economic scale for non-profit management. This recommendation is also supported by analysis undertaken by the Regional Planning Advisory Committee (RPAC) Housing Subcommittee of Metro Vancouver on Inclusionary Housing policy.

Amendment #3 – Apply inclusionary rental requirements city-wide with a delayed effective date for the Southeast Burnaby CMHC rental zone.

The financial analysis highlighted the challenges of providing inclusionary rental requirements in the Southeast Burnaby CMHC rental zone, which includes the Edmonds Town Centre and the surrounding area, due to the comparatively low

development revenue and the same or similar development costs to elsewhere in the City. The analysis explored the impacts of increasing the density of developments in the Edmonds Town Centre area to try and improve revenues. However, the results showed that at current values, additional density is not able to offset the costs of providing the non-market housing, and that the equity needed to pursue large developments became prohibitive. As such, it is recommended that inclusionary rental requirements apply city-wide, with a delayed effective date for the Southeast Burnaby CMHC rental zone (the “SE Burnaby CMHC Zone”), until such time that inclusionary rental requirements become financially viable. To monitor changes in financial viability, an analysis would be undertaken annually to reassess the effective date for the inclusionary rental requirements in the SE Burnaby CMHC Zone, with the possibility of introducing a requirement for a reduced percentage of required inclusionary units in the SE Burnaby CMHC Zone if shown to be financially viable. It is noted that some applications in the SE Burnaby CMHC Zone may still opt to voluntarily pursue some level of affordability in the intervening period to be eligible for special financing programs such as those offered through CMHC. It is also anticipated that given the significant land holdings in the SE Burnaby Zone by the provincial government and various non-profit and institutional housing organizations, a considerable number of non-market housing units would also be delivered outside of an inclusionary zoning bylaw, which is one of many mechanisms for securing more affordable housing.

In the intervening period prior to the inclusionary rental requirements in the SE Burnaby CMHC Zone coming into force, it is proposed that 10% of all units in developments zoned R5 through R9 in the SE Burnaby CMHC Zone, be required to be market rental. Following the effective date of the inclusionary rental requirements in the SE Burnaby CMHC Zone, the requirement for 10% market rental would be replaced by the inclusionary requirements outlined in amendment #4, for all applications that are not in-stream. Where an inclusionary rate lower than 10% becomes financially viable and is adopted, the 10% market rental requirement would decrease commensurately, resulting in 10% of units comprising a mix of market and non-market rents.

Notwithstanding the above, the inclusionary rental requirements do not apply to developments that qualify for an exemption under legislation.

Amendment #4 – Establish the inclusionary requirement at 10% of total units (excluding market rental) within an eligible development, with a range of rental rates for required inclusionary housing.

Legislation requires that inclusionary units, where required, be calculated as a proportion of housing units in a development, or as a percentage of the gross floor area of the residential component of a development. It has been Burnaby’s practice under the existing Rental Use Zoning Policy (RUZP) to calculate the non-market requirement as a portion of units. Specifically, applicants are currently required to provide the equivalent of 20% of the housing units provided within the base and bonus RM density, as non-market rental units, excluding density offset and RMr density. When accounting for density offset and RMr density, the percentage of non-market rental units actually achieved is typically between 11-15% of total units within a residential development.

However, it should be noted that this has only been observed in those areas of the city where developments that are subject to the RUZP requirements have proceeded, with other areas, such as Edmonds, having yet to see the completion of any inclusionary units.

Based on the financial viability analysis, and the desire to balance the supply of rental units, with a diversity of rent rates, it is proposed that new eligible residential developments provide 10% of all housing units (excluding market rental), as non-market rental. Calculating inclusionary requirements as a percentage of housing units in a development continues Burnaby’s current practice and is generally considered the most transparent and easily understood method by the public when communicating non-market requirements.

The proposed inclusionary rate for eligible developments results in a modest reduction compared to the current policy, largely due to the impacts of lower development revenues in the current higher interest rate environment, new amenity and development cost charges, and relatively higher construction costs compared with when the current policy was adopted. The financial analysis shows that the percentage of inclusionary rental units could be increased, but only if the affordability of the units is reduced commensurately. In determining the proposed percentage and rent rates, based on Burnaby’s housing needs and other guiding policies such as the HOME Strategy, it is recommended that the City require a portion of units with deeper levels of affordability, with a diversity of rent levels to serve a broader cross section of the population. Specifically, maintaining a proportion (half) of the required inclusionary units at 20% below CMHC median rates, and requiring a proportion (half) at CMHC median rent levels. An analysis of inclusionary requirements in neighbouring municipalities also informed the proposals, to ensure that Burnaby remains competitive in the marketplace and continues to attract investment and new housing starts to help meet Burnaby’s housing needs.

The proposed rental rates are outlined below in Table 2.

Table 2 – Inclusionary rental requirements and rates for eligible developments

Zoning District		Stream 2 Inclusionary Requirement	Duration of Requirement
R2 – Townhouse	Inclusionary rental not required	NA	
R3 – Low-Rise Residential			
R4 – Low-Rise Residential			
R5 – Mid-Rise Residential	Equivalent of 10% of all residential dwelling units (excluding market rental) to be provided at CMHC median rents	For the life of the development, or 99 years, whichever is greater	
R6 – Mid-Rise Residential	Equivalent of 5% of all residential dwelling units (excluding market rental) to be provided at 20% below CMHC median rents, and 5% at CMHC median rents		
R7 – High-Rise Residential			
R8 – High-Rise Residential			
R9 – High-Rise Residential			

Many non-market housing operators may seek external funding to operate the required non-market rental units outlined in Table 2. Most funding programs have a variety of conditions (e.g. prescribed rental rates and income eligibility criteria), which may not always align with the City’s standard affordability requirements. As such, in cases where external funding is being pursued by a non-profit organization to operate the required inclusionary rental units, it is proposed that rent averaging be considered to help meet the requirements of external funding programs. Rent averaging would permit a portion of the required inclusionary rental units to be rented at rates higher than the standard bylaw requirement as outlined in Table 2, provided that the average rents of the required inclusionary units meet or exceed the bylaw affordability requirements. In addition, it is proposed that Council may also consider on a case-by-case basis, variances to both the rental rates and the percentage of inclusionary units where an inclusionary proposal helps address unmet needs in Burnaby’s housing supply and is shown to have a financial contribution comparable to the standard inclusionary requirement. Required inclusionary rental units will continue to be secured through a housing agreement.

Of note in Table 2, is the tailored inclusionary requirements for the R5, 12-storey Mid-Rise Residential District, which is the transition district between the lower density exempt districts, and the deeper levels of affordability in the R6 through R9 Districts. The financial analysis showed that building forms and densities facilitated under the R5 District would generally not support affordability levels in line with the R6 District and above, and therefore applying the same inclusionary requirements would likely deter this form and scale of development. As such, it is proposed that all the required inclusionary units in the R5 District be at CMHC median rents.

It is also important to highlight that while the percentage of required inclusionary rental units is marginally lower than the current policy, the height-based development framework has the potential to improve land utilization and facilitate more units on a site than the current FAR based framework, resulting in the potential for the same or a greater total number of non-market units being provided with each applicable development.

For reference, Table 3 below illustrates the starting rents for 1 bed inclusionary units, based on the most recent 2023 October CMHC rental report. It is noted that the proposed rents typically represent a discount from CMHC average rents, and a significant discount from market rents in these zones.

Table 3: Example 1 Bed Unit Rents for Required Inclusionary Units

	2023 CMHC Median Rent	2023 20% below CMHC Median Rents
Central Park/Metrotown	\$1,326	\$1,060.80
North Burnaby	\$1,600	\$1,280
Southeast Burnaby	\$1,377	\$1,101.60

Source: CMHC Rental Report October 2023

For comparison, based on recent analysis in these zones, median rents can typically represent approximately a 40% discount on market rents, with the deeper affordability levels at 20% below CMHC median in many cases representing approximately 60% below current market rents. The proposed rental rates and required percentage of inclusionary rental are considered sufficient to meet Burnaby’s basic needs for affordable housing options.

As previously noted, development costs and revenues are highly dynamic and sensitive to macro-economic changes and shifts in the economy. To help offset the significant financial costs of inclusionary housing, the City has previously provided a density offset. At the time the offset was introduced, it was calibrated to offset the costs of the associated required inclusionary housing. However, with financial conditions for development declining over the past few years, the existing offset no longer adequately covers the financial impact of inclusionary requirements for many sites, especially those providing inclusionary housing in non-wood frame buildings. Under the proposed height-based development framework, no explicit density offset would be specified, however, sufficient density is available within the proposed heights to meet the necessary financial viability required under legislation. The height-based development framework is inherently more flexible and resilient to changing market conditions. Without explicit height offset provided for inclusionary units, it is recognized that land values may also need to adjust to help absorb significant changes in development costs and revenues, where an applicant is unable to recover costs through additional density within the height allotment. The financial analysis indicated that land values are unlikely to adjust significantly in the short term to account for added costs or fluctuations associated with inclusionary requirements, and as such the financial impacts would be borne by the developer, unless funded by other levels of government or non-profit housing

organizations. Therefore, to ensure development remains viable in a dynamic economy, and continues to deliver the housing Burnaby needs, rental rates will need to be monitored and may require amendments over time.

Amendment #5 – Permit inclusionary rental obligation transfer within the same CMHC rental zone as the generating site, and between CMHC rental zones with Council approval.

Permitting the inclusionary rental obligation to be provided on a recipient site different to the generating site has a number of benefits to both applicants and non-profit housing organizations, and also in responding dynamically to the City’s affordable housing needs. The flexibility to locate inclusionary rental units has the potential to simplify the approvals process and financing requirements for applicants, and to create optimally sized non-market developments that are manageable for non-profit housing organizations. For those sites that are marginal from a development financing perspective, the added flexibility of the location of the non-market housing may also contribute to the project’s viability, and whether the project proceeds. Providing flexibility within the same CHMC rental zone, ensures the rental rates are the same for tenants between the generating site and recipient site, and that the units are delivered within a relatively proximate region of the City. The flexibility to transfer the obligation between CMHC zones with Council approval, creates an opportunity for staff to work with applicants when desirable, to encourage the delivery of non-market housing in areas of the City with the greatest need, where land values and development revenues are comparatively lower, resulting in fewer housing starts and a shortage of affordable housing options.

As is currently required, it is proposed that the inclusionary rental obligation be delivered either prior to or concurrently with the market development on the generating site.

Amendment #6 – Consider payment in lieu of inclusionary rental at a future date, subject to further analysis.

Legislation provides opportunities for municipalities to consider payment in lieu of affordable and special needs housing. Where permitted by the municipality, the developer would have the option to forgo providing the inclusionary rental units onsite, in return for a financial contribution equal to the estimated capital costs that the developer would otherwise incur to meet the conditions of the inclusionary rental requirement. The revenue and interest collected could then be used by the municipality to deliver non-market housing in areas with the most need. It is recommended that further analysis be undertaken to understand the potential opportunities, costs and locations for City initiated or sponsored non-market housing projects prior to permitting payment in lieu of inclusionary housing.

Amendment #7 – Inclusionary rental requirements do not apply to sites with rental replacement requirements.

Current policy requires that sites involving the redevelopment of purpose-built rental housing, provide the greater of 1:1 replacement of all existing rental units on site, or 20% of the total market unit count (excluding units provided through offset density or

RMr density), as inclusionary rental units. It is recommended that rental replacement requirements be decoupled from inclusionary requirements until such time as further review and financial analysis of tenant protections and rental replacement is undertaken to assess the financial viability of requiring additional inclusionary rental on sites with rental replacement. Based on preliminary analysis of Burnaby’s current replacement rental policy, it is estimated that sites redeveloping existing rental stock typically require a minimum of 5 to 6 times the amount of density that currently exists on the site, to make the proforma work. Such a density increase is not contemplated nor appropriate for all sites with existing rental housing. A comprehensive review of tenant protections and rental replacement requirements will be undertaken as part of the introduction of a new Tenant Protection Bylaw. At that time, further financial analysis will be undertaken to understand the impacts of the recommended tenant assistance package on developments and further recommendations will be advanced for Council consideration regarding whether inclusionary requirements will also apply to sites with rental replacement obligations.

Amendment #8 – Consider height relaxations where voluntary non-market rental is proposed.

The current Rental Use Zoning framework provides incentives for voluntary rental supply through the provision of additional RMr density with the stipulation that for every market rental unit proposed, an additional rental unit must be provided with rents pegged to CMHC market median rent rates. The provision was rarely utilized due to the marginal financial benefit on a development proforma. With the proposed amendments, the units provided through the previous voluntary rental program, RMr density, would be largely captured through the proposed inclusionary requirements for CMHC market median units. To continue to incentivize additional non-market housing opportunities, it is proposed that height relaxations, where appropriate, be considered to help offset the additional development costs of voluntary non-market housing.

3.6.2 Stream 3 Amendments

Stream 3 of the Rental Use Zoning Policy provides incentives for market rental supply through permitting up to 49% of commercial density to be utilized for rental housing. It is now proposed that all rental housing be excluded from inclusionary requirements, and under the height-based development framework, the applicant would have greater ability to determine the tenure and use composition of the overall development. As such, the commercial rental incentive would no longer be relevant or applicable. The commercial rental incentive did have the added benefit of also incentivizing commercial development, and to ensure this incentive is not removed, it is proposed that height relaxations be considered in certain mid- to high-rise residential districts where voluntary commercial is proposed.

As part of the broader Zoning Bylaw Rewrite project, further amendments may be considered to encourage additional market rental opportunities, for example as part of a mixed-use development on employment lands within 200m of SkyTrain stations, which would utilize similar provisions to the stream 3 Commercial Rental.

3.7 Community Benefit Bonusing Policy

The Community Benefit Bonus (CBB) Policy was established in 1997 and enables the City to obtain community benefits in exchange for additional residential density, as defined by the Burnaby Zoning Bylaw and governed by the *Local Government Act*. Community Benefit Bonusing, commonly referred to as density bonusing, is a voluntary program whereby developers seek and obtain approval for additional density at the time of rezoning in exchange for providing an in-kind amenity or a cash-in-lieu contribution to the City. Since the CBB Program was introduced, it has enabled the City to obtain community benefits relating to parks, civic and cultural facilities, non-profit office space, affordable housing, and childcare facilities. With the proposed transition to a height-based development framework, introduction of ACCs and DCCs and amendments to the *Local Government Act and Community Charter* introduced by Bills 16 and 46, adjustments are required to the existing CBB Policy.

In addition to the key objectives identified for the height-based development framework, the guiding objectives for the proposed amendments to the CBB Policy are as follows:

- increase transparency regarding the process of obtaining and funding community amenities;
- align with Provincial enabling legislation;
- align with Council direction regarding Amenity Cost Charges (ACCs); and
- maintain opportunities for affordable housing and community amenities that are not captured through the new ACC program.

As referenced above, the *Local Government Act* has been amended to expand the options and conditions related to density benefits. In accordance with the legislation, where a municipality permits density benefits by bylaw, the local government must undertake financial feasibility and consultation to ensure that bonus density is achievable and calibrated to local conditions. Local governments may also only permit bonus density opportunities above the minimum allowable densities in transit-oriented areas and must ensure that density benefits are consistent with any inclusionary zoning requirements. Community Benefit Bonusing is one tool that is available to the City to help finance and develop public amenities.

As noted, with the introduction of ACCs, the City has made a fundamental shift regarding how community amenities are financed. ACCs are a one-time fee levied on all new development that is intended to help offset the cost of building community amenities related to growth. On June 24, 2024, Council gave final adoption to a new ACC bylaw outlining the types of amenities that this charge is intended to finance. In alignment with Provincial legislation, ACCs cannot be used to fund affordable or special needs housing and density bonus may not be collected for an amenity for which an ACC is already being collected.

Amendments to the Zoning Bylaw are required to align the Community Benefit Bonusing Policy with the height-based development framework and recent changes in Provincial Legislation.

3.7.1 Community Benefit Bonusing Bylaw Amendments

Density bonusing opportunities are identified for the high-rise residential districts, which are typically located in the four existing Town Centres: Brentwood, Edmonds, Lougheed, and Metrotown. Bonus opportunities may also be supported through discretionary approval in the Low- and Mid- Rise Residential Districts. The proposed bonusing structure is outlined in Table 4 below.

Table 4 – Community Benefit Bonusing

Zoning District	Permitted Height	Community Benefit Bonusing Height
R3 – Low-Rise Residential	4-storeys	Subject to discretionary approval
R4 – Low-Rise Residential	6-storeys, or 8-storeys if located within proximity of a SkyTrain Station	Subject to discretionary approval
R5 – Mid-Rise Residential	12-storeys	Subject to discretionary approval
R6 – Mid-Rise Residential	20-storeys	Subject to discretionary approval
R7 – High-Rise Residential	30-storeys	Permitted
R8 – High-Rise Residential	40-storeys	Permitted
R9 – High-Rise Residential	50-storeys	Permitted

Through the CBB program, additional storeys may be permitted in exchange for an on-site amenity or a cash-in-lieu contribution of equivalent value. Where height variances, height transfers, or height averaging is pursued, as outlined in Section 3.1.1 and 3.1.2 of this report, density bonus can be an additional tool for further height relaxations in exchange for amenities.

In no case may additional storeys pursued through height variances, height transfers, height averaging, or CBB combined, exceed the height of the next most permissive residential zoning district. Should there be a desire to permit increased heights, an OCP amendment would be required to change the designation.

At this time, the anticipated amendments address which districts permit density bonus opportunities, and the maximum number of storeys permitted through bonusing. A future report on density bonus amendments will be advanced to Council to provide greater detail on the types of amenities to be considered through the density bonus program, the methodology for determining bonused height in exchange for amenities, and the financial viability of the proposed program.

3.7.2 Future Considerations

A Community and Social Infrastructure Needs Assessment is currently being prepared for the City, which will be followed by the development of an implementation strategy aimed at identifying all the types of amenities and infrastructure needed to support the community. Once the needed types of amenities and infrastructure are identified, staff will bring forward recommendations for which amenities should be considered through the Community Benefit Bonusing program. Where amenities are identified under the CBB program, the scale and value of the amenity would be correlated to the number of additional storeys granted, with consideration for the impact of additional height on the surrounding context.

3.8 Transition for In-Stream Applications

The following approach is proposed for the management of development applications during the transition to the new height-based development framework and anticipated introduction and adoption of forthcoming Zoning Bylaw amendments:

- applications received following the introduction of the new height-based framework to Council, and prior to adoption of the new zoning regulations, will be permitted to pursue CD rezoning as outlined in Section 3.4.5 of this report.
- applications received following adoption of new zoning regulations will be required to meet the new regulations in their entirety.
- complete rezoning applications with fees paid at the time of adoption of the new zoning regulations will have until a prescribed date to reach 1st Reading. The prescribed date will provide a period of approximately six months following adoption of the new zoning regulations where the file manager will work with the applicant to determine the feasibility of reaching 1st Reading.
- active applications that have received 1st Reading by Council at the time of adoption of the new zoning regulations may continue to be processed under the previously established zoning regulations, provided they are able to achieve final approval within a period of 12 months from the prescribed date.
- active applications that do not receive 1st Reading by the prescribed date will be required to meet the new zoning regulations in their entirety.
- applicants with an active application that wish to be subject to the new height-based zoning regulations will be required to abandon their existing application and submit a new application.

Transitioning approved master plans into the height-based development framework is also proposed to ensure consistency in the processing of future phases of development and application of contemporary zoning provisions. Master plans are inherently a form-based planning process, with density permitted to shift across the site to create a variety of forms and building heights. To achieve this, unlike regular rezonings, master plans generally undergo a guideline rezoning to establish land uses, general form and public realm, density, subdivision, and servicing requirements, with subsequent site-specific rezoning's advanced for each phase of development to establish the detailed design. Density allocation covenants are typically established as part of a master plan to assign the permitted FAR across the site. Due to the scale of many master plans, they are

phased over multiple years and in some cases decades. To avoid the need to carry across historical zoning provisions into the new zoning bylaw, it is recommended that each master plan be transitioned into the height-based development framework as follows:

- for adopted master planned sites with existing density allocation covenants and where future site-specific rezoning applications are required, the density allocation covenant would be discharged with the next applicable new rezoning application that is submitted. Active site-specific rezoning applications within master planned sites will have the option to be processed as in-stream site specific applications based on density allocation covenants and currently proposed zoning districts. The permitted building heights would remain consistent with those set out in the master plan program unless otherwise approved by Council as part of a comprehensive update to the master plan. Opportunities for height variances specific to approved master plans would be detailed in the Zoning Bylaw to facilitate approved building heights.
- future site-specific rezoning applications would fall under the height-based framework, and would comply with updated inclusionary requirements, and be subject to applicable amenity and development cost charges.
- for those applications that deferred density bonus obligations, rental use obligations, or other land use commitments to benefit the community to later phases that are yet to be approved through a site-specific rezoning, staff would work with applicants to make up for the value or carry that obligation forward, including the potential to secure on-site amenities as part of an updated approach to density bonus or have rental use zoning requirements beyond the minimum prescribed in this report.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Communications and engagement work on the proposed height-based development framework and related policies are being advanced in concert with the Burnaby 2050 OCP and Zoning Bylaw Rewrite processes. Recent and upcoming initiatives include:

- three Burnaby 2050 OCP open houses that presented proposed policy directions in alignment with the proposed height framework in May and June 2024;
- four open houses for the Edmonds, Royal Oak, and Cascade Heights community plans that presented proposed policy directions in alignment with the proposed height framework in May and June 2024;
- Zoning Bylaw Rewrite project staff participation and communication materials presented at the aforementioned open house events in May and June 2024;
- Zoning Bylaw Rewrite project webpage, housing eNewsletter, and media release updates in May through July 2024;
- forthcoming Burnaby 2050 OCP land use public engagement initiatives that will present proposed land use mapping in alignment with the proposed height framework scheduled for fall 2024; and

- staff to meet and receive input from industry representatives of UDI, NAIOP, and HAVAN on draft zoning amendments in late summer/fall 2024.

If Council support the height-based framework and proposed amendments to the inclusionary rental policy and community benefit bonusing policy, then staff will bring forward a Council report at a future date seeking approval of the specific amendments to the Zoning Bylaw required to implement the proposed changes, which will also provide an update on further communication and engagement initiatives, including implementation resources for staff and applicants.

5.0 FINANCIAL CONSIDERATIONS

Financial impacts to the City resulting from the changes are anticipated. City staff have begun to identify resulting financial opportunities and challenges and are reviewing the current reserve funds. As outlined in the Council report titled “Development Funding Program (DFP) - Final Development Cost Charges and Amenity Cost Charges”, dated March 12, 2024, staff are implementing the new Development Cost Charges and Amenity Cost Charges framework to support growth-related costs over the next 25 years, and the implementing bylaws were given final adoption on June 24, 2024.

Respectfully submitted,

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