

Attachment 1: Proposed Policy Directions for Consultation

Creating mixed income, inclusive communities is key to the City's economic vitality and livability. The provision of affordable housing will keep pace with the growth of new market housing, resulting in neighbourhoods across the City that provide housing options for a full range of incomes and households.

1. Market areas will be determined based on the following indicators to be reviewed on a regular basis:

- resale prices and escalation;
- new condominium prices and escalation;
- new rental prices;
- residential development activity; and
- financial impact viability.

Strong Market Areas

2. Areas that meet or exceed at half of the market area indicators in 1 above will be considered strong market areas.

a. Condominium ownership projects in strong market areas will provide a minimum of 20% of the additional residential gross floor area as affordable rental or ownership housing. Purpose-built rental projects that will not be condominium-registered for a period of at least 40 years will provide a minimum of 5% of the additional residential gross floor area as affordable rental housing, **OR**

b. Condominium ownership projects in strong market areas will provide a minimum amount of the total residential gross floor area as affordable rental or ownership housing (amount to be determined). Purpose-built rental projects that will not be condominium-registered for a period of at least 40 years will provide a minimum amount of the total residential gross floor area as affordable rental housing.

Moderate Market Areas

3. Area that do not meet or exceed at least half of the market area indicators in 1 above and are identified as growth areas will be considered moderate market areas.

a. Condominium ownership projects in moderate market areas will provide a minimum of 10% of the additional residential gross floor area as affordable rental or ownership housing. Purpose-built rental projects that will not be condominium-registered for a period of at least 40 years will provide a minimum of 2.5% of the additional residential gross floor area as affordable rental housing, **OR**

b. Condominium ownership projects in moderate market areas will provide a minimum amount of the residential gross floor area as affordable rental or ownership housing (amount to be determined). Purpose-built rental projects that will not be condominium-

registered for a period of at least 40 years will provide a minimum amount of the residential gross floor area as affordable rental housing.

4. The inclusionary zoning requirement will be reduced by 50% where rental units will be conveyed at no cost to the City for the purposes of long-lasting and/or deeper affordability.

5. Where policy 2a or 3a applies, the amount of affordable housing will not apply to residential gross floor area that may be constructed based on existing zoning by-law permissions.

6. Where policy 2a or 3a applies, should the applicable zoning have not been updated to implement an Official Plan Secondary Plan area or Site and Area Specific policy area, the City may consider whether the existing zoning by-law permissions should be adjusted for the purposes of calculating the required amount of affordable housing.

7. Inclusionary zoning will apply to sites with over 100 units or an equivalent amount of residential gross floor area in the Downtown and areas east and west of the Downtown. For all other inclusionary zoning areas, new affordable housing will be required on development sites with over 140 units.

8. The affordable housing will be provided within new residential developments. At the discretion of the City, units may be provided on another site so long as it is located in one of the identified inclusionary zoning areas.

8. The affordable housing units will be maintained with affordable prices or rents for a minimum continuous period of 25 years.

9. Where affordable rental units will be provided, in order to reach households with a range of incomes, at least 10% of the affordable housing units will be provided at 80% of average market rent.

10. The affordable housing will generally reflect the market component of the development in terms of unit types and sizes.

11. Inclusionary zoning requirements will not apply to developments proposed by a non-profit housing provider or a partnership with a non-profit housing provider where at least 51% of the units will be provided as affordable housing and the non-profit housing provider will maintain a majority interest in the project.

12. The policy will not apply where:

a) an application for an Official Plan Amendment and a Zoning By-law amendment or a Zoning By-law Amendment were made prior to the date that City Council approves the Inclusionary Zoning Official Plan Amendment provided that an application has also been made for approval of a plan of subdivision or condominium approval; or

b) prior to the date that an Inclusionary Zoning By-law is in force and effect, an application for site plan approval or a building permit has been made for the subject site.

Affordable Ownership Housing Definition:

Affordable ownership housing is 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, defined as the 30th to 60th income percentiles, depending on unit size. More specifically:

- bachelor units must be affordable to households with incomes no higher than the 30th percentile;
- one bedroom units must be affordable to households with incomes no higher than the 40th percentile;
- two bedroom units must be affordable to households with incomes no higher than the 50th percentile; and
- three bedroom units must be affordable to households with incomes no higher than the 60th percentile.

* i.e. mortgage principal and interest --- based on a 25-year amortization, 10% down payment, and the chartered bank administered mortgage rate for a conventional 5-year mortgage as reported by the Bank of Canada at the time of application --- plus property taxes calculated on a monthly basis.