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September 22, 2020

To Planning and Housing Committee Chair and Members,

**Re: Expanding our targets for consultation on Inclusionary Zoning (PH16.7 Inclusionary Zoning Draft Official Plan Amendment and Zoning By-law Amendment)**

We know that the lack of affordable housing is one of the biggest issues facing our City.

Not a week goes by when we don't hear about a major condo or luxury rental development displacing a cultural institution like Sneaky Dee's or Rol San, changing the face of our neighbourhoods, and generally driving up housing prices.

With the power that the current provincial government gives to developers, the community benefits that can be achieved through private developments are extremely limited.

Now is the moment to change that.

The City's proposed policy and by-law changes for Inclusionary Zoning (IZ) could transform the state of affordable housing in Toronto by requiring that developers include a certain amount of affordable housing in new residential buildings.

Hundreds of US jurisdictions already use it, with some having started as early as the 1970s, and cities like New York, Boston and San Francisco now require that anywhere from 10-35% of new developments be dedicated to affordably-priced units. Montreal has used IZ since 2005. When a developer applies to the City for re-zoning to build a high rise, 30% of the new units they are permitted to build must be affordable. Half of those units must be transferred to social housing providers and rented to low-income residents and the other half must be rented or sold at prices affordable to those with moderate incomes. Beginning in 2021, Montreal's set aside rate - how much of a building is required to be affordable - will rise to 40%.

Short of significant intergovernmental investment in affordable housing, IZ is Toronto's best chance to finally build the units desperately needed by our low- and moderate-income residents.

There are a lot of positive recommendations being considered today. The affordability period for units created through IZ would be 99 years, which means this housing stock would be protected for future generations. It's also a very welcome change that the definition of affordable housing is proposed to take into consideration tenants' incomes, and not just average market rates.

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However, when it comes to the proposed set aside rate, the recommendations fall short. Proposing that only 5-10% of a condo's residential floor area be dedicated to affordable units, and 2.5-5% in purpose-built rental buildings is not enough. The reality is that Toronto could set much more ambitious IZ requirements, and developers would still be able to make their buildings - and their profit - happen. We can see this in the financial analysis commissioned by the City.

We can, and should, aim as high as possible, and explore a range of options in our consultation.

I therefore recommend that the Planning and Housing Committee amend Recommendation 2, by adding at the end:

"...including options to increase the percentage of housing that would be secured as affordable rental or affordable ownership housing with options that would achieve a range of 10-30% of residential gross floor area for new condominium developments and 5-20% of residential gross floor area for new purpose-built rental developments."

Thank you,

Councillor Mike Layton  
Ward 11, University-Rosedale