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To: [Planning and Housing](#)
Cc: [Ene Underwood](#)
Subject: PH28.1 and PH28.4 - Written Deputations
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Attachments: [PH28.4. Ownership Definition - Ene Underwood - Habitat GTA - Oct 28 2021.pdf](#)
[PH28.1. Inclusionary Zoning - Ene Underwood - Habitat GTA - Oct 28 2021.pdf](#)

Good evening,

Please find attached the written deputations to accompany the in-person deputation that Ene Underwood, CEO of Habitat GTA will provide on items Ph28.1 and Ph28.4.

Thank you,
Chris

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Building strength, stability and self-reliance through affordable homeownership.

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Greater Toronto Area

Brampton, Caledon,
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City of Toronto Audit Committee

October 28, 2021

PH28.1

Inclusionary Zoning Official Plan Amendment

Good morning. My name is Ene Underwood and I am the Chief Executive Officer of Habitat for Humanity Greater Toronto Area. Habitat GTA partners with the City to create affordable ownership opportunities for lower income, working families – for the most part, the essential workers who have made life bearable for all of us during the pandemic.

We come before you today as a supporter of Inclusionary Zoning.

Regrettably, IZ is very complex. We've been trying to figure it out for more than six years. Our message in today's deputation is "start cautiously – but get started". Against that backdrop, I want to make three points.

Message 1: Ensure affordable homeownership remains an equivalent option to affordable rental

Our understanding is that City staff have worked hard to come up with an IZ formula that results in the same developer economics for providing affordable ownership units as affordable rental units.

We support this.

The City's HousingTO plan sets out a wide range of programs through which to create or maintain over 120,000 affordable housing units in the next 10 years. Only 3% of these are affordable ownership units – and the annual targets for affordable ownership are not being met.

Inclusionary zoning provides a low cost opportunity to deliver affordable ownership units. By doing so, we create pathways for young people with modest incomes as well as individuals from racialized or other equity-seeking groups to realize some of the benefits of homeownership. Eligible homeowners will have a stable home base while building equity. The equity formula and resale price restriction avoids creating economic windfalls for individual households while enabling the units to be retained within the affordable housing stock. Win. Win.

Message 2: Be cautious about set-aside rates and the pace of transition

It may seem counterintuitive that a charity like Habitat for Humanity who wants to deliver more affordable housing units is advising caution around set aside rates and the pace of implementation for this policy – but we are.

Inclusionary Zoning only works when lots of housing gets built. We are already in a City that is failing to build enough housing to keep up to demand. If Inclusionary Zoning significantly compromises return on investment of Toronto projects, investor capital will move and finance projects elsewhere. Result? Fewer homes get built for everyone. Fewer affordable units from set-asides. Upward pressure on market prices due to fewer units available. Lose/lose.

We urge the gradual introduction of inclusionary zoning that is proposed in the staff report. Err on the side of caution. Commit to regular reviews and adjust accordingly. The stakes are too high to bet wrong and end up with a decrease in the rate of construction in this City.

Message 3: Embrace affordable housing as a collective responsibility – and provide incentives

Affordable housing is a shared responsibility. This is reflected in the IZ approach in other jurisdictions where the government provides some form of exemptions or incentives for affordable units. We recommend that Toronto's policy be amended to do the same.

Toronto's hot real estate market has no doubt led to significant financial gain for developers and investors. That said, the current planning system requires developers to make contributions to various City needs through development charges, Section 37 requirements and the upcoming Community Benefits Charge. The proposed IZ policy will require developers to incur all these costs for the affordable IZ units.

The City's Open Door policy exempts all affordable units from development charges, build permit fees and most other city fees. We urge the City to repeat this formula for IZ units. It is consistent. It is fair, and it reflects shared responsibility. But most importantly, it increases the chance that we get more of what we need –more affordable housing.

* * *

Let me close by commending the City and City staff for the herculean effort that has been put into developing this policy.

We urge the City to add in incentives and to resist the temptation to push set-asides rates up. And above all, hit "GO" so we all can get on with the important work of delivering more housing for the current and future citizens of this city.