



# Guide to the Local Government Housing Framework:

New Legislation for Community Planning, Zoning, Affordable Housing, Infrastructure, and Amenities

May 2025



# Territorial Acknowledgement

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# Introduction

## THE HOUSING CHALLENGE

In many communities throughout British Columbia, historic zoning rules have made it difficult to build the types of housing that work for people. Many people, including young families, students and seniors, are struggling to find homes in their communities that meet their needs and that they can afford. This has often been coupled with lengthy development approvals processes that have led to increased delays, costs, and risk for housing projects. Housing experts have pointed to these out-dated zoning rules and processes as one of the factors contributing to the housing crisis many communities in B.C. face today. In other words, the housing needs of people don't match the realities of how homes are built and approved.

Many local governments in B.C. have been taking steps to address this by changing local bylaws to permit more units on a single property, creating local housing authorities and expediting development approvals.

Despite these efforts, the housing situation in B.C. called for further action and collaboration to ensure that British Columbia's local government housing system is modernized to better serve current and future generations.

## HOW HAS THE PROVINCE TAKEN ACTION?

In response to these challenges, the Province introduced a comprehensive package of legislation in Fall 2023 and Spring 2024 to help address outdated zoning rules and deliver more of the right kind of homes that will help B.C. tackle the housing crisis, faster.

The changes include new requirements for local governments to support building more of the right types of housing in the right places, faster (Bills 44 and 47) and new and improved tools (Bills 46 and 16) that enable local governments to secure the affordable housing, amenities, and infrastructure needed to support growth.

Together, these actions create a **new local government housing framework** that combines parts of pre-existing housing policies that were working well with new requirements and tools to enable the supply and diversity of housing needed across B.C.

## PURPOSE OF THIS DOCUMENT

This document describes the new local government housing framework in two parts:

**Part A** highlights the main changes and their objectives; and

**Part B** provides an implementation guide for local governments to meet the new requirements and integrate new and existing tools through a comprehensive planning approach.



# Part A:

## The New Legislative Framework



## NEW REQUIREMENTS AND ENHANCED TOOLS

The new local government housing framework consists of two key components:

### 1. Foundational Requirements

New requirements for local governments to support building more of the right types of housing in the right places, faster:

- a. **Housing Needs Report:** Prepare and regularly update a Housing Needs Report that estimates the need for new housing supply for 20 years in the future.
- b. **Official Community Plan:** Adopt an Official Community Plan (OCP) that designates enough land for new housing development to meet at least 20 years of need. This planning process must include robust community consultation.
- c. **Zoning Bylaws:** Revise Zoning Bylaws to ensure that there is enough land zoned in advance to meet the 20 years of housing need, consistent with the OCP. This will reduce reliance on time-consuming and costly site-by-site rezonings.
- d. **Small-Scale Multi-Unit Housing:** Revise Zoning Bylaws to allow the development of Small-Scale Multi-Unit Housing projects in areas previously zoned for single family and duplex housing.
- e. **Transit-Oriented Areas:** Designate Transit-Oriented Areas in which new minimum density and height regulations apply.
- f. **Public Hearings:** Eliminate public hearings for residential rezonings that are consistent with OCPs.

### 2. New and Improved Tools

New and improved tools that enable local governments to secure the affordable housing, amenities and infrastructure needed to support growth within their local contexts:

- a. **Affordable Housing:** New and improved zoning tools to require the inclusion of affordable housing in new projects.
- b. **Infrastructure and Amenities:** New and improved tools to fund essential community infrastructure and amenities.

## OBJECTIVES OF THE NEW FRAMEWORK

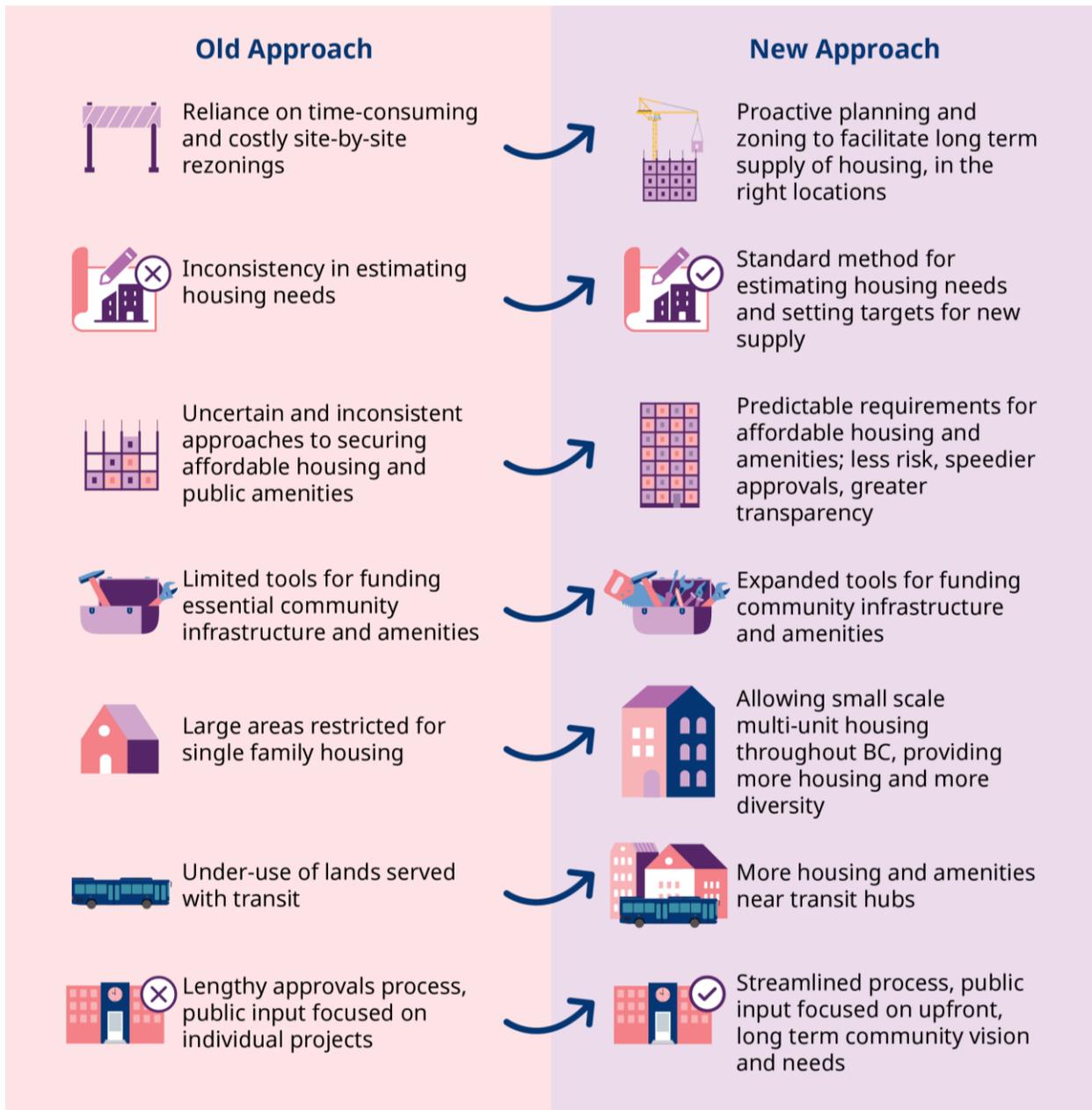
Changes to the local government housing framework seek to:

- Increase the amount and pace of new housing supply in the right locations in communities across BC.
- Increase the diversity and affordability of new supply to meet British Columbians' diverse needs.
- Enable higher-density, complete communities around key transit hubs to maximize investment in transit.
- Ensure local governments can fund the infrastructure and amenities needed for growing communities.



## MODERNIZING THE LOCAL GOVERNMENT HOUSING FRAMEWORK

Together, these changes create a new approach to how housing is delivered. The new framework streamlines many current approaches and creates new tools that will better meet the housing needs of current and future generations in BC.



# How the new framework can deliver the types of homes and communities that work for people

Identifying community housing needs

Public input focused on long term community vision and needs

Planning and zoning for at least 20 years of housing need, in the right locations

Small scale multi-unit housing in single family areas

More housing and higher density in transit-oriented areas

New predictable tools for funding public amenities

New and improved tools for securing affordable housing

Improved tools for funding community infrastructure



# Part B:

## Implementing the New Framework



## COMPREHENSIVE IMPLEMENTATION APPROACH

The new framework can be organized into five 'implementation tiers' and consists of two components: **Foundational Requirements** (Tiers 1, 2 and 3) and **New and Improved Tools** (Tiers 4 and 5).



There is a logical relationship between each tier based on how communities typically plan and zone for housing, transportation, infrastructure and amenities. It is essential to consider the interrelationships between each tier and align them as they are implemented to help ensure effective outcomes.

Each tier's corresponding requirements, timing and implementation considerations are outlined in detail in the sections below.



# 1 Planning

## Why the Changes are Needed

A limited supply of land for new housing and lengthy approvals processes exacerbate the housing affordability problem. The new framework requires local governments to be more proactive in forecasting long-term housing needs and ensuring there is enough land set aside for future development to meet those needs.

## New Requirements to Plan for Housing Needs and Growth

There are four major changes:

1. Municipalities must prepare a Housing Needs Report (HNR), using a standardized methodology created by the Province. The HNR forecasts the number of housing units needed for the next 5 years and 20 years. The HNR must be updated every five years.
2. Municipalities must adopt an Official Community Plan<sup>1</sup> (OCP) and update it every five years. Regional Districts are not subject to this requirement, although most have adopted OCPs for their electoral areas.
3. A municipality's OCP must designate enough land to accommodate the 20-year housing needs identified in the HNR. Previously, an OCP only had to designate enough land to meet 5 years of housing needs. This requirement is part of the strategy to avoid delays and uncertainty in approvals and avoid reliance on individual OCP amendments for new projects.
4. Some municipalities must designate Transit-Oriented Areas (TOAs) by bylaw within 800m of passenger rail (e.g., SkyTrain) stations and 400m of bus exchanges and West Coast Express stations that are listed in the regulations. New requirements for residential height and density apply within TOAs. Moreover, municipalities cannot require off-street residential parking within TOAs.

## Timing



<sup>1</sup> Previously, municipalities had the option of adopting an OCP but were not required to do so.



## Implementation Considerations

The requirement to designate enough land for 20 years of housing need is new, but all the other requirements for the content and adoption of an OCP remain unchanged. For instance, an OCP is still required to contain policies regarding affordable housing, rental housing, and special needs housing.

There is greater importance for robust community consultation in the preparation of an OCP because rezonings that are consistent with the OCP will not be subject to public hearing.

When preparing or updating OCPs, municipalities may want to consider going beyond the new minimum requirements by:

- Designating land for more than the mandatory minimum 20-year housing requirement based on the HNR. Designations could include land to be rezoned for higher densities such as TOAs, lands suitable for density bonus zoning, and identification of large and complex sites suitable for residential development but needing future site-specific zoning.
- Adopting a policy objective to complete an area plan for each TOA, including anticipated zoning changes, estimated total population, requirements for affordable housing, requirements for infrastructure, requirements for amenities (including open space, recreation and community facilities, childcare space, and other needs), and strategies to achieve the infrastructure and amenities on a timely basis.
- Setting out the core elements of an affordable housing strategy, including anticipated uses of inclusionary zoning and density bonus zoning to secure affordable housing and anticipated use of rental tenure zoning.

Local governments should also consider including in their OCPs sufficient detail about land use and density to inform planning and funding strategies for future infrastructure and amenities.

On large sites within TOAs, it may be necessary to develop new road, walking, and cycling networks, or to ensure key amenities, like childcare or recreation facilities, are built on-site rather than elsewhere. Some possible strategies include:

- Using density bonus to allow higher densities than the prescribed minimums to secure on-site amenities.
- Early engagement with landowners to initiate collaborative, comprehensive planning.
- Preparing area plans for TOAs that set out requirements and strategies for obtaining all the necessary infrastructure and amenities for the entire area.



## 2 Zoning

### Why the Changes are Needed

In the past, zoning bylaws have not been required to align with OCPs by any date. Consequently, rezonings tended to occur mainly on a site-by-site basis as development applications were received. This approach negatively impacts housing supply if the rezoning process takes too long, costs too much, creates too much uncertainty, or fails to consider whether development remains financially feasible.

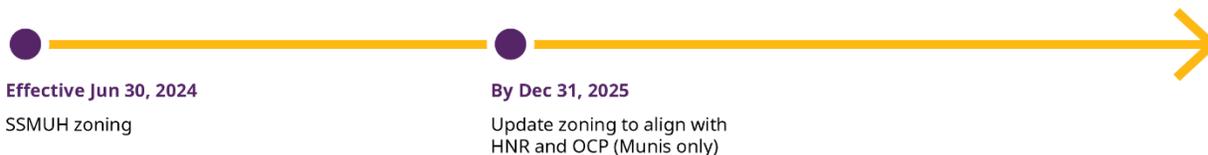
The new framework requires a more pro-active approach to zoning land for housing development with much less reliance on site-by-site rezonings and with changes to allow more housing diversity in single detached areas and more housing density near key transit hubs.

### Immediate Changes to Zoning

There are two immediate changes to zoning for residential development:

1. Municipalities must revise their zoning bylaws so that there is enough pre-zoned land to accommodate the 20-year housing need identified in the HNR and designated in the OCP. This will increase the supply of development-ready sites and encourage less dependence on time-consuming and costly individual site rezonings.
2. Local governments must allow Small-Scale Multi-Unit Housing (SSMUH) (i.e., 3 – 6 units depending on lot size and location relative to transit) on single family and duplex lots in urban areas in BC. Allowing more units per lot will allow the development of more housing and greater diversity, as well as create units that cost less to buy or rent than a typical single detached home in the same area.

### Timing



### Implementation Considerations

When analyzing zoned capacity for development to meet the 20-year requirement, municipalities should ensure that the calculated housing capacity is based on realistic prospects for development, rather than “on paper” capacity<sup>2</sup> that might include lands unlikely to redevelop in the near future.

The 20-year zoned capacity must be calculated using only outright allowable density that imposes no conditions (via density bonus zoning or other means) that developers must meet to obtain the additional

<sup>2</sup> Generally, zoned housing capacity is calculated by multiplying zoned site area times allowable density and then subtracting existing floor space. A portion of this mathematical or “on paper” capacity may not be available for new development in the foreseeable future for various reasons. For instance, some sites may be “landlocked” by assemblies and therefore not large enough to be developable on their own. Some sites may already use a large proportion (but not all) of their allowable density, so it would not be financially viable to demolish/redevelop to use the unused portion of the density. The realizable zoned capacity nets out capacity that is not practical to develop except possibly in the very long term.



density. Local governments retain the ability to enter into a Phased Development Agreement (PDA) for large, complex, long-term developments and to obtain public benefits (e.g. affordable housing, amenities, and infrastructure) as part of the full approvals package. However, the calculation of capacity may only include areas covered by PDAs when the lands have already been rezoned.

When updating zoning bylaws to comply with the new requirements, municipalities should consider adopting new zoning for designated TOAs to accommodate the new minimum allowable heights and densities or higher to help them reach their 20-year capacity. Area-wide rezonings in TOAs not only can help achieve the 20-year capacity, but will also reduce the need for site-specific rezonings, and will assist in planning for necessary infrastructure, amenities, and complementary land uses (e.g. retail and office) that create complete and sustainable communities.

Local governments can still zone residential lands for rental tenure only to support the creation of permanent, purpose-built rental housing. The use of rental tenure zoning may become more important as local governments pre-zone more land for housing development.



## 3 Procedures

### Why the Changes are Needed

Proactive zoning and planning to accommodate long-term housing needs can speed up development, but local governments must also move quickly to approve individual projects. While many parts of the approvals process are complex and cannot be rushed, one requirement that can unnecessarily delay development is holding public hearings for projects that already align with the OCP. If there has already been meaningful community consultation and a public hearing when a new or updated OCP is adopted, holding additional public hearings for rezonings that align with the plan is not efficient.

### Revised Public Hearing Requirements

The new framework prohibits local governments from holding a public hearing for a rezoning for a housing-related project that is consistent with the OCP. Local governments are required to have comprehensive community engagement processes and public hearings when adopting new or amended OCPs (with updates now required on a regular basis). Any rezonings that are consistent with the OCP must not be required to go through public hearings.

### Timing



#### Effective Nov 30, 2023

No public hearing for rezoning consistent with OCP

### Implementation Considerations

It will be important for communities feel fully engaged during the preparation of OCPs.

This change also means that OCPs must contain enough detail about land use, density, height and other key development parameters so that it is clear when a rezoning application is (or is not) consistent with the OCP.



## 4 Affordable Housing

### Why the Changes are Needed

Rising housing prices have made it harder for low- and moderate-income households to find housing they can afford. New and improved tools allow local governments to secure affordable housing without the need for a rezoning and help to build more housing supply and affordable units.

### New Inclusionary Zoning Tool

A new inclusionary zoning tool<sup>3</sup> has been introduced that allows local governments to require developers to provide a certain portion of affordable housing units in new developments. When using this tool, local governments can decide where to apply affordable housing requirements, how they define affordability, how much affordable housing must be included (as a share of units or floor area), the tenure of the units, the sale prices or rents of the units, and how the units are to be owned and managed.

Inclusionary zoning can be applied anywhere, including inside TOAs where a portion of the minimum allowable density can be required to be affordable housing. However, this tool comes with constraints and obligations, including conducting a financial feasibility analysis to calculate the amount of increased density needed to offset the costs to the developer for providing the affordable housing, and to help ensure that the new affordability requirements do not deter needed housing supply.

Consultation with affected parties is required before adopting an inclusionary zoning bylaw. Providing cash-in-lieu of units is an option, and any funds collected by the local government must be kept in a reserve fund and must be spent on affordable housing.

### Updated Density Bonus Tool

Density bonus is an existing zoning tool that enables local governments to approve extra (bonus) density in exchange for public benefits such as affordable housing or amenities. This tool enables higher densities, can make development more financially attractive, and achieves community benefits by channeling some of the land value created by the new density into affordable housing or community amenities. This density bonus zoning tool is still available, but there are changes.

There are new obligations related to transparency, financial feasibility, and accountability, including consultation with affected parties and undertaking a financial feasibility analysis to test economic impact. The practice of accepting cash-in-lieu of providing on-site amenities or affordable housing is now clarified in legislation and includes new rules for how cash can be collected and spent. Amendments also require annual reporting with content set out in legislation, including all contributions received through bonus density.

The intention is to apply the amended density bonus tool to area-wide zones to reduce the need for site-specific rezoning and to avoid the risk of inconsistency in the provision of bonus density to various sites, including built-out and site-specific zones.

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<sup>3</sup> Referred to as an *affordable and special needs housing bylaw* in the legislation.



As of April 25, 2024, any changes to density bonus bylaws must comply with new legislation. Local governments must bring existing density bonus bylaws into compliance with legislative amendments<sup>4</sup> by a date set by Lieutenant Governor in Council regulation.

By the date set by regulation, local governments:

- Must update existing density bonus zoning bylaws so that they comply with new requirements, which include identifying required conditions that must be met for affordable housing units, having a financial feasibility analysis, and undertake consultation.
- Can only use density bonus zoning bylaws to obtain amenities and affordable housing on density levels set above minimum allowable densities in Transit-Oriented Areas.

Local governments will have to use other tools (e.g., Amenity Cost Charges and/or inclusionary zoning) to obtain affordable housing, amenities, and infrastructure within the minimum allowable density framework in TOAs.

## Timing



## Implementation Considerations

Local governments may use inclusionary zoning, density bonusing, or a combination to achieve affordable housing contributions in the form of units or cash-in-lieu. Determining which tool is best in which locations or circumstances will require market and financial analysis and engagement with private sector and not-for-profit housing developers.

In choosing an approach, local governments should consider these factors:

- Conditional density available via density bonus zoning cannot be counted toward the 20-year requirement as set out in the HNR and the OCP, while all density in an inclusionary zoning district counts toward the requirement.
- The use of density bonus zoning is at the option of the developer (who may instead choose to develop at the base density). In contrast, inclusionary zoning is not optional; market housing projects in the inclusionary zoning district must provide the required affordable housing contribution.
- Density bonusing can be used to achieve amenities, affordable housing, or a combination. Inclusionary zoning can only be used to obtain affordable housing contributions. One option is to use inclusionary zoning to obtain affordable housing and use a combination of density bonusing and Amenity Cost Charges (as described in the next section) to achieve necessary amenities.
- Because of the requirement to test potential negative impacts on financial viability, inclusionary zoning usually requires some additional density be provided to cover the cost of the affordable housing component.

<sup>4</sup> LGA 482 (1.1), (2.2), (2.3), (2.4); LGA 482.1 (1) and 482.2; *Vancouver Charter* 565.1 (1.1), (2.2), (2.3), (2.4); *Vancouver Charter* 565.11 (1) and 565.12.



- Local governments can still use density bonusing and site-by-site rezonings for large, complex, or unique sites where appropriate.



## 5 Amenities and Infrastructure

### Why the Changes are Needed

Previously, local governments typically secured funding from new development for community infrastructure through Development Cost Charges (DCCs).<sup>5</sup> These are charges levied on new development for basic infrastructure like water, sewer, drainage, roads, and parkland. However, DCCs could not be collected for some important facilities such as fire halls, libraries, recreation centres, or police stations. Local governments were also limited in their ability to secure works and site-serving improvements that are near new developments, such as road widening, intersection improvements, or upgrades to services.

The new legislative framework provides an expanded and improved set of tools that local governments can use to obtain essential amenities and infrastructure.

### Development Cost Charges and Development Cost Levies

The use of DCCs and DCLs has been expanded to include new eligible types of infrastructure. All types of development can now be required to contribute to facilities for fire protection, police, solid waste, and recycling, in addition to the existing eligible categories. The prescribed collection and management of funds established by the Province is unchanged.

Local governments have discretion regarding the timing and extent of changes to DCC bylaws.

### Amenity Cost Charges

The new legislative framework introduces a tool called the Amenity Cost Charges (ACC), which helps local governments fund the capital costs of amenities in a similar way to DCCs. The ACC is a clear and predictable tool that can be used to collect funds or obtain amenities for things like community centres, recreation facilities, libraries, childcare spaces, or public open spaces. Local governments can charge ACCs to any new development that creates an increased need for these types of facilities.

The new ACC tool includes rules to ensure transparency and cost certainty for developers, local governments, and the public. Local governments must use a fair and transparent method to determine the need for amenities and calculate the appropriate charge. They must also manage the funds carefully, ensuring they are used only for stated purposes, and report annually on how much revenue was obtained and how it has been used. The charge should not be so high that it discourages new development, especially since ACCs are in addition to expanded DCCs and apply to developments that stay within existing zoning limits, not just those with increased density.

A major benefit of ACCs is that they can be applied to all new developments, even if there is no rezoning or density increase. ACCs also create greater certainty for developers, as the rates are set in advance and are not subject to negotiation.

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<sup>5</sup> These are called DCCs in all local governments except for the City of Vancouver which uses Development Cost Levies (DCLs). DCCs and DCLs are the same in principle but apply to different forms of infrastructure.



## Density Bonusing for Amenities

Density bonusing may continue to be used to collect amenities, however, there are new rules and requirements for its use including consultation, financial feasibility analysis, and annual reporting as well as clarifications for accepting cash-in lieu of on-site amenities. Please see Tier 4: Affordable Housing for a description of recent changes to density bonus legislation.

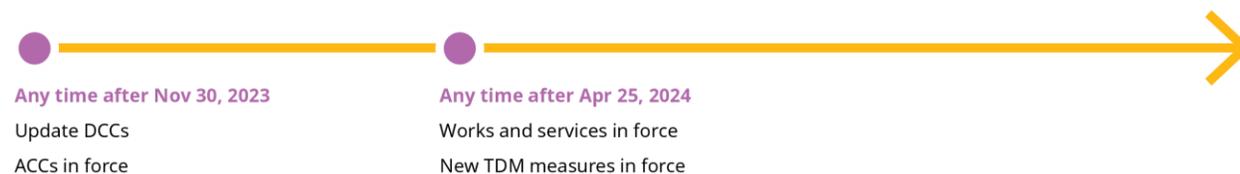
Local governments may use density bonusing to complement ACCs in a variety of ways, by applying both density bonus conditions and ACCs on the same or separate development, or in different areas. However, local governments cannot apply contributions collected through density bonusing to amenities already covered by an ACC bylaw. For example, if a specific amenity project is included in a local government's ACC bylaw, the local government cannot use density bonusing to secure that amenity.

## Requirements for Works, Services, and Transportation Demand Measures

There are now more works and services that individual developments may be required to provide as a condition of obtaining a building permit or subdivision approval, even if no rezoning is involved, including:

- Road widening, sidewalks, boulevards, street lighting, transit bays, and underground wiring.
- On-site features such as benches, bicycle parking facilities, small open spaces, signage, lighting, transit shelters, and waste/recycling containers.
- Infrastructure that supports walking, cycling, and public transit.
- Sustainable design features for energy and water conservation, reduced greenhouse gas emissions, and climate resilience.
- Electric vehicle charging stations, end-of-trip facilities, secure bicycle and scooter parking facilities.
- Other measures to achieve Transportation Demand Management (TDM) goals.

## Timing



## Implementation Considerations

Local governments have discretion to decide if and when to adopt new DCC or ACC bylaws. However, it is in their best interest to do so quickly, especially since new zoning rules allow more density without conditions (e.g., SSMUH, minimum densities in TOAs, and pre-zoning to meet long term housing needs). Local governments can still use site-by-site rezonings for large, complex, or unique sites where appropriate.

Local governments may need to acquire public land to accommodate new facilities funded by new DCCs and ACCs, such as fire stations, police stations, recreation centres, or childcare facilities. They should consider land acquisition and construction costs in DCC and ACC rates. It may be difficult to find suitable sites and locations for these developments even with sufficient funding available. Comprehensive planning, collaboration with landowners and developers, and proactive early site acquisition can help to ensure sufficient land is obtained for community facilities.



# INTEGRATED TIMELINE FOR THE NEW FRAMEWORK

