

TO: MAYOR & COUNCILLORS
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT
SUBJECT: **PROPOSED AMENDMENTS TO COMMUNITY BENEFIT BONUS POLICY**
PURPOSE: To seek Council endorsement of an updated framework for the Community Benefit Bonus Policy as the basis for related amendments to the Zoning Bylaw consistent with recent changes to the *Local Government Act*.

RECOMMENDATION

THAT an updated framework for the Community Benefit Bonus Policy as a basis for advancing related bylaw amendments, as outlined in the report titled “Proposed Amendments to Community Benefit Bonus Policy”, dated March 11, 2025, be endorsed.

EXECUTIVE SUMMARY

This report introduces the proposed Community Benefit Bonus (CBB) policy and bylaw approach being advanced through the Zoning Bylaw Rewrite project and the Official Community Plan (OCP) update. The proposed amendments would bring the current CBB policy, commonly referred to as density bonusing, into alignment with recent Provincial legislation changes.

The existing CBB policy was first adopted by Council in 1997 to allow for the provision of additional density where extraordinary amenities, and/or affordable and special needs housing were provided. Over the years, amendments to the policy transitioned the intent of procuring on-site amenities, and affordable and special needs housing, to a focus on payment-in-lieu.

Recent amendments to the *Local Government Act* introduced requirements for municipalities opting to utilize bonus benefits (e.g. CBB program) through Bill 16. The proposed CBB policy approach outlined in this report maintains elements of the original CBB policy while also aligning with the updated Provincial legislation, the proposed height-based development framework, and the City’s Development Approvals Process (DAP) goals of simplifying procedures and development requirements.

1.0 POLICY SECTION

The proposed Community Benefit Bonus (CBB) approach is authorized and regulated through the *Local Government Act* (LGA), and aligns with the following City policies, including:

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

2.0 BACKGROUND

2.1 History of Community Benefit Bonus (CBB) Policy in Burnaby

In 1997, Council adopted the first CBB Policy. The original policy provided for onsite amenities and affordable and special needs housing, also referred to as “community benefits”, where additional market residential density was provided. In 2008 the policy was amended to provide an option for payment-in-lieu (PIL) of the provision of onsite community benefits. In 2014, the policy was further amended to specify the geographies where the amenities could be provided, and to prioritize PIL. Amendments were made in 2020 and 2023 to further refine the administration and use of CBB funds toward specific City needs.

1997 – Original CBB Policy – In-kind Amenity Program

Phase 1 of the CBB policy identified a bonus program whereby additional Floor Area Ratio (FAR), and resultant Gross Floor Area (GFA) were available within the four Town Centres, where the value of a community benefit was determined to be equivalent to the per square foot buildable value of land. The Zoning Bylaw was updated to include bonus provisions in the RM1 – RM5 Districts, and a new Section 6.22 Density Bonus was created which outlined the community benefits eligible for consideration.

To determine the onsite community benefit, a report to Council outlining the proposed community benefit, the value of the bonus per square foot buildable equivalent to the current land value, and the resultant size of the onsite community benefit based on the estimated construction cost was advanced. If approved, prior to Final Adoption, provisions would be made to secure the amenity for future City ownership and/or operation.

2008 – Amended Policy– PIL of Community Benefits (Amenities and Affordable Housing)

In 2008, Council approved Phase 2 of the CBB policy which permitted PIL of the provision of the onsite community benefit (amenity or affordable or special needs housing) where the total value of the community benefit contribution was less than

\$800,000. The money received through PIL was allocated to separate non-statutory reserve accounts, with 80% being allocated to separate Town Centre amenity accounts, and 20% being allocated to a City-wide affordable housing sub-account.

Benefits Achieved Through the CBB Program

Between 1997 to 2014, the following community benefits were achieved:

- 3 group childcare centres (146 childcare spaces);
- 19 affordable and/or special needs housing units;
- 3 housing fund grants to support affordable and/or special needs housing;
- 7 park enhancements;
- 4 civic facility enhancements and/or construction;
- 4 non-profit office/program spaces; and
- numerous environmental and urban design improvements.

In 2014, Council adopted further amendments to allow PIL funds to be used on community benefits located within the quadrant where the Town Centre is located and within the City Hall Administrative Area and Burnaby Lake Sports Complex area. Priority was given to the PIL program rather than the provision of onsite community benefits with the intent of enabling the City to collect contributions for larger priority amenities that were accessible to a greater number of residents. Priority projects included Brentwood and Cameron Community Centres, Edmonds Arena, Metrotown Event Centre and Burnaby Lake Aquatic Arena. Between 2014 and 2020 no on-site amenities were approved.

In 2020 an amendment to replace the quadrant-based spending requirement with a City-wide reserve was adopted by Council. The allocation of 80% of PIL contributions toward amenities, and 20% toward housing was retained, and the PIL priority was re-emphasized with a list of priority capital projects that aligned with the City's 5 Year Capital Plan.

The most recent update, in 2023, supported utilizing PIL funds for projects that provided incremental benefits to residents (e.g. net new projects or replacement projects) and expanded eligible benefits to include public safety facilities, active transportation infrastructure, composting and organic processing facilities, public electric vehicle charging stations and extreme weather shelters.

2.2 OCP Land Use Framework

The new Burnaby 2050 OCP proposes parcel-based land use designations, a height-based development framework and a number of Development Permit Areas , including those to inform the form and character of development. The CBB policy and the amenities that may be procured through this policy support the creation of complete communities as envisioned by the Draft OCP.

2.3 Zoning Bylaw Rewrite Project

In late 2023, the City initiated the Zoning Bylaw Rewrite project, which involves a comprehensive review and update of the 1965 Zoning Bylaw. On June 10, 2024, Council adopted Phase 1 of the project to implement new Provincial housing legislation which created the Small-Scale Multi-Unit Housing (SSMUH) District. Phase 2, advancing to Council in Spring of 2025, introduces the R2-R9 residential height based districts and CM1 and CM2 commercial zoning districts. Along with the introduction of these districts, updates to the Inclusionary Rental Policy and CBB Policy are necessary. Phase 3 will include the remainder of the Zoning Bylaw review, which is anticipated to be completed later in 2025.

The Zoning Bylaw Rewrite project transitions the current density-based development framework which relies upon Floor Area Ratio (FAR), to a height-based framework (HBF). While the HBF offers many benefits including ease of review, transparency for the community and control of building height, it requires amendment to the calculation of CBB contributions, which to-date, have been predicated upon FAR.

3.0 GENERAL INFORMATION

3.1 Community Benefit Bonus Approach

The proposed HBF identifies height bonuses, primarily within the R7– R9 High-Rise districts, which are typically located in Town Centres and Rapid Transit Urban Villages (a new land use typology identified in the Draft OCP land use framework). Bonus opportunities may also be supported through discretionary approval in the Low- and Mid-Rise Residential Districts (R3 – R6) throughout the City. The proposed bonusing structure is outlined in **Table 1** below.

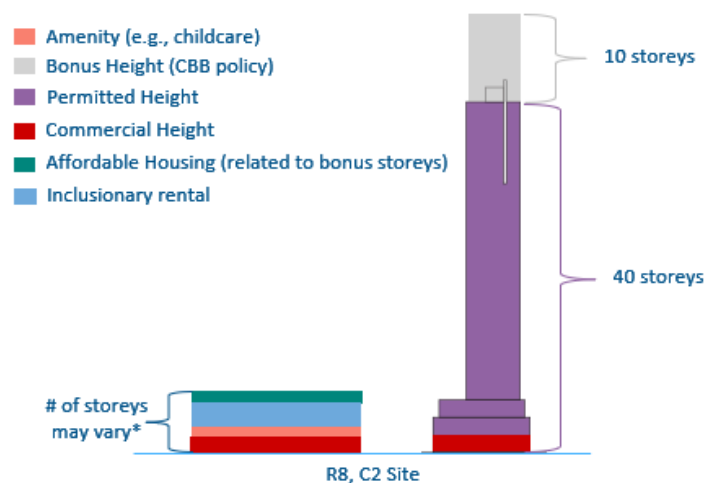
Table 1 – Community Benefit Bonus Permitted Heights

Zoning District		Permitted Height	Community Benefit Bonus Height
	R3 – Low-Rise Residential	4-storeys	Subject to discretionary approval
	R4 – Low-Rise Residential	6-storeys, or 8-storeys if located in 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 up to 10 storeys
	R8 – High-Rise Residential	40-storeys	Permitted up to 10 storeys
	R9 – High-Rise Residential	50-storeys	Permitted – unlimited storeys

Under the proposed CBB policy update, additional bonus storeys may be permitted in exchange for an onsite community benefit or a PIL. A **community benefit is defined in this report as an amenity or affordable housing, which includes special needs housing** (see Section 3.4 for more detail). Where a community benefit is provided, the City would take ownership of, or where appropriate a statutory right-of-way over, that asset, whether it is an amenity or affordable housing.

Figure 1 below illustrates a hypothetical R8, C2 designated site. In this example, of the permitted 40 storey residential height, 2 storeys are required commercial which results in 38 storeys of permitted residential height. Another 10 storeys of residential would be available through the proposed CBB policy.

Where the site area permits and PIL is not pursued, the community benefit in relation to the bonus height, in this case childcare and affordable housing, could be provided in a podium or separate building, as shown in **Figure 1**. Additional commercial and inclusionary rental requirements may also be satisfied within the same podium or separate building. Should the site not be able to accommodate a separate building or podium, the community benefit would need to be accommodated within the tower footprint. In this circumstance, PIL may be attractive for the applicant, as the amenity and affordable housing requirements would not reduce market residential storeys.



* The size of the community benefit would vary depending on details such as the amount of bonus height pursued.

Figure 1: Sample Illustration of Maximum Permitted Heights on a Mixed-use Site Utilizing CBB providing an onsite amenity as the community benefit

In the R7 and R8 Districts, it is proposed that under the HBF additional storeys pursued through height variances, height transfers, height averaging, the CBB policy, or a combination of, may not exceed the height of the next most permissive residential zoning district (see **Figure 2**). For example, the maximum permissible height for an R7 building would be 30 storeys, with up to an additional 10 storeys of bonus height, for a total maximum height of 40 storeys. For an R8 building, the maximum permissible height would be 40 storeys, with up to an additional 10 storeys of bonus height, for a total maximum height of 50 storeys. Should there be a desire to permit increased

heights beyond the next most permissive residential zoning district, an OCP and a Zoning Bylaw amendment would be required to change the land use designation. The R9 District has a maximum permissible height of 50 storeys, but has no height limitation for the bonus portion. It is noted however, that the additional height achieved would be commensurate with the community benefit provision. For example, if the applicant were seeking 20 additional storeys of CBB height, then community benefit would need to be double the size of what it would be if they were only building an additional 10 storeys.

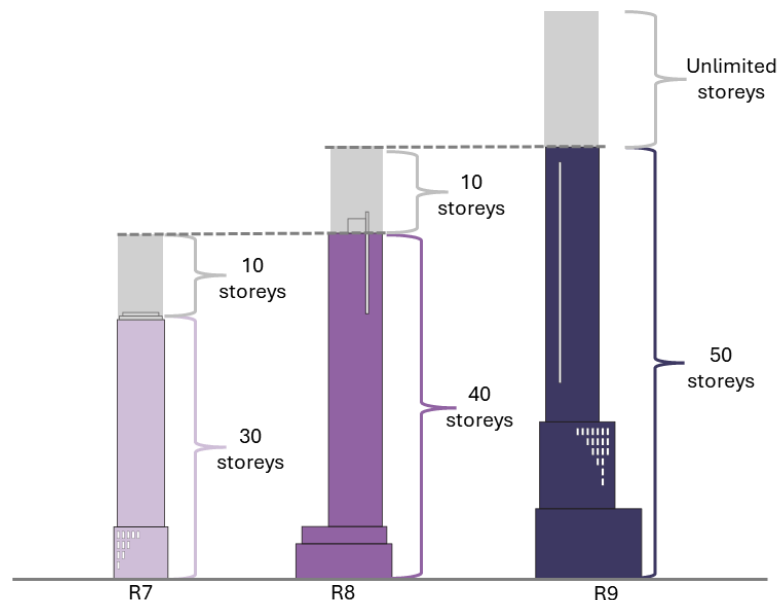


Figure 2: R7 – R9 Permitted Heights, Including Bonus Height

3.2 Addressing Legislative Changes and Requirements

On November 30, 2023, the Province approved changes to the *Local Government Act* (LGA), including Bill 46 *Housing Statutes (Development Financing) Amendment Act* that introduced the new Amenity Cost Charge (ACC) funding mechanism. ACCs can be applied to new development to pay for the portion of amenities attributed to growth. Amenities included in an ACC program cannot also be advanced as a CBB project.

On April 25, 2024, the Province approved further changes to the LGA through Bill 16, *Housing Statutes Amendment Act*. If municipalities opt to have a Density Benefit (DB) bylaw, existing Density Benefit bylaws (e.g. Zoning Bylaw Section 6.22 and CBB policy for Burnaby), are to be updated. The Province may prescribe a date that amendments are required by, that is on or after June 30, 2025, in accordance with the below conditions, and subject to further Provincial guidance.

➤ Consultation with those affected during the development of a DB bylaw;

Staff will solicit comments from the UDI Committee on the proposed CBB policy and bylaw approach. Feedback will be incorporated into a future bylaw report to Council.

- **Financial feasibility analysis when adopting or amending a DB bylaw, which considers such matters as the conditions of the local housing market, the cost of residential construction, the degree to which different factors affect feasibility, and the amount of density required to ensure feasibility;**

The City has retained a consultant to undertake a financial feasibility analysis in line with Provincial requirements. Findings will be incorporated into the future bylaw report.

- **Authority to include in a DB bylaw the option, exercisable by the applicant, to provide payment in-lieu of providing onsite community benefits and circumstances for accepting PIL;**

The CBB bylaw report will include the option, exercisable by the applicant, to provide PIL for onsite community benefits. Currently, there are no circumstances in which the City would prohibit PIL. However, onsite amenity delivery and PIL contributions should be monitored and this approach revised as necessary.

- **Protection for in-stream building permit and rezoning applications in accordance with Section 568 of the Local Government Act;**

Provincial guidance includes that amended DB bylaws will only apply to new development applications and will not apply to applications that are in-stream at the time of bylaw adoption. In-stream means a development application that has been received to the satisfaction of a local government and applicable fees have been paid.

- **Preparation of public annual reports on or before June 30 of each year that satisfy the requirements as written in the Local Government Act;**

As part of annual reporting requirements, the Finance Department would prepare the annual report in accordance with LGA requirements, with input from the Planning and Development Department, and Lands and Facilities Department on amenities planned and constructed.

- **Where the provision of affordable housing is being secured, the bylaw must include requirements that address the amount of affordable units, tenure, affordability, and length of time units need to meet bylaw conditions. The City may also include requirements related to the ownership and/or management of the units and unit sizes.**

Affordable or special needs housing is proposed to be secured through the provision of community benefits. The proposed Inclusionary Rental Requirements, appearing elsewhere on Council's agenda, in a report titled "Proposed Inclusionary Rental Requirements" requires a percentage of the strata units, 5% in eastern quadrants and 10% in western quadrants, to be non-market rental units. As inclusionary requirements apply to all strata units (except market rental), including those provided through bonus height, the CBB policy could contemplate either a 5% or a 10% affordable or special needs housing contribution. In order to secure a minimum number of affordable or

special needs housing units for effective operation, it is recommended that a 10% contribution of the total number of strata units within the bonus height, or equivalent PIL, be allocated towards affordable housing.

The CBB bylaw and report will also provide direction on:

- The types of affordable housing units required to satisfy the community benefit contribution are listed in Section 3.4 and would be subject to bylaw requirements for the life of the development, or 99 years, whichever is greater;
 - The affordable units may be owned by the City or the Burnaby Housing Authority, although they could be operated by a non-profit provider;
 - Unit types percentages and sizes are to be determined in accordance with Zoning Bylaw requirements, development permit area guidelines and/or housing policy where appropriate;
 - The provision of affordable or special needs housing units on a different site; and
 - The provision of PIL with the money allocated to a statutory reserve fund to be used to support the provision of affordable and special needs housing units.
- **Requirements to establish a statutory reserve fund for money received, with limitations on what the funds may be used for, with expenditures to be authorized by bylaw;**

The CBB bylaw report will include requirements with respect to establishing statutory reserve funds. It is anticipated that where PIL is provided, the money will be allocated into two separate statutory reserve funds in line with what would be required if an on-site amenity were to be provided; the cost to construct 10% of the bonus units would be allocated towards housing reserves and the remaining money will be allocated towards amenity reserves.

The funds, and interest on the funds, within the reserves can be used to fund future amenities and affordable or special needs housing units, as applicable to the reserve, on the list of identified amenities and affordable and special needs housing endorsed and approved by Council.

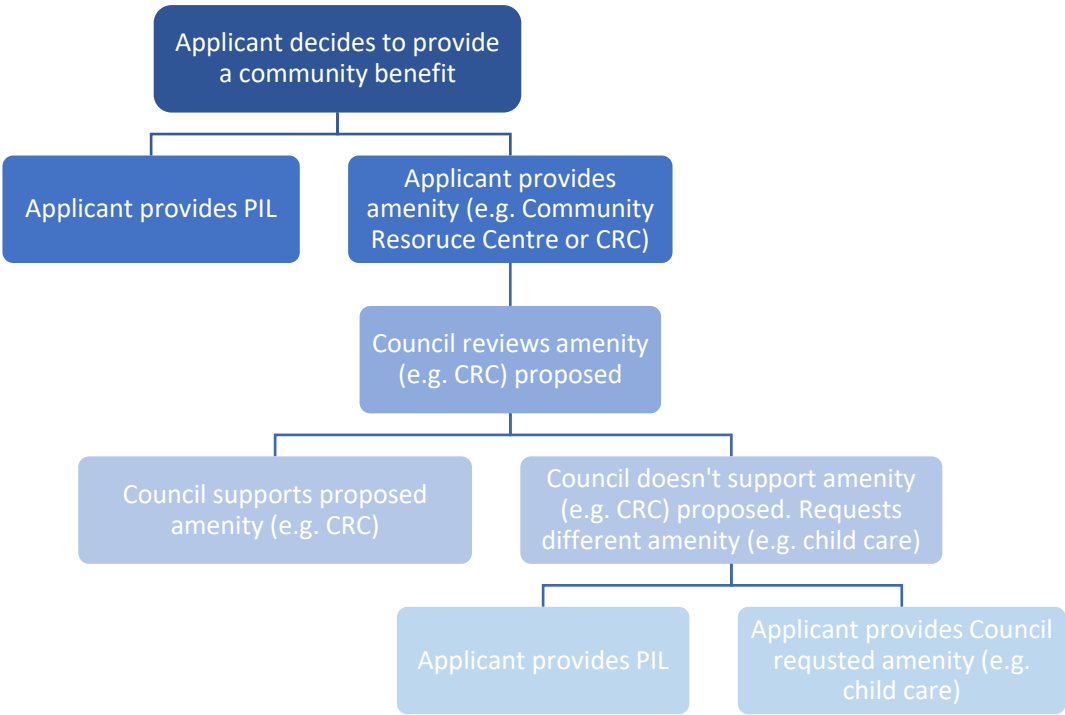
3.3 CBB Provision Options and Processes

An applicant would elect to take additional bonus floors at the time a rezoning is initiated, or at the time of Development Permit application where no rezoning is required. Through the design development phase the applicant would decide whether they wish to provide an on-site amenity and affordable housing or PIL. The decision to provide PIL or onsite amenities and affordable housing is that of the applicant and not the City.

If an applicant opts to provide an onsite amenity, staff and the applicant would review the list of amenities within the CBB bylaw, as well as amenity needs for the area. Once an amenity, its size and location have been identified, staff would seek Council approval of that amenity, at which time Council would endorse the proposal or request an alternative amenity in accordance with the CBB Bylaw. In turn, the applicant could

either accept the new amenity or provide PIL. The below illustrates the process of providing an amenity through a rezoning application. Provision of affordable housing would follow a similar process, except it would just result in either the provision of PIL or the provision of on-site affordable housing.

Figure 3: Process of providing an amenity through a rezoning application



PIL and onsite community benefit provision have different merits. If the developer provides PIL, the City can determine where and how to use the funds, based on community needs. The PIL option may provide the opportunity to pool funds towards more significant, potentially city-wide amenities and housing projects. Furthermore, funds paid to the City in-lieu of housing can assist with funding the City’s CBB Housing Grant program, as well as the Burnaby Housing Authority (BHA) in the delivery of housing projects. The City can use the funds to partner with other levels of government or non-profit organizations to leverage even more housing units. If the developer opts to build the community benefit onsite, it may be delivered sooner, more cost effectively and with fewer staff resources needed than projects delivered using PIL funds.

3.4 Potential Community Benefits Achievable Under CBB Program

The following list of community benefits proposed for the updated CBB program has been informed through reviewing the City’s amenity needs and in consultation with Parks, Recreation and Culture, Lands and Facilities, and Burnaby Public Library staff.

A condition of legislative changes is that the same community benefits cannot be provided through more than one financing tool, such as ACCs, inclusionary rental

requirements or CBB funds. For example, the Metrotown Library Expansion is included on the list of amenities in the ACC bylaw and therefore it cannot be provided as a CBB amenity. However, more generally, a library can still be procured through a CBB contribution.

Affordable Housing:

- Non-market Rental Housing, and Co-op housing, at affordability levels below that required under Inclusionary Rental requirements;
- Special Needs Housing and associated facilities, to serve populations with varying levels of mental and physical abilities; and
- Supportive Housing Facilities.

Amenities:

- Child Care Centres;
- Non Profit Office Space including Community Resource Centres and Neighbourhood Houses;
- Smaller Scale City Operated Civic Facilities including Libraries (other than the Metrotown Library expansion, which is included in the ACC program), Art Galleries, Recreation Facilities (other than Confederation Park Community Centre and Bonsor Recreation Complex Redevelopment, which are included in the ACC program), Youth Centres and Seniors Centres;
- Provision or Improvement of Public Open Space, Plaza and/or Park;
- Heritage Retention/Preservation; and
- Extraordinary Environmental Improvements.

Generally, where community benefits are provided by applicants, it is anticipated that items achieved onsite through the CBB approach will be City owned facilities of a scale and nature that serves a neighbourhood need, rather than larger civic facilities that serve the entire City and can be achieved through ACCs and Development Cost Charges (DCCs).

Where PIL is provided and the City delivers the community benefit elsewhere, the scale and nature of the amenity provided elsewhere by the City should be aligned with the same expectations as if the developer had provided the amenity onsite. Staff would recommend utilizing the collected funds to deliver community benefits on City-owned sites or to seek partnerships with other development projects and/or levels of government. The City will continue to deliver amenities in a manner that optimizes land efficiency and in future may consider more opportunities for co-location, or the location of more than one compatible use on the same parcel of land.

Staff are working to advance an Amenity Strategy to Council, which identifies and prioritizes amenities needed to support communities, that can be provided when applicants utilize the CBB bylaw provisions. As development projects advance prior to the Strategy being completed, staff will work inter-departmentally and with applicants to recommend the appropriate community benefit, which could be either an amenity or

affordable housing (affordable or special needs), for each site. Considerations will include community need and the scale and value of the community benefit as it relates to the number of additional storeys desired by the applicant.

3.5 Determining the PIL Value and Area of the Community Benefit

The current CBB approach relies on density and FAR calculations, which as noted above, does not align with the updated OCP and Zoning Bylaw Re-write Height Based Framework. In order to reconcile the HBF with the CBB approach, staff have considered various options of how to best determine the value and size of the community benefit contribution. Bearing in mind the amenity first approach outlined in legislation, alongside the desire to maintain the core elements of the prevailing CBB policy, Staff are proposing the following methodology, noting that at this time it remains subject to final Provincial guidance, legal review, public consultation and financial analysis for alignment with legislation and market conditions. As part of the financial analysis, staff and the financial consultants will explore how best to determine the “community benefit rate” (CBR) and capital costs to determine the community benefit calculation. At this time it is expected that the CBR would be based on land value and Capital Costs will be based upon industry indexes.

In order to establish the total community benefit value, it is proposed that the City establish a CBR for the bonus GFA resulting from the bonus height. The required total community benefit value would then be divided by the capital cost of constructing the community benefit in order to determine the required total community benefit area.

$$\text{CBR} \times \text{bonus GFA} = \text{total community benefit value}$$
$$\text{Total community benefit value} / \text{capital cost} = \text{total community benefit area}$$

The CBR and capital costs are intended to be transparent, equitable, and updated by the City at regular intervals (update timing to be determined) and posted online for applicants to view. In line with the ongoing Development Approvals Process (DAP), providing information up-front, will assist in creating greater investment confidence, and speed up development approvals.

For clarity and ease of application, staff are recommending that CBR rates be based upon quadrant land values of similar development types (e.g. SW Quadrant (Metrotown) R8 Zoning District, or NE Quadrant (Lougheed) R9 Zoning District). On the other hand, capital costs are proposed to remain constant across the city as the costs are not specific to a particular area of Burnaby. With respect to capital costs, construction costs, consulting fees, legal fees and interest costs would be included; however, developer profit, land costs, contingencies, marketing fees, etc. typically found in a pro forma analysis would not be included. The method for determining capital costs must be included in the CBB bylaw, as this will affect the total community benefit area. Capital costs will need to consider different amenity types ranging from child care to open space to affordable housing.

A hypothetical scenario of the R7 District is detailed below (**Table 2**) for illustrative purposes. The CBR, capital cost, unit count per floor and floor plate size are staff estimates and **not actual values**. Within the Table, Option 1 shows the outcomes of the developer opting to utilize the full bonus height (10 storeys) and Option 2 shows the developer opting to utilize half the available bonus height (5 storeys).

Table 2 – R7 District Community Benefit Scenario

	Option 1 – Full Bonus	Option 2 – Half the Bonus
Maximum Permitted Height	30 Storeys	30 Storeys
Maximum Bonus Height	10 Storeys	5 Storeys
Bonus Units (8 units/floor)	80 Units	40 Units
Floor Plate Size	789.68 m ² (8,500 sq.ft.)	789.68 m ² (8,500 sq.ft.)
Bonus GFA	7,896.80 m ² (85,000 sq.ft.)	3,948.38 m ² (42,500 sq.ft.)
CBR*	\$200 per sq.ft.	\$200 per sq.ft.
Capital Cost*	\$800 per sq.ft.	\$800 per sq.ft.
Total Community Benefit Value	\$17,000,000	\$8,500,000
Total Community Benefit Area	1,974.19 m ² (21,250 sq.ft.)	987.09 m ² (10,625 sq.ft.)

* These are **staff estimates and not actual values**. Actual values will be available upon bylaw adoption.

3.6 PIL and Provision of Community Benefit Off-Site

As noted in earlier in the report, it is recommended that PIL be permitted as an option within the CBB policy, along with the development of a priority list of amenities and affordable housing needs for Council's concurrence and approval. This priority list would guide the City's expenditures on future community benefits and inform required annual reporting on funds received and spent. Beyond this list, the City can also do the following with PIL funds:

- **Amenities** – the funds can be used to pay for the capital costs of conserving or providing amenities, or the interest on debt incurred as a result of an expenditure. It also provides the option to pay a third party (person or public authority) under a partnering agreement to provide the amenities on behalf of the municipality.
- **Affordable and Special Needs Housing** – the funds can be used to pay for the capital costs of providing, constructing, altering or expanding affordable and special needs housing units, or the interest on debt incurred as a result of an expenditure. Similar to amenity expenditures, a municipality may pay a third party, with limitations, to provide the units, including a corporation incorporated by the municipality for the provision of affordable housing such as the Burnaby Housing Authority.

In the event the applicant opts to provide PIL, the funds received would be deposited into one of two CBB Statutory reserves, one for amenities, and one for affordable and special needs housing. The CBB Statutory Reserve for Housing will continue to be used for CBB Housing grants, for City initiated housing projects, or for offsetting costs of developing special needs and affordable housing by the Burnaby Housing Authority.

In addition to PIL of the community benefit contribution, the City may, by bylaw, enter into an agreement with the developer to provide these affordable housing units on a separate parcel, or parcels, of land. The agreement must specify the parcels of land on which the affordable housing will be located, who will be providing the required units, when the units will be provided, and how the provision will meet or exceed the requirements of the CBB bylaw. Security to ensure provision of the housing units would be required should this option be pursued.

3.7 Determining hybrid PIL and/or Amenity Contributions

An applicant may wish to provide part of the community benefit as PIL and the other part as an onsite contribution. For example, they may provide PIL to satisfy the affordable housing requirement and they may construct a childcare onsite. To calculate the hybrid option, the affordable housing provision must be determined first to ensure alignment with inclusionary rental requirements.

Continuing with the hypothetical scenario provided in **Table 2**, provided in Section 3.5, that includes 80 bonus units, a total community benefit value of \$17,000,000 and a total community benefit area of 21,250 sq.ft., the steps needed to determine community benefit contributions are detailed below:

Figure 4: Steps to determining hybrid community benefit contributions

Step 1: 80 bonus units x 10% = 8 affordable housing units required

Step 2: 8 units x 600 sq.ft. unit size* = 4,800 sq.ft. required

Step 3: 4,800 sq.ft. x \$800 capital cost** = \$3.84M affordable housing value/PIL

Step 4: \$17M total community benefit value - \$3.84M affordable housing value/PIL = \$13.16M amenity value/PIL

Step 5: 21,250 sq.ft. total community benefit area – 4,800 sq.ft. = **16,450 sq.ft. amenity size**

* 600 sq.ft. is an estimated average affordable housing unit size

** \$800 capital cost is an estimate and does not represent actual capital cost

In the above example, the applicant would first need to determine whether to provide 4,800 sq.ft. of affordable housing or a PIL of \$3,840,000. Next, the applicant would decide if they wanted to provide PIL for the amenity, \$13,160,000 or deliver a 16,450 sq.ft. onsite amenity.

The affordable housing percentage requirement of 10% of bonus strata units is a minimum and therefore, with Council's concurrence applicants could advance a project

with a higher percentage of affordable housing and a lower percentage of amenity space or PIL.

3.8 Next Steps

Should Council endorse the CBB policy and bylaw approach proposed in this report, staff will follow up in a future bylaw report to Council that includes legal analysis of pending Provincial guidance, financial analysis and consultation results. The upcoming bylaw work is expected to advance in tandem with the HBF and inclusionary rental bylaws. Staff will also work to create the aforementioned statutory reserve funds.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

In order to update the CBB policy, staff will undertake the legislated consultation with affected parties and financial analysis calibrated to local conditions. If Council endorses the proposed CBB approach outlined in this report, then staff will bring forward a further Council report integrating final legal review, consultation, financial analysis and Provincial guidance.

The future report will also provide a plan for further communication and engagement initiatives, including the creation of implementation resources for staff and applicants.

5.0 FINANCIAL CONSIDERATIONS

The CBB program has historically provided significant financial support to the City's amenity and affordable housing programs. However, as a result of recent legislative changes, the use and administration of this program is anticipated to become more directed with respect to how funds will be able to be used and how community benefits are to be delivered onsite.

Following implementation of the CBB bylaw, any PIL monies received must be deposited into statutory reserve funds to support the bylaw established amenity and housing projects outlined in Section 3.4 of this report. Interest earned on PIL funds must be retained in the applicable reserve fund. This is a change from previous accounting whereby CBB PIL funds were administered through non-statutory reserves, with interest earned on the CBB affordable housing reserve being transferred to an Operating Housing non-statutory reserve. Furthermore, the legislative changes to the Local Government Act make it clear that CBB PIL funds for CBB amenities cannot be utilized to deliver the same amenities included in the ACC program.

It is anticipated that ACCs and inclusionary rental as requirements of development will be the primary tools to provide amenities and meet affordable housing needs at a city-wide scale, with the CBB being a voluntary provision that could meet social infrastructure needs at the site or neighbourhood level. With the implementation of increased base density in transit-oriented areas through legislation, it is unlikely that CBB will generate the same magnitude of funds it has historically.

Respectfully submitted,

E.W. Kozak, General Manager Planning and Development

REPORT CONTRIBUTORS

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