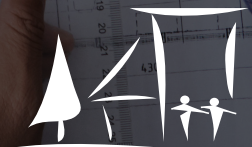


# HOUSING ADVISORY BULLETINS

## SERIES 03

### INCLUSIONARY ZONING AND INCLUSIONARY HOUSING POLICIES

### ISSUE 3.3 - KEY CONSIDERATIONS FOR DEVELOPING INCLUSIONARY HOUSING POLICIES



**PIBC** PLANNING  
INSTITUTE  
OF BRITISH COLUMBIA  
FORWARD THINKING  
SHAPING COMMUNITIES

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# HOUSING ADVISORY BULLETINS

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## HOUSING ADVISORY BULLETINS

# ISSUE 3.3 - KEY CONSIDERATIONS FOR DEVELOPING INCLUSIONARY HOUSING POLICIES

### 1.0 INTRODUCTION

This bulletin is part of PIBC’s Peer Learning Network (PLN) Housing Advisory Bulletin Series 3, which equips planning practitioners with practical, precedent-informed guidance to support the development and implementation of Inclusionary Housing policies, including the potential for Inclusionary Zoning (IZ) bylaws. Issue 3.1 provides an overview of Inclusionary Housing policy tools available to local governments in British Columbia, along with the principals that underpin their use. Opportunities and challenges associated with these tools are contextualized in Issue 3.2, which explores prominent Inclusionary Housing Policies implemented locally and across North America. Key findings and considerations for planners seeking to develop their own Inclusionary Housing policies are summarized in Issue 3.3.

The PIBC Peer Learning Network (PLN) Housing Advisory Bulletins are designed to equip planning practitioners with practical insights into the financial and policy dimensions of housing delivery in British Columbia.

The bulletins are organized into three parts:

- **Series 01:** Fundamentals of Housing Development Economics
- **Series 02:** The Cost of and Funding for Infrastructure and Amenities
- **Series 03:** Inclusionary Zoning and Inclusionary Housing Policies

Together, these bulletins bridge the gap between theory and practice, supporting planners in aligning housing objectives with economic realities and legislative requirements.



## 1.1 Purpose of the Bulletin

This bulletin is the third in Series 3: Inclusionary Zoning and Inclusionary Housing Policies and is designed to:

- + **Summarize key considerations and best practices** for designing and implementing Inclusionary Housing policies, drawing on case studies, interviews and preceding issues in the series.
- + **Outline decision making frameworks**, including financial feasibility, policy calibration, program administration and long-term monitoring, to help local governments determine whether inclusionary approaches are appropriate for their local context.
- + **Clarify the role of planners and the limitations of Inclusionary Housing policies**, emphasizing that inclusionary tools address only part of the housing-need spectrum, and must be paired with broader macro-level strategies and complementary supports.

## KEY DEFINITIONS FOR THIS BULLETIN:

**Inclusionary Housing** – Housing provided below market rates (rental or ownership), including units for people with special needs, secured as a condition of new development.

**Inclusionary Zoning (IZ)** – The common term used to describe planning and regulatory requirements that mandate the provision of Inclusionary Housing units as a condition of development approval, implemented through a zoning bylaw. Under the Local Government Act in BC, Inclusionary Zoning is formally referred to as an Affordable and Special Needs Housing (ASNH) Zoning Bylaw.

**Density Bonus (DB)** – The common term for a zoning incentive that grants additional development potential (units, height, or floor area) in exchange for Inclusionary Housing units or other public benefits. In BC, the LGA refers to this tool as a Density Benefits Zoning Bylaw.



**Inclusionary Housing policies** can support local governments in advancing community housing objectives, embedding affordability outcomes into the market development process, rather than relying solely on public funding or senior-government subsidy programs. However, these policies can present significant impositions on new development, requiring careful design and ongoing stewardship. Successful programs must account for local land economics, differences in built form, administrative capacity, and evolving market conditions.

In the same regard, certain Inclusionary Housing tools may not work for all communities and contexts. In communities with limited resources, implementing and managing a comprehensive inclusionary program may be challenging. In other cases, policies that are not carefully calibrated can lead to unintended consequences, such as reduced housing supply or investment shifting to neighbouring jurisdictions. In both cases, these risks can be mitigated through rigorous **financial feasibility testing**, clear administrative processes, and consistent monitoring and policy refinement.



For a detailed overview of what **Inclusionary Housing policies in BC** are, how they have evolved, and the opportunities and challenges associated with each, please refer to **PLN HOUSING ADVISORY BULLETIN SERIES 03, ISSUE 1.**

**Financial Feasibility Analysis** is a critical factor in designing Inclusionary Housing Policies, particularly for legislated tools such as Density Bonusing (DB) and Inclusionary Zoning (IZ). Although these tools can secure affordable housing, they must be calibrated carefully to ensure they do not undermine development viability, which can negatively affect overall housing supply. A clear understanding of development economics is therefore essential when establishing inclusionary requirements. For additional discussion on financial feasibility and methods for testing development viability, refer to **PLN Housing Advisory Bulletin Series 01, Issue 2.**

## 2.0 KEY CONSIDERATIONS AND BEST PRACTICES FOR INCLUSIONARY HOUSING POLICIES

To support local governments considering inclusionary approaches, this section summarizes key best practices and outlines decision frameworks to guide the development and implementation of IZ and DB policies and bylaws. These practices focus on ensuring policies are appropriately calibrated to local market conditions, supported by clear administrative structures, and evaluated at regular intervals to ensure they remain effective over time.

This guidance is organized around four overarching themes that consistently shape the success of inclusionary policies:

- + **Achieving Affordability**, which focuses on how affordability targets are defined and delivered;
- + **Getting It Built**, which addresses feasibility, incentives, and ensuring policies do not hinder housing production;
- + **Transfer and Ownership**, which considers how affordable units are allocated, transferred, and maintained over time; and
- + **Monitoring and Oversight**, which emphasizes administration, compliance, and ongoing program evaluation.

Each theme highlights key considerations and common challenges local governments encounter when designing and implementing Inclusionary Housing policies, as summarized in the following table.



The following frameworks and recommended best practices are based on a combination of research, case study review, and interviews with policy makers, developers and affordable housing operators with experience working with Inclusionary Housing policies in practice.

For more information, please refer to PLN HOUSING ADVISORY BULLETIN SERIES 03, ISSUE 2.

ISSUE	KEY CONSIDERATION
<b>THEME 1 - DEFINING AFFORDABILITY</b>	
<b>Determining Needs &amp; Objectives</b>	<ul style="list-style-type: none"> <li>+ How much below-market housing is needed in the community?</li> <li>+ Who is this housing intended for?</li> <li>+ Is the policy targeted for a certain tenure?</li> <li>+ Are a mix of unit sizes required?</li> </ul>
<b>Setting &amp; Measuring</b>	<ul style="list-style-type: none"> <li>+ What is the most appropriate measurement for setting affordability targets?</li> <li>+ Is sufficient data available to set and regularly update this target?</li> </ul>
<b>Determining the Set-Aside Rate</b>	<ul style="list-style-type: none"> <li>+ How much of a set-aside can be supported?</li> <li>+ Are affected parties involved in this process?</li> </ul>
<b>THEME 2 - GETTING IT BUILT</b>	
<b>Require vs. Incentivize</b>	<ul style="list-style-type: none"> <li>+ Is a requirement or incentive the better tool?</li> <li>+ Can additional incentives help to better deliver this policy?</li> </ul>
<b>Market Sensitivity &amp; Changing Conditions</b>	<ul style="list-style-type: none"> <li>+ How do policies affect the financial feasibility of development?</li> <li>+ Do these factors vary across locations and typologies?</li> <li>+ How might changes to other policy requirements or market conditions affect financial viability?</li> </ul>
<b>On-Site vs. Flexible Delivery</b>	<ul style="list-style-type: none"> <li>+ Does the policy allow flexibility based on project size?</li> <li>+ Is there a minimum project size for on-site units to be required?</li> </ul>
<b>Ensuring Predictability</b>	<ul style="list-style-type: none"> <li>+ Are requirements clearly communicated?</li> <li>+ How are changes implemented?</li> </ul>

ISSUE	KEY CONSIDERATION
<b>THEME 3 - TRANSFER &amp; OWNERSHIP</b>	
<b>Ownership &amp; Stewardship</b>	<ul style="list-style-type: none"> <li>+ Who is best suited to operate the Inclusionary units?</li> <li>+ Who owns the units and how are they transferred or acquired?</li> </ul>
<b>Affordability Length &amp; Security</b>	<ul style="list-style-type: none"> <li>+ How long does the affordability requirement last?</li> <li>+ What happens when an Inclusionary unit turns over?</li> </ul>
<b>Eligibility Management</b>	<ul style="list-style-type: none"> <li>+ Who determines eligibility for Inclusionary units?</li> </ul>
<b>Operational Efficiency &amp; Cost Management</b>	<ul style="list-style-type: none"> <li>+ Will the policy deliver enough units together to be efficient for operators?</li> <li>+ How does the policy reflect operating cost inflation?</li> </ul>
<b>THEME 4 - MONITORING &amp; OVERSIGHT</b>	
<b>Evaluation &amp; Administration</b>	<ul style="list-style-type: none"> <li>+ How is policy success measured?</li> <li>+ Are there sufficient staff resources to manage the program?</li> </ul>
<b>Recalibration</b>	<ul style="list-style-type: none"> <li>+ How often can the policy be reviewed and updated?</li> <li>+ What notice period is needed before changes take effect?</li> </ul>



## 2.1 Defining Affordability

Question	Best Practice
<b>Issue: Determining Needs and Objectives</b>	
<p><b>How much below-market housing is needed in the community?</b></p>	<p><b>Start with the Housing Needs Report (HNR).</b></p> <p>A common issue with any Inclusionary Housing policy is defining affordability and the quantum of need. The HNR provides a standardized methodology that provides local governments with a baseline understanding of housing need based on the Province's methodology, including for affordable units. This baseline can then be refined to reflect community priorities, development patterns, and socio-economic factors. Beginning with the HNR ensures that Inclusionary Housing policies are grounded in consistent, evidence-based analysis while still allowing flexibility for local context.</p>
<p><b>Who is this housing intended for?</b></p>	<p><b>Set realistic expectations for who the policy can effectively support.</b></p> <p>Inclusionary Housing policies have the potential to serve a broad range of households and incomes, including workforce households, seniors, families, and people in need of special supports. Each of these groups have different needs and require different levels of affordability, support and design; all of which affect the cost of delivery and ongoing operation.</p> <p>However, Inclusionary Housing policies have limits based on financial realities. Several operators and builders note that deeply affordable, shelter rate, and highly supportive housing options are often not a good fit or financially viable within an Inclusionary Housing framework without substantial subsidy or funding support from other tools. These forms of housing require deeper affordability and more intensive operating supports than can typically be achieved through inclusionary requirements alone.</p>
<p><b>Is the policy targeted for a certain tenure?</b></p>	<p><b>Calibrate requirements for the intended tenures.</b></p> <p>Programs should clarify expectations for how affordable units can be delivered via rental, ownership, or mixed tenure developments, since tenure affects both project feasibility and the level of affordability that can be achieved. Certain tenures may also be better suited to specific built forms. Affordable ownership may be more achievable in smaller projects or in condominium strata developments where operation of rental may not be as efficient. Rental tenure, by contrast, may be better achieved in larger purpose built rental buildings that can support long-term operations and offer greater stability for affordable rental units. Aligning tenure expectations with the built forms most able to support them can improve policy outcomes and feasibility.</p>
<p><b>Are a mix of unit sizes required?</b></p>	<p><b>Balance unit size requirements with other objectives.</b></p> <p>Affordable units should generally reflect community needs and the size and mix of units in the overall development. A range of unit sizes, including larger family oriented homes, helps address gaps in supply and supports households that are often underserved in the market. At the same time, requiring larger units can increase project costs and may influence what set-aside rate is feasible. Local governments can improve outcomes by balancing these objectives with financial realities. Using gross floor area rather than unit count as the basis for inclusionary requirements can also better encourage the delivery of family sized units, since larger homes contribute proportionally to the requirement without discouraging their inclusion in building programs.</p>

Question	Best Practice
<b>Issue: Setting and Measuring Affordability Targets</b>	
<p><b>What is the most appropriate measurement for setting affordability targets?</b> (e.g. benchmark, income-based, market-based)</p>	<p><b>Choose a measurement that balances need for affordability with complexity of implementation.</b></p> <p>Benchmark approaches such as using Area Median Income or CMHC median values are commonly adopted because they are relatively simple to apply and offer predictable updates at multiple income levels. However, these benchmarks may not fully capture household ability to pay and should be calibrated to local context.</p>
<p><b>Is sufficient data available to set and regularly update this target?</b></p>	<p><b>Build policies around data sources that reflect local market conditions and can be updated in a clear and predictable manner.</b></p> <p>Several data sources are available, but the most appropriate one depends on the objectives of the policy and the capacity of staff to maintain consistent reporting and regular updates.</p>
<b>Issue: Determining the Set-Aside Rate</b>	
<p><b>How much of a set-aside rate can be supported?</b></p>	<p><b>Effective set-aside requirements must balance community need with local market feasibility.</b></p> <p>While many programs require between five and thirty percent of units to be affordable, the appropriate rate should not be based on other jurisdictions. It should be grounded in the community's unique needs, the economics of local development, and the ability of different typologies and densities to support the requirements. All set-asides must be validated through detailed financial analysis before adoption, and should be tested regularly (every few years) to ensure they remain viable under changing market conditions.</p>
<p><b>Are affected parties involved in this process?</b></p>	<p><b>Engage developers and operators early, meaningfully, and often.</b></p> <p>These groups are essential delivery partners, and policies developed with their input are more likely to be feasible, realistic, and supported during implementation. Ongoing engagement ensures requirements reflect operational realities and maintain predictability for those responsible for delivering affordable units.</p>

## 2.2 Getting it Built

Question	Best Practice
<b>Issue: Require vs. Incentivize</b>	
<p><b>Is a requirement or incentive the better tool?</b></p>	<p><b>Both Inclusionary Zoning and Density Bonusing have their place.</b></p> <p>IZ is generally most effective in strong housing markets, where demand and solid profit margins allow developers to absorb the cost of providing affordable units without undermining project feasibility. Where local density and market conditions do not clearly support this approach, DB is often the more appropriate tool. DB tends to be effective where developers can meaningfully add development capacity, such as in areas with supportive zoning, adequate infrastructure, and policy that supports taller, denser buildings. The two tools may be used in concert, particularly in areas where a minimum density uplift has already been permitted, such as provincially designated Transit Oriented Areas.</p>
<p><b>Can additional incentives help to better deliver this policy?</b></p>	<p><b>Inclusionary units work best when incentivized and offset.</b></p> <p>Offsetting tools, such as increased density, reduced parking requirements, expedited approvals, and fee reductions, can improve development feasibility and support the delivery of affordable units. U.S. examples show that inclusionary outcomes are strengthened by federal tax incentives, which do not currently exist in BC. This suggests local governments may need to rely on other financial offsets, including DCC waivers, grant support, or relaxation of other development requirements (e.g., parking ratios), to help projects absorb affordability requirements while maintaining overall supply.</p>
<b>Issue: Market Sensitivity &amp; Changing Conditions</b>	
<p><b>How do policies affect the financial feasibility of development?</b></p>	<p><b>To avoid unintended outcomes, policies must be calibrated to local market conditions.</b></p> <p>Financial feasibility analysis is essential when designing and updating Inclusionary Housing policies. Set-aside rates, depth of affordability, operator expectations, and required amenities all affect the viability of projects. Conditions shift frequently, including construction costs, land values, interest rates, and rental market dynamics, so feasibility analysis must be updated regularly to avoid stalling development or reducing overall housing supply in the community.</p>
<p><b>Do these factors vary across locations and typologies?</b></p>	<p><b>Tailor and test policies against a range of typologies and tenures.</b></p> <p>High-rise concrete buildings, mass timber mid-rise, and wood frame apartments all have different cost structures and revenue profiles. Not all forms or locations can support the same set-aside rates. Testing requirements against multiple typologies and tenures allows local governments to avoid policies that discourage building in areas intended for growth by unintentionally shifting development to other areas or neighbouring jurisdictions.</p>
<p><b>How might changes to other policy requirements affect financial viability?</b></p>	<p><b>Ensure the policies are tested to reflect other requirements set by other levels of government.</b></p> <p>Changes to other local, regional, and provincial policies, such as regional DCCs, revised building code requirements, minimum densities in TOAs, and other regulatory obligations, can have material impacts on project viability. Inclusionary policies should therefore incorporate these broader requirements into feasibility testing, ensuring the cumulative burden remains realistic and does not suppress housing supply.</p>

Question	Best Practice
<b>Issue: On-Site vs. Flexible Delivery</b>	
<b>Does the policy allow flexibility based on project size?</b>	<p><b>Consider off site and cash in lieu options for challenging projects.</b></p> <p>Small projects may not generate enough inclusionary units to be efficiently operated by non-profit providers and rounding a partial requirement up to a full unit can undermine viability. Off-site delivery or cash-in-lieu options, as agreed upon and in alignment with legislative requirements, can allow local governments to pool resources and deliver affordable units at a scale that is more cost effective. Clear rules for when alternatives are permitted improve predictability for both developers and operators.</p>
<b>Is there a minimum project size for on-site units to be required?</b>	<p><b>Set minimum project sizes for requiring on site rental units.</b></p> <p>Smaller projects that only would result in a few inclusionary units may present viable options for affordable ownership, but these are generally not good candidates for affordable rental, particularly if a third party is required to manage the units. Planners should work with local operators to identify a minimum size threshold for on-site rental, with projects below that size instead required to make a cash-in-lieu payment to an affordable housing reserve fund.</p>
<b>Issue: Ensuring Predictability</b>	
<b>Are requirements clearly communicated?</b>	<p><b>Clearly codify expectations for policy requirements and when alternatives would be considered.</b></p> <p>Predictable, standardized requirements reduce negotiation, support fairness, and improve developer certainty. Codifying when and how alternatives, such as off-site delivery or cash-in-lieu, can be used ensures transparency and improves trust between local governments, operators, and the development community.</p>
<b>How are changes implemented?</b>	<p><b>Provide clear timelines for implementing policy changes, including defined in stream protections for projects already in the application pipeline.</b></p> <p>Local governments should standardize program reporting and communicate policy adjustments clearly and predictably to maintain trust with developers and operators. Clear implementation timelines help ensure that changes do not disrupt projects already advancing under existing rules. In stream protections (typically applied to full applications that have been formally submitted) prevent abrupt policy shifts from undermining feasibility, reducing uncertainty, and supporting stable development outcomes.</p>

## 2.3 Transfer & Ownership

Question	Best Practice
<b>Issue: Ownership &amp; Stewardship</b>	
<p><b>Who is best suited to operate the Inclusionary units?</b></p>	<p><b>Clearly identify who is approved to operate units based on their capacity to support the objectives of the program.</b></p> <p>Inclusionary programs should specify who will own or manage the affordable units and who will select tenants or buyers. Operators may include developers, non-profits, or municipal housing corporations. Programs often rely on non-profit partners whose scale, capacity, and mission vary, which reinforces the need for planners to engage early, understand operator constraints and capacity. To assist with the process, local governments can create and maintain a list of approved operators for developers to utilize. The policy should also consider what options are available if a suitable operator cannot be secured.</p>
<p><b>Who owns the units and how are they transferred or acquired?</b></p>	<p><b>Ownership and transfer considerations affect project viability, operator capacity, and staff resourcing needs.</b></p> <p>Ownership models differ across inclusionary programs. Transferring units to a qualified non-profit or municipal entity can support long-term affordability but may create operational challenges in stratified buildings where maintenance obligations must be shared. Requiring developers to dedicate units at no cost impacts project viability, while expecting operators to purchase units, even at discounted prices, can reduce the pool of potential operators. Local government involvement in the transfer process supports intended outcomes but increases administrative demands on staff.</p>
<b>Issue: Affordability Length &amp; Security</b>	
<p><b>How long does the affordability requirement last?</b></p>	<p><b>Balance the length of requirement with policy objectives.</b></p> <p>Most inclusionary programs secure affordability for extended periods, typically 60 years or the life of the building. These long-term requirements help preserve the public benefit and prevent units from returning to market rates prematurely. Older buildings also tend to become more affordable over time as rents stabilize, but lengthy affordability obligations affect development viability, operational sustainability, and upkeep. Programs must align affordability duration with local housing goals and feasibility considerations.</p>
<p><b>What happens when an Inclusionary unit turns over?</b></p>	<p><b>Use legal mechanisms that preserve affordability when units are sold or vacated.</b></p> <p>Local governments in BC considering IZ and DB bylaws may consider housing agreements under Section 483 of the Local Government Act to help ensure the affordability of units is retained when a tenant vacates or sells. These instruments can set maximum resale prices, regulate rent levels, require repurchase by an approved operator, or apply resale formulas that limit equity gain. Such mechanisms prevent affordability erosion when occupants leave and ensure that units continue to serve eligible households.</p>

Question	Best Practice
<b>Issue: Eligibility Management</b>	
<p><b>Who determines eligibility for Inclusionary units?</b></p>	<p><b>Consider approving third party organizations for tenant or buyer selection.</b></p> <p>Third party organizations can manage eligibility screening and placement, reducing administrative burden and improving fairness. Examples include arms length non-profits that qualify buyers in affordable ownership programs. Their involvement should be compensated appropriately and considered within feasibility testing, since administrative demands vary across programs and tenures.</p>
<b>Issue: Operational Efficiency &amp; Cost Management</b>	
<p><b>Will the policy deliver enough units together to be efficient for operators?</b></p>	<p><b>Ensure rental projects generate enough units to be managed effectively.</b></p> <p>Affordable housing operations work best when units are delivered at a scale that supports efficient management. Inclusionary requirements applied in higher-density areas or larger developments can help ensure operators have enough units to cover operating costs and maintain service levels. Smaller numbers of scattered units can strain operator capacity.</p>
<p><b>How does the policy reflect operating cost inflation?</b></p>	<p><b>Ensure affordability requirements and funding supports account for increasing costs.</b></p> <p>Operators must manage rising costs over time, and Inclusionary Housing programs must reflect those realities. Some programs rely on additional funding support from senior governments, which may come with added administrative requirements. Mixed tenure buildings introduce costs not directly under operator control such as strata fees, which can escalate. Policies must ensure affordability definitions, operating agreements, and funding supports are structured in ways that keep units viable and prevent unintended cost burdens.</p>



## 2.4 Monitoring & Oversight

Question	Best Practice
<b>Issue: Evaluation &amp; Administration</b>	
<p><b>How is policy success measured?</b></p>	<p><b>Identify key performance indicators that can be tracked and reported on annually.</b></p> <p>Inclusionary Housing policies benefit from scheduled reviews that assess performance and respond to changing conditions. The Local Government Act requires local governments report annually on the outcomes of their IZ and DB bylaws. Indicators should include total units applied for and built, number of inclusionary units secured under housing agreement, affordability levels, market rents and sales values, bedroom mix, progress by neighbourhood, and the balance and use of cash in lieu funds. Data should be reported consistently and evaluated against changing local metrics such as household income levels.</p>
<p><b>Are there sufficient staff resources to manage the program?</b></p>	<p><b>Ensure program complexity reflects staff and resourcing capacity.</b></p> <p>Effective Inclusionary Housing programs require dedicated staff to administer agreements, monitor compliance, track outcomes, and manage eligibility. Local governments must assess whether they have sufficient expertise in land use planning, development economics, and housing operations to administer the program. Several successful programs have multiple full time staff committed to these responsibilities, underscoring the need for local governments to commit long-term resources to support ongoing stewardship. Some of this requirement can be alleviated with sufficient non-profit partnerships, but the onus ultimately falls on the local government to ensure program success. The more complex the program, the more resources are likely to be required to ensure it is managed appropriately.</p>
<b>Issue: Recalibration</b>	
<p><b>How often can the policy be reviewed and updated?</b></p>	<p><b>Set realistic timelines for policy evaluation and updates.</b></p> <p>Regular policy review ensures Inclusionary Housing requirements remain aligned with market conditions and local housing needs. Review cycles should reflect staff capacity and the availability of updated data. Comprehensive reviews should occur at intervals that permit meaningful analysis and consultation. Provincial guidance recommends local governments adopt a three- to five-year review cycle for comprehensive IZ and DB bylaw evaluation and updates. This is consistent with the new requirement for zoning bylaw and OCP updates to ensure alignment with Housing Needs Reports being updated every five years. Within this window, annual updates to supporting feasibility modeling, based on current market data, may be warranted due to the sensitivity of viability to construction costs, rents, and interest rates.</p>
<p><b>What notice period is needed before changes take effect?</b></p>	<p><b>Policy adjustments should be communicated in advance of implementation, with consideration for grandfathering active applications.</b></p> <p>Providing advance notice of policy adjustments supports development viability and reduces uncertainty. Clear timelines help ensure that projects already progressing through the approvals process are not negatively affected by new requirements. In-stream protections, often tied to submission of complete applications, prevent disruption in the development pipeline and promote fairness while allowing the market adequate time to adapt.</p>

### 3.0 CONCLUSION AND KEY TAKEAWAYS

**Inclusionary Housing policies work best when treated as complementary tools within a broader housing system - clear in purpose, flexible in application, and scaled to the capacity of developers and local operators, and continuously monitored to ensure the requirements continue to reflect real-world conditions. They cannot deliver all affordable housing needs on their own, but contribute in a meaningful way to ensuring community housing outcomes.**

#### Summary of Planners' Role and What They Should Know

Local governments across British Columbia are increasingly expected to take a leading role in facilitating affordable housing delivery as communities grow and as provincial reforms reshape traditional planning and development finance tools. Inclusionary Housing policies like IZ and DB offer planners structured, bylaw based mechanisms to secure below market units without relying solely on senior government capital programs. However, these tools require careful calibration, transparent governance, and ongoing feasibility analysis to ensure they support, rather than hinder, overall housing supply. Planners must therefore understand not only the mechanics of IZ and DB, but also their implications for project viability, land economics, and administrative capacity.

In practice, the planner's role is multidisciplinary and spans policy design, feasibility assessment, interdepartmental coordination, developer engagement, and long-term monitoring. A well designed Inclusionary Housing policy integrates local housing needs, market realities, and operator capacity, ensuring that affordability objectives remain durable over time. The most successful, whether in BC or across the United States, demonstrate that strong policy foundations paired with predictable implementation frameworks create the best conditions for delivering affordable housing in alignment with broader community objectives, while also improving developer acceptance.



## When Are Inclusionary Housing Policies the Right Tool?

Effective Inclusionary Housing policies are geared toward specific outcomes, evidence-based, and grounded in a deep understanding of local land economics. Not all housing challenges can or should be addressed through an Inclusionary Housing policy. As outlined in the preceding sections of this Bulletin, local governments should first determine whether the available inclusionary policy options are best suited to address their specific affordability gaps and whether local market conditions and administrative capacity support their implementation.

Housing need exists across a broad spectrum. Inclusionary Housing policies are typically most effective in addressing only a portion of that need, particularly a modest level of below-market affordability. They may have limited ability to address multiple housing objectives simultaneously, such as delivering deeply affordable units, larger family-oriented units, and accessible housing. While these policies can play an important role in expanding the supply of below market units, they are best understood as one tool among many for addressing housing affordability challenges.

Many households require deeper levels of affordability that extend beyond what land value-based tools such as Inclusionary Housing policies can deliver. Addressing these needs often requires complementary approaches, including direct subsidies, senior government funding programs, and partnerships with non-profit or supportive housing providers.



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## SERIES 03

### INCLUSIONARY ZONING AND INCLUSIONARY HOUSING POLICIES

### ISSUE 3.3 - KEY CONSIDERATIONS FOR DEVELOPING INCLUSIONARY HOUSING POLICIE