

## PART 5 / RENTAL HOUSING & BONUS INCENTIVES

*Part 5 establishes requirements in relation to inclusionary rental units, replacement rental units, and community benefit bonus incentives.*

### 1.0 Inclusionary Rental Requirements

#### 1.1 Applicability

- (1) The regulations contained in this Section 1.0 apply to a residential development on a lot that:
- (a) is zoned R3, R4, R5, R6, R7, or R8 or CD based on R3, R4, R5, R6, R7, or R8, and involves the redevelopment of:
    - (i) five (5) or more purpose-building rental housing dwelling units; and
    - (ii) any parcels with purpose-built rental housing dwelling units or secondary rental units, which are consolidated or subdivided with a parcel that meets the criteria set out in subparagraph (i) above; and
  - (b) is zoned R5, R6, R7, or R8, or CD based on R5, R6, R7, or R8, and that does not meet the conditions in paragraph (a).

#### 1.2 Exclusions

- (1) The regulations contained in this Section 1.0 do not apply to:
- (a) a dormitory; or
  - (b) the types of redevelopment set out in Section 3.2 of the *Burnaby Tenant Protection Bylaw*.

#### 1.3 Requirements

##### 1.3.1 R3 and R4 Districts

- (1) A residential development on a lot that is zoned R3, R4, or CD based on R3 or R4 and meets the criteria set out in Section 1.1(1)(a) must provide inclusionary rental units based on the total number of purpose-built rental housing dwelling units and secondary rental units, as applicable, to which this Section 1.0 applies, that were demolished for the redevelopment, divided by the total number of dwelling units within the new residential development, expressed as a percentage, as described in the following formula for clarity:

*Inclusionary rental requirement (IRR) is equivalent to the following when Section 1.3.1(1) applies:*

*$IRR = A / B$ , where;*

*A = total number of purpose-built rental housing dwelling units, and secondary rental units, to which this Section 1.0 applies, demolished for the redevelopment*

*B = total number of dwelling units in new residential development*

##### 1.3.2 R5, R6, R7, and R8 Districts

- (1) A residential development on a lot that is zoned R5, R6, R7 or R8 or CD based on R5, R6, R7 or R8 and meets the criteria set out in Section 1.1(1)(a) must provide inclusionary rental units based on the greater of:
- (a) the applicable percentage of total dwelling units within the residential development as set out in Table 5-1.3, based on the City of Burnaby Quadrant in which the development is located; and

- (b) the total number of purpose-built rental housing dwelling units and secondary rental units, as applicable, to which this Section 1.0 applies, that were demolished for the redevelopment, divided by the total number of dwelling units within the new residential development, expressed as a percentage, as described in the following formula for clarity:

*Inclusionary rental requirement (IRR) is equivalent to the following when Section 1.3.2(1)(b) applies:*

*IRR = A / B, where;*

*A = total number of purpose-built rental housing dwelling units and secondary rental units to which this Section 1.0 applies, demolished for the redevelopment*

*B = total number of dwelling units in new residential development*

- (2) Subject to subsections (3) and (4), a residential development described in Section 1.1(1)(b) must provide inclusionary rental units based on the applicable percentage of total dwelling units within the residential development, as set out in the table below:

Table 5-1.3   Required Inclusionary Rental Units in the R5, R6, R7 & R8 Districts		
Zoning District	Percentage of Total Dwelling Units	
	Northwest & Southwest Quadrants	Northeast & Southeast Quadrants
R5 Mid-Rise Apartment 1 District	10%	5%
R6 Mid-Rise Apartment 2 District		
R7 High-Rise Apartment 1 District		
R8 High-Rise Apartment 2 District		

- (3) For the purposes of calculating the number of required inclusionary rental units under subsections (1) and (2), the following shall be excluded from the total number of dwelling units within the residential development:
  - (a) market rental units, including in a purpose-built rental housing;
  - (b) dwelling units and community benefit bonus housing within the community benefit bonus portion of a development; and
  - (c) voluntary non-market rental housing units.
- (4) Where a lot straddles two or more City of Burnaby Quadrants, the lesser requirement in Table 5-1.3 shall apply.

### 1.4 Conditions for Inclusionary Rental Units

- (1) All inclusionary rental units provided in accordance with Section 1.3.1 shall:
  - (a) be restricted to rental tenure;
  - (b) include the same mix of units by bedroom type as the purpose-built rental housing dwelling units and secondary rental units, as applicable, that were demolished for the redevelopment;
  - (c) be restricted to rental rates at or below the replacement rental unit rate, if rented to a returning tenant in accordance with the *Burnaby Tenant Protection Bylaw*;
  - (d) if not rented to a returning tenant, be unrestricted as to rental rates and tenant eligibility requirements; and
  - (e) be subject to the conditions in paragraphs (a) to (d) above for the later of 99 years from the issuance of an occupancy certificate for the development and when the inclusionary rental unit is fully demolished or destroyed.

- (2) All inclusionary rental units provided in accordance with Section 1.3.2(1) shall:
- (a) be restricted to rental tenure;
  - (b) include the same mix of units by bedroom type as the purpose-built rental housing dwelling units and secondary rental units, as applicable, that were demolished for the redevelopment;
  - (c) be restricted to rental rates at or below the replacement rental unit rate, if rented to a returning tenant in accordance with the *Burnaby Tenant Protection Bylaw*;
  - (d) if not rented to a returning tenant, be restricted to rental rates at or below the inclusionary rental rate and be rented only to eligible tenants, except that where inclusionary rental units are provided in accordance with Section 1.3.2(1)(b) (rather than Section 1.3.2(1)(a)), those inclusionary rental units in excess of that required under Section 1.3.2(1)(a) shall be unrestricted as to rental rates, and tenant eligibility requirements; and
  - (e) be subject to the conditions in paragraphs (a) to (d) above for the later of 99 years from the issuance of an occupancy certificate for the development and when the inclusionary rental unit is fully demolished or destroyed.
- (3) All inclusionary rental units provided in accordance with Section 1.3.2(2) shall:
- (a) be restricted to rental tenure;
  - (b) be restricted to rental rates at or below the inclusionary rental rate and be rented only to eligible tenants; and
  - (c) be subject to the conditions in paragraphs (a) and (b) above for the later of 99 years from the issuance of an occupancy certificate for the development and when the inclusionary rental unit is fully demolished or destroyed.
- (4) Where permitted by the City, the rent for an inclusionary rental unit may be varied, provided the average rent across all such inclusionary rental units in the development does not at any time exceed the amount that is the sum of the CMHC market median rent for each inclusionary rental unit in a development rented to a tenant under a tenancy agreement divided by the total number of inclusionary rental units rented to a tenant under a tenancy agreement, as described in the following formula for clarity:
- The total average rent across all such inclusionary rental units (AIR) in the development is equivalent or less than the following:*
- AIR ≤ A / B, where;*
- A = Sum of CMHC median market rent for each inclusionary rental unit rented to a tenant under a tenancy agreement*
- B = total number of inclusionary rental units rented to a tenant under a tenancy agreement.*
- (5) Prior to the issuance of a building permit for a residential development that includes required inclusionary rental units, the owner shall grant a Section 219 Covenant in favour of the City and enter into a housing agreement with the City to secure the construction of the required inclusionary rental units and the conditions set out in subsection (1), (2), or (3), as applicable, and, if applicable, subsection (4), together with other terms and conditions satisfactory to the City.

## 1.5 Provision of Inclusionary Rental Units Off-Site

- (1) The City may, by bylaw, enter into an agreement for the provision of inclusionary rental units on one or more lots other than the development site, provided that:
  - (a) unless otherwise approved by Council, the lot or lots is located within the same City of Burnaby Quadrant as the development site; and
  - (b) the requirements in relation to inclusionary rental units meet or exceed the requirements under this Section 1.0.
- (2) The agreement for off-site inclusionary rental units shall specify, amongst other matters, the following:
  - (a) the lot or lots on which inclusionary rental units will be located;
  - (b) who is to provide the inclusionary rental units on each lot;
  - (c) when the inclusionary rental units are to be provided on each lot;
  - (d) how the provision of inclusionary rental units under the agreement will meet or exceed the requirements under this Section 1.0; and
  - (e) any other information prescribed by regulation for the purposes of section 482.92 of the *Local Government Act*.

## 2.0 Community Benefit Bonus

- (1) Subject to the regulations for conditional height increases in Part 4-2.3 and as authorized by section 482 of the *Local Government Act*, an increase in the maximum storeys set out in the regulations applicable to the R6, R7, or R8 District, or in a CD District based on the R6, R7, or R8 District, is permitted as follows:

- (a) in the R6 and R7 Districts, up to 10 additional storeys of residential development;
- (b) in the R8 District, no specific limit on the increase in storeys of residential development,

provided that the owner provides the minimum community benefit bonus housing and one or more community benefit bonus amenity and/or additional community benefit bonus housing approved by Council, or makes a payment-in-lieu, in accordance with this Schedule. The same requirements should also be applied where additional storeys are approved as community benefit bonus within the R3 to R5 Zoning Districts as part of a rezoning application.

## 2.1 Eligible Housing and Amenity Types

- (1) Community Benefit Bonus Housing
- (2) Civic Amenity Types
  - (a) Child care facility
  - (b) Social service centre
  - (c) Civic facility excluding facilities eligible for development cost charges under Section 559 of the *Local Government Act*
- (3) Alternative Amenity Types
  - (a) Extraordinary improvement of public open space, plaza and/or park, where the open space, plaza and/or park is identified in the Burnaby Official Community Plan (OCP), a Community Plan, a Master Plan or a Council approved policy
  - (b) Heritage retention/preservation
  - (c) Extraordinary environmental improvements
- (4) For certainty, an amenity for which the City has imposed an amenity cost charge by bylaw under section 570.2(1) of the *Local Government Act* is not an eligible community benefit bonus amenity.

## 2.2 Community Benefit Bonus Housing and Amenity Provision Requirements

- (1) Community benefit bonus housing shall:
  - (a) be of a unit mix, size and location approved by the City in its discretion;
  - (b) be completed, at the owner's sole cost and expense, to a turnkey standard satisfactory to the City;
  - (c) upon completion and at the owner's sole cost and expense, be transferred in fee simple for nominal value to the City or if approved by the City, to another government entity, not-for-profit organization, public authority, or housing authority/corporation;
  - (d) be operated by the City or if approved by the City, another government entity, not-for-profit organization, public authority, or housing authority/corporation;
  - (e) not be subdivided by strata plan under the Strata Property Act;
  - (f) be restricted to rental tenure, or in the case of other non-market housing types, other tenure provided the tenure and affordability level is secured by a housing agreement or other agreement with the City;
  - (g) be restricted to rent, or equivalent housing cost, at or below the inclusionary rental rate; and
  - (h) be subject to the requirements in paragraphs (d) to (g) above for the later of 99 years from the issuance of an occupancy certificate for the development or when the community benefit bonus housing is fully demolished or destroyed.
- (2) A community benefit bonus amenity, that is a civic amenity, as listed in Section 2.1(2), shall:
  - (a) be of a type and in a location approved by the City in its sole discretion;
  - (b) be completed, at the owner's sole cost and expense, to a turnkey standard satisfactory to the City; and
  - (c) upon completion, be transferred in fee simple for nominal value to the City or if approved by the City, to another government entity, non-for-profit organization, or public authority.
- (3) A community benefit bonus amenity that is an alternative amenity, as listed in Section 2.1(3), shall:
  - (a) be of a type and, if applicable, in a location approved by the City in its sole discretion;
  - (b) be completed, at the owner's sole cost and expense, to the industry or other standard applicable to the alternative amenity to the City's satisfaction; and
  - (c) be subject to a Section 219 Covenant, Statutory Right of Way and/or other legal instrument in favour of the City to secure continued provision, conservation, maintenance, repair and/or replacement of the alternative amenity.
- (4) Prior to the issuance of a building permit for a development that includes a community benefit bonus, the owner shall enter into a Section 219 Covenant in favour of the City and provide to the City security, in an amount satisfactory to the City, to secure completion of the required community benefit bonus housing and community benefit bonus amenity. In the case of a community benefit bonus amenity that is an alternative amenity, the City may require the owner to provide security for a fixed period to ensure the continued conservation, maintenance, repair and/or replacement of the alternative amenity.

## 2.3 Method for Calculating Minimum Community Benefit Bonus Housing and Amenity Requirements

- (1) The community benefit rates for each City of Burnaby Quadrant for the R6 to R8 Districts are as follows, by tenure of the additional floor area within the community benefit bonus:

Zoning District	NW Quadrant	NE Quadrant	SW Quadrant	SE Quadrant
R6 Market Strata	\$1,614.59 / m <sup>2</sup>	\$1,506.95 / m <sup>2</sup>	\$1,991.32 / m <sup>2</sup>	\$1,506.95 / m <sup>2</sup>
R6 Market Rental	\$1,216.32 / m <sup>2</sup>	\$1,130.21 / m <sup>2</sup>	\$1,593.06 / m <sup>2</sup>	\$1,130.21 / m <sup>2</sup>
R7 Market Strata	\$1,614.59 / m <sup>2</sup>	\$1,506.95 / m <sup>2</sup>	\$1,991.32 / m <sup>2</sup>	\$1,506.95 / m <sup>2</sup>
R7 Market Rental	\$1,216.32 / m <sup>2</sup>	\$1,130.21 / m <sup>2</sup>	\$1,593.06 / m <sup>2</sup>	\$1,130.21 / m <sup>2</sup>
R8 Market Strata	\$1,614.59 / m <sup>2</sup>	\$1,506.95 / m <sup>2</sup>	\$1,991.32 / m <sup>2</sup>	\$1,506.95 / m <sup>2</sup>
R8 Market Rental	\$1,216.32 / m <sup>2</sup>	\$1,130.21 / m <sup>2</sup>	\$1,593.06 / m <sup>2</sup>	\$1,130.21 / m <sup>2</sup>

- (2) The community benefit rates shall be reviewed and adjusted at least once per calendar year, with each adjustment taking into consideration prevailing construction costs, inflationary trends, and market conditions for land values, which may include the application of recognized land value appraisal methodologies such as the direct comparison approach and land residual approach.
- (3) The community benefit capital cost rates are as follows:

Category	Civic Amenity Type	CCR
Category 1	Civic facilities	\$16,231.98 / m <sup>2</sup>
Category 2	Social service centres and child care facilities	\$9,988.91 / m <sup>2</sup>
Category 3	Community benefit bonus housing	\$6,727.44 / m <sup>2</sup>

- (4) The community benefit capital cost rates will be reviewed and adjusted at least once per calendar year, with each adjustment taking into consideration construction costs (that account for City construction standards and requirements, including quality, environmental standards, bonding, fair wages, etc.), soft costs (including design, planning, engineering, legal, project management, etc.), contingency and other capital costs typically included in City civic building projects. Community benefit capital cost rates are established on a City-wide basis, without consideration for the City of Burnaby Quadrant or zoning district of the development site.

- (5) The following calculations apply for determining the area and/or value of the community benefit bonus housing and community benefit bonus amenity, or payment in-lieu amount, to be provided in respect to a development:

**Step 1: Calculate Community Benefit Value (CBV)**

- a. Applicable Community Benefit Rate x floor area of Community Benefit Bonus = CBV (\$)

**Step 2: Calculate minimum Community Benefit Bonus (CBB) Housing units and area or payment-in-lieu amount**

- a. Total dwelling units in CBB storeys x 10% = minimum required CBB Housing units
- b. CBB Housing units x 55.74 m<sup>2</sup> = minimum required CBB Housing area
- c. CBB Housing area x Capital Cost Rate (Category 3 Housing) = minimum CBB Housing payment-in-lieu amount (\$) (if payment-in-lieu elected by owner)

**Step 3: Calculate required CBB Amenity, additional CBB Housing or remainder payment-in-lieu amount**

Applicant elects to provide a Council approved amenity or payment-in-lieu (see Section 2.5) or may be requested to provide CBB Housing beyond the minimum requirement.

- a. CBV (Step 1) – minimum CBB Housing payment-in-lieu value (Step 2c) = Remainder CBB Amenity value, additional CBB Housing value or remainder payment-in-lieu amount (\$) (Remainder Value)
- b. Remainder Value / Capital Cost Rate based on CCR Category type = CBB Amenity area or additional CBB Housing area

**2.4 Provision of Community Benefit Bonus Amenity or Housing Off-Site**

- (1) The City may enter into an agreement with an applicant for the provision of community benefit bonus housing or community benefit bonus amenity on one or more lots other than the development site, provided that the lot or lots are located within the same City of Burnaby Quadrant as the development site.
- (2) In respect to off-site community benefit bonus housing, the agreement shall be approved by bylaw and shall specify, amongst other matters, the following:
- (a) the lot or lots on which the community benefit bonus housing will be located;
  - (b) who is to provide the community benefit bonus housing on each lot;
  - (c) when the community benefit bonus housing are to be provided on each lot;
  - (d) how the provision of community benefit bonus housing under the agreement will meet or exceed the requirements under this Section 2.0; and
  - (e) any other information prescribed by regulation for the purposes of section 482.4 of the *Local Government Act*.

## 2.5 Provision of Payment-in-Lieu of Community Benefit Bonus Housing or Amenity

- (1) As an alternative to providing community benefit bonus housing or one or more community benefit bonus amenity, an owner may pay to the City the payment-in-lieu amount for the housing or amenity calculated under Section 2.3(5).
- (2) The payment-in-lieu amount must be paid to the City at or prior to the time the first building permit is issued for the development that includes the requirement for the community benefit bonus housing or community benefit bonus amenity.
- (3) The payment-in-lieu amount for community benefit bonus housing shall be deposited in the Community Benefit Bonus Housing Reserve Fund.
- (4) The payment-in-lieu for a community benefit bonus amenity shall be deposited in the Community Benefit Bonus Amenities Reserve Fund.