

2026 Financing Growth Update

Update to Density Bonus & Inclusionary Zoning

Council Presentation

June 2, 2026



As part of the Financing Growth Update and to respond to Provincial legislative requirements that must take effect June 30, 2026, staff are proposing the following changes:

1. Remove all cash-only density bonus contributions
2. Introduce in select cases an Inclusionary Zoning requirement
3. Confirm in-kind housing bonuses as Inclusionary Zoning, with future report back on City's Inclusionary Zoning framework

Guiding Principles

- Strike balance between development viability and infrastructure investments needed
- Simplify FG system to be more predictable, transparent
- Minimize impact to in-stream development



Top: *Marpole-Oakridge Community Centre*

Bottom: *Rainbow Park*

Project Description

- To comprehensively update all development contribution tools to guide future capital plans between 2027-2036

Tool	What it is	Eligibility
DCL Development Cost Levy	Charge on most new development	Utilities, Transportation, Housing, Parks, Childcare, Police, Fire, Solid Waste
ACC Amenity Cost Charge		Amenities not funded by DCLs: Community Centres, Libraries, Social & Cultural facilities, Public Art
IZ Inclusionary Zoning	In-kind or cash contributions within existing zoning	Affordable housing (can be used within TOA densities)
DBZ Density Bonus Zoning		Affordable housing or amenities not in ACC (cannot be used within TOA densities)
CAC Community Amenity Contribution	In-kind or cash contributions through rezoning	Variety of in-kind amenities (social housing, childcare) and cash contributions
Delivered through 2 reports to Council: <ol style="list-style-type: none"> 1) May 5 (June 2 PH): Bill 16 compliance report (IZ, DBZ) 2) July 28: Amend DCL, introduce ACC bylaw, & CAC policy changes 		

Bill 16 (approved 2024) included changes to density bonusing and inclusionary zoning:



Density bonusing can no longer be cash-only charges

Must be based on in-kind, can include cash-in-lieu option

Cannot be used within minimum TOA densities



Inclusionary zoning is a new tool for affordable housing

City can define type of affordable housing (% of social housing, below-market rental, affordable home ownership)

Must be based on in-kind, can include cash-in-lieu option

Can be used within minimum TOA densities



Density bonusing program must be updated prior to June 30, 2026



Challenging market conditions – high costs / low demand. City of Vancouver support towards development viability



New and amended financing growth tools from the Province



Focus investment on core City infrastructure/facilities



Key findings of detailed financial feasibility analysis:

- Most development could not support the existing density bonus contribution after introduction of the (future) proposed Amenity Cost Charge
- In three zones, development could support a new inclusionary zoning requirement (less than previous density bonus contribution)

1. Remove all cash-only density bonus contributions
 - New legislation does not allow existing density bonus contribution
 - Testing shows most zones do not support an additional contribution beyond the proposed DCL / ACC
 - Density bonus removed while continuing to allow additional development opportunities
 - Heritage Amenity Shares (additional 10% floor area in exchange for a \$85/sf cash contribution) is a form of density bonusing no longer permitted

2. In a few cases, transition to Inclusionary Zoning requirement with cash-in-lieu contribution
 - Inclusionary Zoning requirements provide in-kind option as well as cash-in-lieu option
 - Inclusionary Zoning cash-in-lieu typically less than previous density bonus contributions
 - 90% of multiplex lots and 75% townhouse lots not subject to Inclusionary Zoning

Zone	In-kind Requirement	Cash-in-lieu Rate
Multiplex (R1-1, FSD)	5% social housing	\$27.50/ft ² (\$550/ft ² social housing area)
Townhouse (RM-8A)	8% social housing	\$44/ft ² (\$550/ft ² social housing area)
FC-2E	10% social housing	\$60/ft ² (\$600/ft ² social housing area)

3.1 Confirm existing in-kind housing bonuses as Inclusionary Zoning requirements to align with legislation

3.2 Review Inclusionary Zoning to explore changes to support viability, with report back in Fall 2027



Above: *Fraserview Housing Co-op*



Above: *955 E Hastings St*

- If approved, changes to be effective June 30, 2026
- In-stream Applications with BP issuance after June 30th will not subject to DBZ / IZ requirements
- New Applications submitted after June 30, 2026 will be subject to new IZ requirements where applicable
- In-stream DP and BP applicants will be notified of approved changes in April / May 2026

- In alignment with Provincial legislation, staff are seeking Council approval of the following amendments to density bonus and inclusionary zoning amendments:
 1. Remove all cash-only density bonus contributions
 2. Introduce in select cases an Inclusionary Zoning requirement
 3. Confirm in-kind housing bonuses as Inclusionary Zoning, with future report back on City's Inclusionary Zoning framework
- Additional amendments to Financing Growth Tools (DCLs, ACCs and CAC Policy) will be brought forward for Council consideration July 28, 2026

Thank You

Staff Available for Questions

