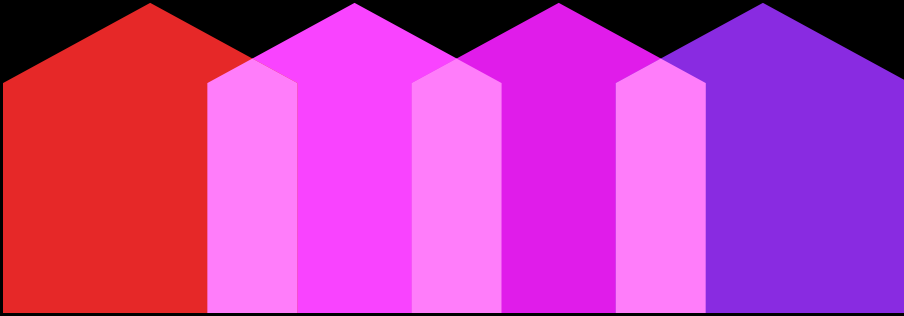


City of Toronto Inclusionary Zoning City-wide Consultation and Communication Summary



The City of Toronto (the City) is growing and of the over 230,000 units built or approved in the last five years, only about 2% were affordable. The City is exploring inclusionary zoning (IZ) policies with the goal of:

1. Increasing the supply of affordable housing;
 2. Continuing to encourage market housing development by supporting a diverse range of housing supply; and
 3. Creating more inclusive, complete and equitable communities.
-

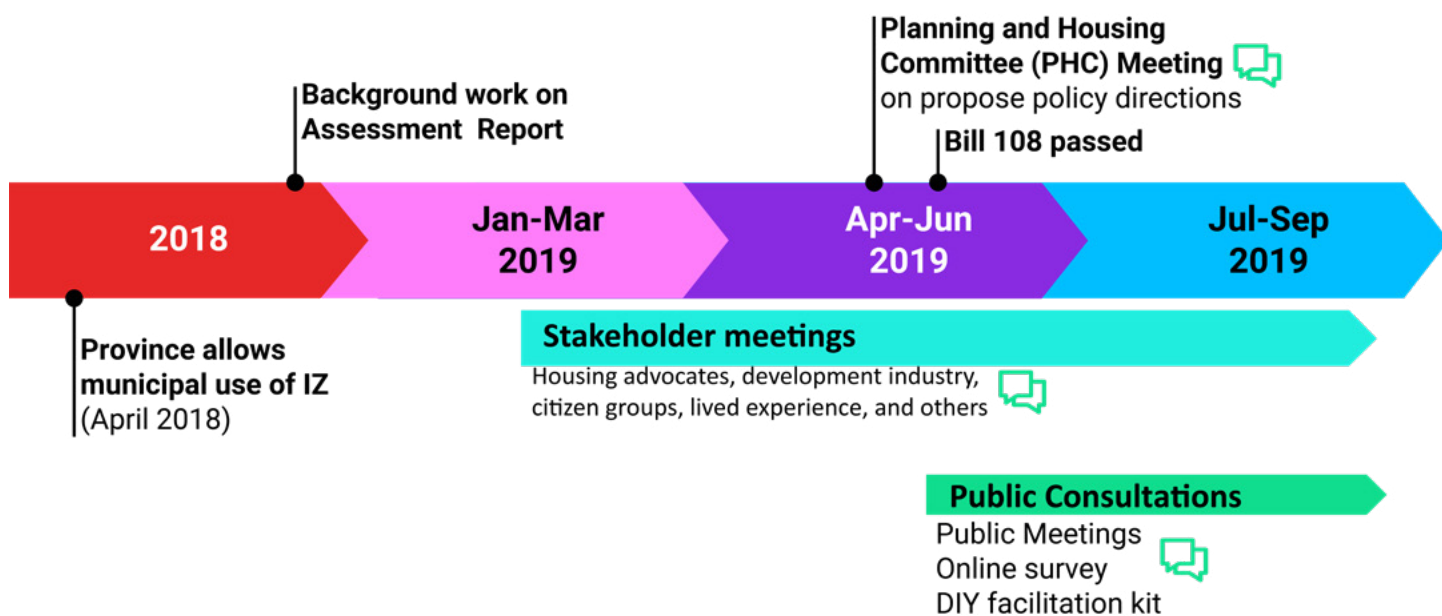
IZ policies would allow the City to require a certain percentage of affordable housing units in new residential developments, creating mixed-income housing. The City has developed proposed policy directions for IZ based on findings from an in-depth analysis of housing needs and demands over the past 10 years, current trends in market pricing for ownership and rental housing, an analysis of the potential impacts of IZ on the financial viability of market developments and initial conversations with key stakeholder groups.

Inclusionary Zoning Consultation and Communication Summary



Consultation played a key role in understanding stakeholder and public interests and priorities related to IZ and the proposed policy directions. The project team, which consisted of staff from the City and Dillon Consulting Limited, provided a range of opportunities to provide feedback: **public and stakeholder meetings** that included plenary and break-out discussions as well as **interactive display panels**, **Do-It-Yourself (DIY) workshop kits**, and a **survey**.

These activities were carried out to educate the public on IZ, share initial findings from the [draft housing needs](#) and [financial impact analysis assessment reports](#), and get feedback on the proposed policy directions. The feedback gathered through these activities is being used to inform further analysis for the assessment reports and the development of draft inclusionary zoning official plan policies.

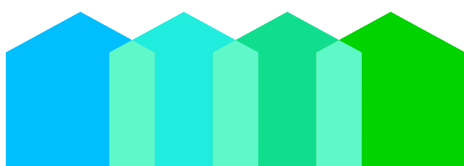


Inclusionary Zoning Consultation and Communication Summary

Program Overview

The objectives of the consultation program were to increase public awareness of IZ, collect feedback on the policy directions and promote an understanding of how IZ fits into the City's affordable housing tool box. Engagement activities were completed between March and September 2019. Consultation began with an initial meeting with stakeholders from the development industry and housing advocacy groups to understand their unique perspectives that need to be considered. We also hosted four public meetings and promoted an online survey, offered a DIY Kit and Train-the-Trainer session (for anyone wanting to host their own consultation on inclusionary zoning).

We promoted the engagement opportunities through various channels, including emails to the City's subscriber lists, posters at transit shelter stops, promoted Facebook events, information posted on the Inclusionary Zoning project website, a news release, Councillor newsletters, sharing the Inclusionary Zoning YouTube video and posts on our @CityPlanTO social media accounts. All of these efforts were done to reach as many people as possible. Public input to date has helped the project team better understand the priorities of Torontonians and what the IZ policies should strive to achieve.



Inclusionary Zoning At-A-Glance

The City is developing an IZ policy that would require new residential developments to include affordable housing units. IZ is one policy solution to help address the housing needs of Toronto's low and moderate income households (earning roughly between \$35,000 and \$88,500 a year depending household size). The proposed policy directions outline how IZ would apply in the city, including:

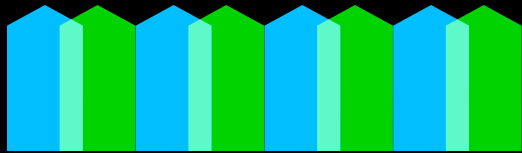
1. The percentage of affordable housing required, including different requirements for condominium ownership and purpose-built rental projects;
2. Where IZ would apply and the minimum size of development projects that IZ could be applied to;
3. How long the units must remain affordable for; and
4. As part of consultations on inclusionary zoning, we also sought feedback on a proposed new definition for affordable ownership housing.

The Planning and Housing Committee endorsed the proposed policy directions as the basis for consultation at its meeting on May 28, 2019 and directed the City Planning staff to consult on broad options for inclusionary zoning.

Inclusionary Zoning Consultation and Communication Summary

How We Engaged

Our objective has been to introduce the City's IZ policies to the public and uncover priorities from a range of perspectives. A variety of techniques were used to reach a diversity of Toronto residents.



Development of Project Branding to build project recognition



Pre-engagement interviews

held with key stakeholders to help us develop the approach to community consultation

toronto.ca/inclusionaryzoning

Development of a project specific website



Creation of an Inclusionary Zoning video that highlighted real housing stories that Torontonians shared with us. This video was shared online to introduce IZ and ways to get involved.

📷 979 views on Instagram

📺 514 views on YouTube

15 stakeholder meetings
with over **265** participants.



About **80** attendees at **4** public meetings

People were invited to attend via email, City of Toronto website, Facebook, bus shelter ads, word of mouth and stakeholder networks.



Inclusionary Zoning Consultation and Communication Summary

Over **1,500** recipients of email updates which included project subscribers, stakeholders, public meeting attendees and subscribers of the Poverty Reduction Strategy mailing list



Social Media was used to build awareness

#InclusionaryZoningTO



10

Tweets



4

Facebook posts



6

Instagram posts



21 Written submissions including 18 at the Planning and Housing Committee on May 28, 2019

Over **475** respondents to the online survey



12 Do-It-Yourself Workshops, with over **130** participants. Workshops were held in Etobicoke, Scarborough, Parkdale, Regent Park, and Downtown.



Photo Credit: Tuhina Chatterjee

200 people attended a City staff presentation at the University of Toronto's Affordable Housing Conference



100 transit shelter ads across the city

Design by RallyRally



500 postcards to promote the public meetings were distributed at other City housing consultations and events

What We Heard

Through the IZ consultation program, the project team heard a range of concerns and preferences for the IZ policies. We received hundreds of comments from stakeholders and members of the public and grouped their feedback into thematic policy areas. The following offers a high-level summary of what we heard. For more detailed records about what we heard in public and stakeholder meetings, the online survey and through the DIY Kits, see the appendices.

Feedback on the Policy Directions:

Geographic Application: The City needs to determine where to apply Inclusionary Zoning.

- The most common suggestion was to require inclusionary zoning across the city but differ the approach depending on geographic area and the local housing market (e.g. different requirements for stronger or weaker market areas).
- Another recurring comment was that inclusionary zoning should apply to areas with good access to transit, services, schools and parks.
- There was concern that in some areas of the city, inclusionary zoning units would cost more to build than what developers are willing to pay for land.
- A hope for these policies was that they could either mitigate or address the displacement impacts of development.
- Some felt there should be higher affordable housing requirements in the downtown core, to recognize that this area has recently experienced significant growth in land value.
- Several DIY Kit participants advocated for more affordable housing options in various parts of Scarborough and that it should apply to areas based on neighbourhood housing needs as well as market viability.

“The geographic applications of IZ should be reviewed every few years, to capture emerging areas that become more viable over time.”

“What about voluntary requirements for IZ outside of strong and moderate market areas?”

“IZ should be applied to all Protected Major Transit Stations Areas (PMTSAs), especially in changing neighbourhoods like Mount Dennis that is experiencing increased growth and density.”

Inclusionary Zoning Consultation and Communication Summary

On **June 6, 2019**, the Province of Ontario passed **Bill 108, More Homes, More Choice Act**. This Bill limits the City's use of inclusionary zoning to protected major transit station areas (generally areas within 500 to 800m of subway, light rail or bus stations on dedicated right-of-ways) or areas where a community planning permit system has been required by the Minister of Municipal Affairs and Housing.

Period of Affordability: The City needs to determine how long units should remain affordable.

- A 99 year or permanent affordability period was suggested by most people as the only way to ensure IZ has time to become effective.
- According to the survey, 75 years was the median number of years survey participants thought was an appropriate affordability period.
- Many were concerned that a shorter affordability period would result in the affordability problem being passed on to the next generation. 25 years was identified by most as not long enough to ensure a sustainable stock of affordable units.
- Some felt the minimum affordability period for rental units should be 25 years to reflect the typical lifespan for unit.
- For affordable ownership, a major concern was ensuring that the units are sold at an affordable price as they are sold to a new owner.
- Some raised concerns that permanently affordable units may not be well maintained over time and suggested partnerships with non-profits to ensure units remain in good condition.

"We would like IZ in Neighbourhood Improvement Areas (NIAs) and low-income areas but there needs to be different criteria for the building. For example, the criteria should include a need for housing, not just whether it will bring in profit. The building cannot gentrify or replace accessible housing and the people already living there."

"For low/moderate income people who move to IZ units in affluent areas, we have to make these neighbourhoods suitable, welcoming, and affordable for all members of the community - consider food costs, affordable retail, social supports, access to transit, community centre, social groups, etc."

"Have a mix of affordability periods across the city where some areas have longer affordability periods than others."

"[Our group] had wide agreement that 99 years or permanent is required. 25 years is totally inadequate."

Inclusionary Zoning Consultation and Communication Summary

Scale of Development: The City needs to determine the minimum size of developments where Inclusionary Zoning applies.

- The most common preference for number of units was to establish a minimum height and a minimum number of units (e.g. 100 units) that vary across geographic areas.
- The median response provided through the survey suggested that developments with 50 units or less should be exempt from IZ.
- Some suggested that smaller unit developments could work in partnership with non-profit organizations such as Canadian Mental Health Association, Ontario Disability Support Program or Habitat for Humanity.
- Many participants supported exemptions for mid-rise developments, but some suggested using a lower minimum building size threshold (e.g. developments with 10 or more units) to try and achieve affordable housing in low and mid-rise buildings.

“Consider phasing in IZ units over time starting with larger developments (e.g. 100 to 140 unit buildings). After a few years, the City should review this and lower thresholds if appropriate.”

“It would be more difficult to achieve inclusionary zoning in smaller or mid-rise buildings because project viability for these developments is already challenged even without IZ requirements.”

Number of Units: The City needs to determine how many units should be affordable in new developments.

- The most common preference was to apply the IZ requirement to a percentage of an entire development and not to the additional density proposed. Many felt this would be easier to implement, as there may not be certainty about how to determine what density is permitted as-of-right.
- Many felt that higher requirements should be applied than what the City has proposed.
- As the market value grows the percentage of units in developments should increase in that area.
- Consider a sliding scale, with higher requirements in larger-scale developments and lower requirements for smaller developments.
- General agreement that lower requirements should apply for purpose-built rental projects, recognizing that affordable rental units could be provided within condominium projects. Some suggested requiring a higher percentage of units if the purpose-built rental project is intended for luxury rentals.

“The City [should] consider an ‘opt in’ for purpose-built rental developers.”

“Ensure that the units provided include large family-sized units (e.g. 2 and 3 bedroom units).”

Inclusionary Zoning Consultation and Communication Summary

Depth of Affordability: The City needs to determine who would be eligible for the affordable housing units (e.g. low to moderate income households).

- It was widely agreed that inclusionary zoning should be considered as a response to affordability for lower and middle income households. This must work in tandem with other housing policies and programs that address deeper affordability in the city.
- Many people acknowledged the need for deeper affordability in the city, especially for vulnerable populations.
- Most participants also recognized that deeper affordability should be achieved through other City programs and policies.
- Many suggested requiring variable levels of affordability (e.g., 60%, 80% or 100% of Average Market Rents) tied to the number of units required. Some felt that affordable rents should average at 100% AMR for the affordable units provided, with some rents set below and some set above AMR.
- Some suggested the affordable units should be accessible to specific populations, potentially through partnerships with non-profit housing providers, including: indigenous individuals and households, people with disabilities, and seniors.

Average Market Rent (AMR) figures are used to set Affordable Housing monthly occupancy cost rents, with different Affordable Housing programs charging 100%, 80% or other percentages of AMR, depending on their agreement.

“The financial impact analysis should test the impact of reaching deeper levels of affordability (e.g. 60% of AMR).”

“Allow local context to drive the yield of affordable stock instead of a model that limits yield (e.g. prescribing 80% or 100% AMR).”

“Consider requirements that set a variable depth of affordability in order to reach those with the greatest housing needs (e.g. some units could be provided a 60% of average market rents, some provided at 80% of AMR, and some at 100% of AMR).”



Inclusionary Zoning Consultation and Communication Summary

Definition of Affordability: The City needs to determine who would be eligible for Inclusionary Zoning units.

Toronto's Official Plan currently defines affordable rental housing as: housing where the total monthly shelter cost (gross monthly rent includes heat, hydro and hot water utilities) is at or below the average City of Toronto rent, by unit type, as reported annually by the Canada Mortgage and Housing Corporation. For 2019, the following affordable rent limits are used:

Bachelor unit: \$1,089	Two-bedroom unit: \$1,492
One-bedroom unit: \$1,270	Three-bedroom unit: \$1,657

Average asking rents are much higher than these average market rents, as average market rents include rents for units that have been occupied by the same tenant for many years as well as units that are vacant or recently turned over. For example, average asking rents were \$1,507 for bachelor units, \$1,974 for 1-bedroom units, \$2,540 for 2-bedroom units, and \$3,105 for 3-bedroom+ units, according to a 2018 City-commissioned study on private market rental housing listings.

The policy directions propose a new definition for affordable ownership housing as:

Housing which is priced at or below an amount where the total monthly shelter cost does not exceed 30 percent of gross annual income for households within the moderate income range. The moderate income range includes households earning approximately \$35,000 to \$88,500 per year and is defined as the 30th to 60th income percentiles, depending on household size.

- Most participants suggested that the City's definition of affordable housing should be based on income.
- Several other participants thought the definition should address varied depths. It was suggested that 30-60th income percentiles seems reasonable but the lower income percentiles (<\$35,000 household income) might benefit more from other programs.
- Consider making levels of affordability for different groups of people (families, students, seniors, newcomers, marginalized, other groups).
- Participants also felt that these definitions are not considered affordable. Inclusionary zoning should target housing for the most vulnerable populations.

"Affordability depth has to be wider for some households who require affordable housing because of certain expenses such as student loan depth, health care expenses."

Transition

- Stakeholders noted that transition is a critical component for a successful policy.
- Some stakeholders suggested gradual phasing in of the policy, either by applying it to strong market areas first or by slowly increasing requirements over time.

"There should be certainty for all parties involved when these policies will take effect (e.g. beginning in 2021)."

"A longer transition period may be needed to continue to ensure project viability and allow land values to adjust."

Inclusionary Zoning Consultation and Communication Summary



Photo Credit: Tuhina Chatterjee

Balancing Priorities

- Many stakeholders suggested that the policy establish options for variable requirements (e.g. number of units and affordability depth) similar to New York's policy, but achieving perpetual affordability should be the greatest priority.
- When asked about the most important priority for an inclusionary zoning policy, survey participants were divided among the three options: 36% chose maximizing the number of units required in new developments, 30% chose maximizing the length of time units remain affordable, and 34% selected achieving the lowest potential prices or rents.
- Another survey question asked about IZ preferences: 55% of participants said they would prefer to see more affordable units required in new developments for moderate income households (e.g. units provided at 100% of average market rents or prices), 45% would prefer to see fewer affordable units required in new developments at more deeply affordable prices or rents for lower income households (e.g. 80% or below of average market rents or prices).

Other Feedback:

- Some suggested financial and/or regulatory incentives should be provided to support inclusionary zoning policies. These could include waived development charges and planning application fees, reduced parking requirements, streamlined development approvals or density bonusing.
- Others felt that incentives should only be offered when a development is securing deeper affordability or more affordable units.
- Many suggested leveraging non-profit partnerships to administer and monitor the affordable units within mixed-income developments (e.g. accessing incentives and subsidies through non-profits to address deeper housing needs, including priority access or a right-of-first refusal for non-profits to acquire affordable units, locating offsite units in non-profit developments).

Inclusionary Zoning Consultation and Communication Summary

Photo Credit: Tuhina Chatterjee



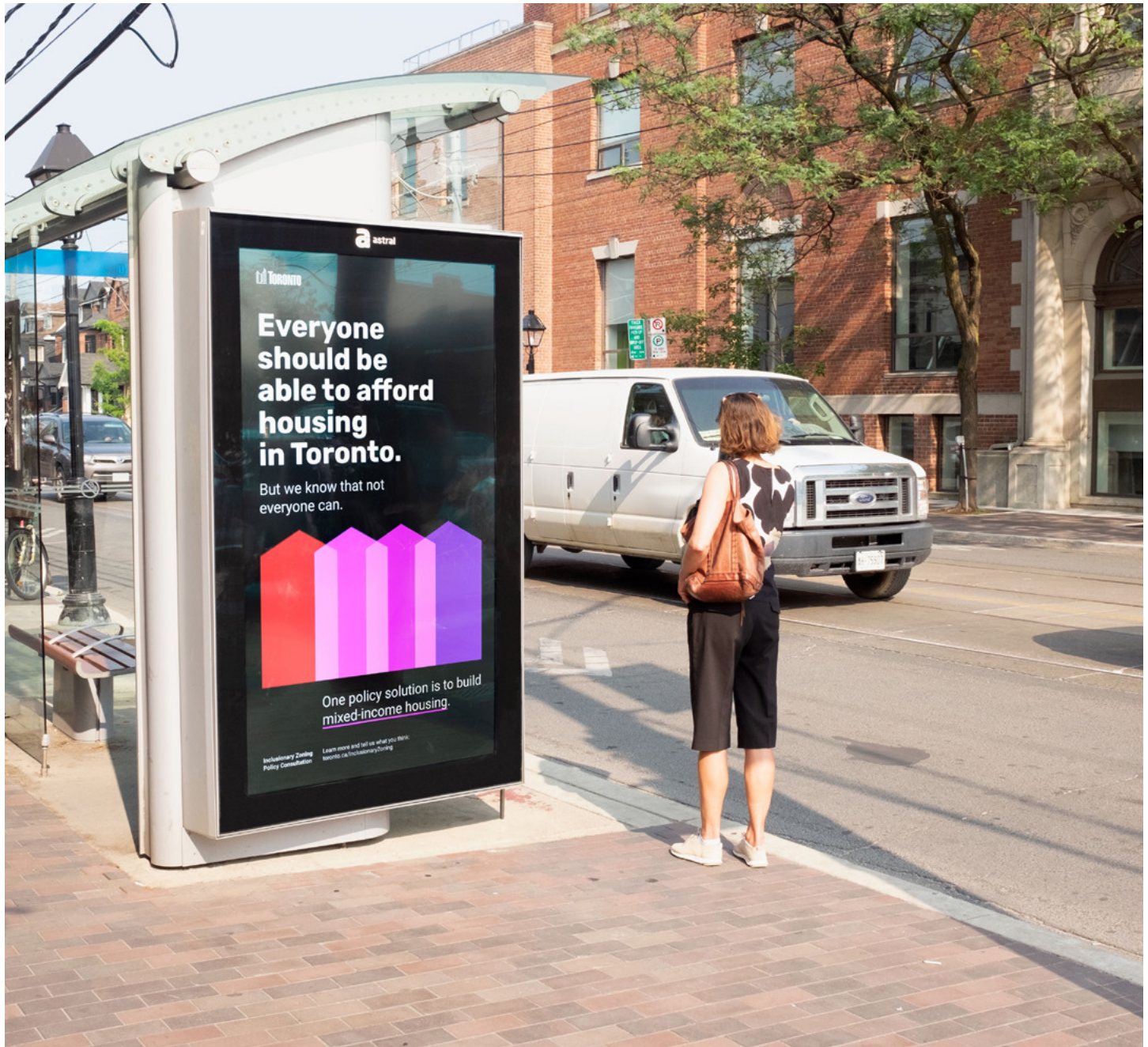
- There needs to be clear communication as to how this tool works with other tools and fits in within the HousingTO Action Plan.
- These policies need to reflect the community needs and not just the market needs.
- The goal of these policies should be to achieve as much affordable housing stock as possible.
- The proposed policy directions do not reflect a rights-based approach, to ensure consideration for the most vulnerable groups in the city.
- Offsite construction should be allowed where the offsite affordable contribution would be significantly greater than the on-site contribution in terms of number of units and/or depth of affordability.
- There should be broader guiding principles for IZ, including that you shouldn't be able to distinguish between market units and the affordable units in IZ developments and the residents of the market and affordable units should share entrances, elevators and common amenities.

“Administration - tenant access, guidance to control affordability and length of tenure of eligible tenants. The city needs to have a guideline to define and control the affordability for the individuals renting those units. We suggested that such affordable units benefit as many people as possible. This means that there should be a process for ensuring that each family or persons accessing the affordable units have limited time to benefit from them.”

Survey Statistics

- 60% were renters and 2% had no permanent or fixed address.
- 48% pay more than 30% of pre-tax income on housing costs (incl. utilities).
- 34% said they are not aware of any City of Toronto housing-related initiatives.
- 37% of respondents identified transit as an important criteria for determining where inclusionary zoning should be applied.

Inclusionary Zoning Consultation and Communication Summary



Design by RallyRally

Next Steps:

The City will consider the feedback presented in this consultation summary report to inform further assessment report analyses and the development of draft inclusionary zoning policies. Consultations on draft policies are expected to take place in early 2020.