

Re: PG26.1

**Bill 7:
Response to the Proposed
Inclusionary Zoning Regulation**

Planning and Growth Management Committee
Thursday January 25, 2018
Committee Room 2, City Hall

Background: proposed inclusionary zoning regulation

- *Bill 7: Promoting Affordable Housing Act, 2016* received Royal Assent on December 8, 2016.
- New legislation provided enabling framework for inclusionary zoning with key details to be provided through regulation.
- Proposed regulation under Bill 7 released on December 18, 2017 for 45 day commenting period. Response due by February 1, 2018.

Key features of proposed regulation

- Enables municipalities to enact policies and by-laws requiring the provision of affordable housing in identified areas of the City.
- Municipalities may either require the affordable housing units as part of a Community Planning Permit System (CPPS) or provide for significant incentives for the affordable housing.
- Caps the amount of affordable housing at 10% of the residential gross floor area in high density transit-station areas and 5% in all other areas.
- The affordable housing would be secured for at least 20 years but no more than 30 years, plus a subsequent 10-year phase-out period.
- Limits municipalities to apply inclusionary zoning to only condominium registered developments and to secure primarily affordable ownership housing.

Key City of Toronto considerations

- The prescriptive and detailed framework limits opportunities for local flexibility in implementing inclusionary zoning.
- The required City contribution of 40% of the difference between market price and affordable prices would impose a significant financial cost on the City.
- The focus on securing condominium units limits opportunities for securing affordable rental housing within condominium developments or in purpose-built rental projects.
- The limited applicability misses opportunities to improve housing affordability within Toronto's high-growth context.



Questions?