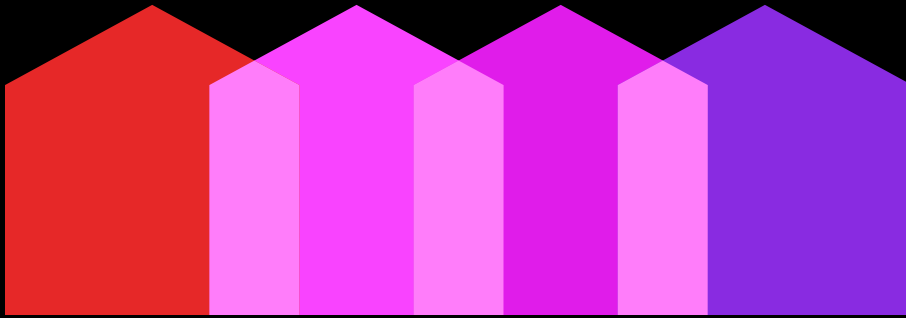


# City of Toronto Inclusionary Zoning **City-wide Consultation and Communication Summary**



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## **Appendix A**

# **Stakeholder Meetings**

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## Stakeholder Meeting Overview

### Meeting #1a – March 4, 2019

#### Meeting Overview

On Monday, March 4, 2019, the City of Toronto (City) hosted the first Stakeholder meeting for the Inclusionary Zoning Engagement and Consultation program. The meeting was held at 481 University Avenue, Toronto. The meeting agenda was:

**1:30-2:15pm** Welcome, Overview Presentation on Inclusionary Zoning

**2:15-3:15pm** Prioritization and Discussion of Policy Areas

**3:15-3:25pm** Discussion of Any Outstanding Policy Options

**3:25-3:30pm** Wrap-Up and Next Steps

The primary objective of the meeting was to obtain input from the development industry, including non-profit housing developers, to assist in developing inclusionary zoning policies for the City. Other key objectives of the meeting were to:

- Inform stakeholders of the project history, current work and next steps;
- Explain how inclusionary zoning fits into the planning tool box to support housing affordability; and
- Develop an understanding of the development industry values and priorities as they relate to inclusionary zoning policies.

Stakeholders received email invitations for the meeting and calendar requests were made to confirm attendance. Twenty-five (25) stakeholders were invited and thirteen (13) stakeholders attended the meeting.

#### Attendees

Organization	Name
Trillium Housing	Fred Heller
Building Industry and Land Development	Paula Tenuta
Building Industry and Land Development	Alison Baxter
Rockport	Michael Tucci
Hullmark	Leona Savoie
Artscape	Mike Gouzopoulos
Habitat for Humanity	Ene Underwood
Kehilla	Nancy Singer
Diamond Corp.	Laurie Payne
Waterfront Toronto	Sumeet Ahluwalia
Tribute Communities	Steve Deveaux
The Daniels Corporation	Remo Agostino
Options for Homes	Josh Taylor

### City Staff and Consultants

Organization	Name
City of Toronto	Deanna Chorney
City of Toronto	Christine Ono
City of Toronto	Cassidy Ritz
City of Toronto	Minha Hassim
City of Toronto	Marty Chan
Dillon Consulting	Karla Kolli
Dillon Consulting	Ryan Siersma
Dillon Consulting	Miriam Bart

### Welcome and Overview Presentation

Dillon Consulting Limited (Dillon) provided opening remarks and welcomed stakeholders from the development industry. Dillon facilitated two interactive activities using Mentimeter, which asked stakeholders to choose one or two words that speak to their hopes and concerns for the project. The purpose of this exercise was to extract the values underlying the interests of the development industry. The word clouds that were developed through these activities can be found in [Appendix A](#). A presentation by the City followed and outlined the project history, recent work and project process going forward. The City provided an overview of the policy areas and options under consideration.

### Prioritization and Discussion of Policy Options

Dillon facilitated a second interactive activity to rank policy areas in order of interest for discussion. The result of this activity is included in [Appendix B](#). The purpose of this activity was to prioritize the discussion around the topics of greatest interest. The following section provides an overview of the prioritized policy areas and summary of key themes that emerged through the plenary discussions. [Appendix C](#) contains the detailed discussion notes.

#### 1. Incentives

Developers expressed a need to understand what the share of costs will be with the City in order to provide affordable units. The suggested incentives included a percentage of unit costs that are absorbed by the City or the use of financial compensation (waive development charges). The provincial and federal grant program should be maintained and non-profit partnerships should be encouraged to offset developer burden. In addition, it is believed that pre-zoning by the City would help with predictability in areas which density increases could be used as an incentive tool. The need to define affordability as part of this process was central to the discussion around incentives.

#### 2. Number of Units

There was widespread agreement that it would be more difficult to achieve inclusionary zoning in smaller buildings because it would be more challenging to offset costs with less units. When setting unit targets, the City also needs to consider competing City

objectives such as parking minimums, parkland dedication, heritage conservation and brownfield redevelopment. Stakeholders suggested that the City needs to prioritize planning and land-use goals to incentivize development with a dedicated number of affordable units. The conversation around number of units is tied to incentives and needs to be based on square footage. Also, targets on the number of units should consider excluding non-profit organizations (the City confirmed that the provincial regulations provide an exemption for development projects where a non-profit housing provider having at least 51% interest and with minimum 51% affordable housing units). The policy area discussion wrapped up with acknowledgment of an opportunity for smaller units to work with some organizations such as Canadian Mental Health Association.

3. Affordability Period and Depth

The affordability period of the units was determined to be dependent on the type of incentives that are offered. If the period is not long enough, like 10 years, then the problems associated with affordable housing will be passed on to the next generation. At the same time, the impacts or effects of inclusionary zoning are not yet known in the Toronto market. The policies should be gradual at the outset and take into consideration that longer affordability periods may deter reinvestments in capital improvements down the road. Stakeholders inquired as to the subsidy difference to market value and noted that an Average Market Rent (AMR) above 100% would help the development industry.

4. Geographic Application

Stakeholders noted that the policies could be applied city-wide if the incentives cover the full cost. They believed it would be more achievable to target inclusionary zoning in areas where the market is strong such as downtown, North York and select neighbourhoods along the subway corridors. In some areas of the city, the inclusionary zoning units would cost more to build than what people are willing to pay for land. If building costs are increased in areas that are already lacking development and infrastructure, it may disproportionately negatively affect these areas and further deter development. One potential way to apply inclusionary zoning policies in areas where development is not occurring at the same pace would be to up-zone to allow for higher-value or more dense use.

5. Transition

Stakeholders expressed concern as to whether or not inclusionary zoning would achieve what it sets out to. Instead it was suggested that income is the root of the problem. There needs to be clear communications as to how this tool works with other tools. It would be helpful if the City made stakeholders aware of development timelines, including impacts on multi-phased developments, and released the financial feasibility study for educational purposes.

6. Scale of Development

Stakeholders agreed that the scale of development topic fell into the conversations associated with geographic-based approaches, affordability period and number of units.

**Discussion of Any Outstanding Items**

Dillon facilitated a brief discussion of outstanding questions that the stakeholders had. It was suggested that the City reach out early to Councillors to make them aware of these policies and the inclusionary zoning program process. It was recognized that inclusionary zoning is a complex topic and so the public and Councillors need time to become informed. The group acknowledged that provincial changes to planning policies may impact the future of this project. The discussion concluded at 3:25pm.

**Wrap-Up and Next Steps**

Stakeholders were welcomed to fill out engagement comment forms, provide written feedback and contact the project team with further questions. Of the 13 stakeholders in attendance, 7 participants provided written feedback at the end of the meeting. On a scale of 1 (not very satisfied) to 5 (very satisfied), the average rating of the meeting was a 4.3/5.

The meeting adjourned at 3:30pm.

## Appendix A – Interactive Workshop to Understand Stakeholder Values

**What are your concerns for the Inclusionary Zoning Policies? Please limit your response to one or two words.**



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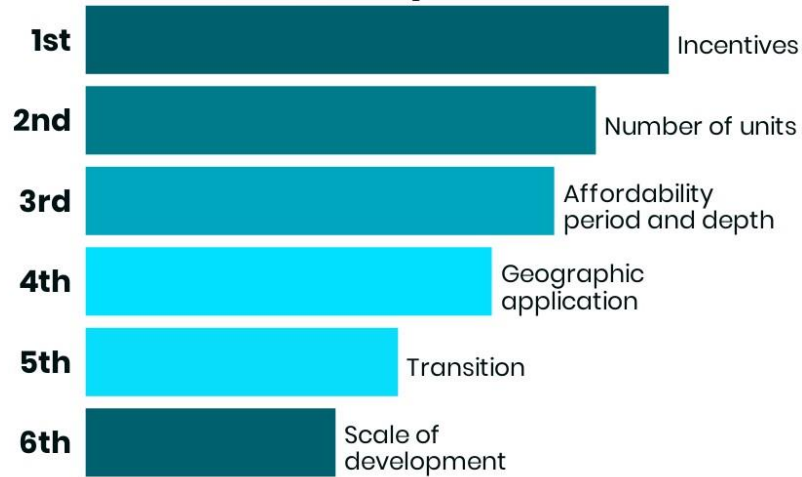
**What are your hopes for the Inclusionary Zoning Policies? Please limit your response to one or two words.**



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## Appendix B – Interactive Workshop to Understand Stakeholder Priorities

### Rank order the Inclusionary Zoning Policy Options for discussion today.



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## **Appendix C – Plenary Discussion**

Stakeholders were able to ask questions throughout the presentation and during the formal plenary discussion. The conversation is summarized below. Questions are noted with a “Q”, comments with a “C” and answers with an “A”.

### **Welcome, Overview Presentation on Policy Discussion**

**Q.** Will the slides be circulated to attendees?

**A.** Yes.

**Q.** Is the idea of an incentive-based approach included within one of the stated principles?

**A.** Yes, that is within the scope of a partnership-based approach.

**Q.** Do you have a definition of the terms used in the principles?

**A.** Not yet but we know defining those terms will be necessary as we develop the policies.

**C.** A key principle of the policies should be about market feasibility. The policies need to reflect a financial reality. Otherwise the other principles will fall behind.

**C.** I think another key principle should be about fairness. There are a number of stakeholders who will be affected by these decisions.

**Q.** There needs to be an acknowledgement that this is one of many tools to achieve housing affordability. In conversations with the Province, it has always been about a partnership model. This is not a tool for a deep subsidy type of model. Council needs to know the difference between housing options.

**A.** We are aware that this will be a balancing act between viability of this project and deeper subsidy options. We are trying to marry together projects to achieve deeper affordability. For example, using the City’s Open Door program and Section 37 to achieve the expectations of affordability.

**Q.** Are you differentiating between ownership and rental?

**A.** We will look into that for the policies.

**Q.** Will the Municipal Assessment Report be made available to stakeholders or the public before it goes to Housing and Planning committee?

**A.** Yes, we will have the draft Municipal Assessment Report and policies available in advance of that meeting as part of the staff report.

**Q.** What are the recommendations going to Housing and Planning Committee on April 30?

**A.** We will be seeking permission from Council to go forward and consult on the draft inclusionary zoning policies.

**Q.** Are you considering the application of a discrete geographic approach to inclusionary zoning?

**A.** Yes, all of the policy options are on the table. We have been hearing that rent has far



exceeded income. If we change to a geographic based approach, we would need to address the city-wide concerns heard by the public and Council.

### **Prioritization and Discussion of Policy Options**

**C.** The first thing we need to know is what percentage of the subsidy will be absorbed by the City. That will help in determining the percentage of development or threshold of affordability that can be absorbed. If a dollar amount is agreed upon by the City then that amount can be put towards a subsidy. I don't like non-financial subsidies like parking because the City is already offering parking variances. The effective types of subsidies would include development charges, property impacts, and Section 37. The percentages need to be decided first through a partnership approach. How much is the City willing to share the costs associated with building these units?

**C.** I agree about parking. Sometimes you need parking to market developments. With all the Open Door incentives, fees are not good enough on their own. Inclusionary Zoning only makes sense if you can generate the highest rents in the city that will then absorb some of the subsidies. On its own, inclusionary zoning won't achieve a lot. In terms of density, there are many examples where the City has undertaken avenue studies or official plan amendments but they don't pre-zone the properties. One way to get around NIMBY-ism is to do the pre-zoning ahead of time. The provincial and federal governments have good examples.

**C.** I am glad to see the City is taking incentives seriously. That is essential to making inclusionary zoning work.

**C.** There needs to be partnerships between developers and non-profits. They can help make rents more affordable and offer support services to tenants.

**C.** When you are thinking of incentives, you may have to think beyond the affordable units themselves. The average one bedroom unit square footage cost varies drastically depending where you are in Toronto.

**Q.** Can you speak to the definition of affordable ownership? Is the definition unachievable?

**A.** The advice that committee received in 2015 and 2016 was to take an income-based approach. Recognizing that 60<sup>th</sup> percentile doesn't match if you're looking at different housing types (1 bedroom, 2 bedroom, etc.). I can share those numbers at our next meeting.

**C.** All of these policy options are interrelated.

### **Number of units**

**C.** I don't think number of units will work on low or mid-rise developments in smaller neighbourhoods. It might work on a 12-storey building but it is hard to find the feasibility in Toronto.

**C.** This depends on intense proforma analysis. Smaller projects in the city cannot absorb affordable units. Anything lower than high-rise will have a difficult time absorbing the costs.

**C.** One of the challenges we have is that we are looking at affordable housing across the city. Affordable Housing is one goal. There are also other objectives of new developments such as housing supply, transit goals, avenue studies, heritage, etc. Inclusionary Zoning is therefore one of many goals required by the City. What goal should developers be giving priority to?

Inclusionary Zoning cannot be thrown in as just another one without understanding how this impacts other goals and objectives.

**C.** The City needs to establish priorities. If affordability is the top priority then that is clear direction for developers. Right now there are competing top priorities. I think smaller builds can have affordability but we need to think creatively. Modular, partnerships with not-for-profit might work.

**C.** A lot of the discussion around competing priorities comes down to the incentives. In a world where incentives made the developers whole, it might not matter. The incentives need to match the ability to incorporate inclusionary zoning irrespective of size of development.

### **Number of Units**

**C.** We all need to recognize that whatever we decide is going to be a bigger transition than we think or initially plan. That favours a higher threshold of units. I don't think we should waste our time on a 50-unit buildings with a yield of 3 or 5 affordable units. I think we aim for a higher yield at the outset and then we can lower it as the program develops. Let's build incentives for both the City and developers to do more up-zoning and push for non-profit partnerships. I also think that non-profits should be exempt from inclusionary zoning requirements because the focus is already on building affordable units. It seems like it would be counter-productive to impose an additional restriction.

**A.** The Province says 51% ownership by non-profit is exempt if 51% of the proposed units are affordable.

**C.** I want to make the case for inclusionary zoning units in smaller buildings. There are large and small non-profits that oversee large and small buildings. The larger non-profits have major access to subsidies.

**C.** I think we should set the net wide and try to make as many units work.

**Q.** I think we need to talk about tenure in terms of the number of units. I am very curious about what the City is hoping to achieve for renters and/or owners. Is cash in lieu appropriate in certain situations?

**A.** Cash-in-lieu is currently prohibited by the provincial regulations.

**Q.** Are you thinking about types of units as well (one bedroom, two bedroom, etc.)?

**A.** We are welcoming feedback.

**Q.** It is very different if you are looking at a percentage of units or percentage of gross floor area. I am curious about percentage of units and percentage of gross floor area. For example, 10% of one-bedroom units is totally different from 10% of three-bedrooms.

**A.** We are looking at percentage of gross floor area and looking at growing up policies. We have been turning to a lot of jurisdictions in the United States where the inclusionary zoning units generally mirror the market units.

### **Affordability and Depth**

**Q.** Can you explain Housing Now? Is that for the population that struggles to find housing the most?

**A.** I don't have all the details at this time. The study has been looking at 40-year or 99-year periods. Part of the Housing Now process will be to see the response from the developer community. Affordability period will apply to the units and not just deepest affordability.

**C.** I think it is more important to know about depth than period.

**C.** We need to think smarter about the ownership model to deliver longer term affordability. If we make affordability last 20 years, all we are doing is deferring gentrification. We are not actually making an intentional choice about what neighbourhoods will look like 20 years from now. From a developer perspective and delivering the units, the economic conversation appears to be upfront, but I go back to the fact that these policies will not be right the first time around. I think we should take a compromise, a 40 year period that is renewable. This is beyond the economics – we are all leaders in making decision today about what the city will look like for a long time.

**C.** I think 40 years is the happy middle for renewal.

**C.** From the perspective of the rental community, 99 years is excessive and could get in the way of proper reinvestment and keeping that housing stock improved over the long term. You can see what it looks like when owners do not reinvest the way they should all across Toronto.

**C.** 10 years should go off the table. That is much too low.

**C.** There is no way for people in the rental market to save up enough to become an owner.

**C.** I think that depth is more about affordability.

**C.** We need to acknowledge average market rent (AMR) is a long way off from what the market is delivering. If we are achieving 100% AMR there are a lot of families who would not have chance to buy that unit. At 100% AMR you are making a huge difference.

**C.** We need a definition of what success looks like.

**C.** Where do the incentives come from? You need to identify the gap and acknowledge where depth will come from.

**C.** We should not be overly ambitious at the outset of this program. We have to be careful. We need affordability to address the missing middle. I like the notion of embracing the view that inclusionary zoning in phase one is a missing middle objective.

## **Geographic Application**

**C.** Costs are going up and land values are going up. Look at Danforth between Broadview and Pape. There is nothing happening because a combination of development restrictions (built form).

**C.** If the developer is made whole there are no problems. If you only apply this to downtown builds then it will get a little messed up because we are using a geographic approach to address an income problem. That seems ineffective.

**C.** I think you could apply it city-wide if the programs covered the cost of it. Otherwise you will have market distortion. It is a very complicated market. Inclusionary Zoning will have impacts that we can't anticipate. The mortgage rate increase is a perfect example of the negative outcomes that policy changes can have. We need to focus on being cautious, flexible and scalable.

**C.** Inclusionary Zoning could only work in select neighbourhoods.

**C.** Addressing the missing middle is a good objective if we can't incorporate inclusionary zoning everywhere then we are creating a divided city. It needs to be everywhere.

**C.** Everything you do will impact everybody else in the market. You're going to take sites off the market that can no longer overcome the burden of inclusionary zoning.

**C.** The biggest challenge to building inclusionary zoning in Scarborough is a relative lack of accessibility, transit and infrastructure.

## **Transition**

**C.** I think the city should be aware of the development timelines now. It is very hard to make quick decisions on land price. It will take a generation of housing to fully adjust.

**C.** This is an income problem. I don't think inclusionary zoning, despite being an advocate, is going to solve the income problem. There needs to be income supplements.

**C.** When we do development work, we normally have a consultant peer review the work to make sure we are working towards a partnership with the City. The consultant group conducting the feasibility work need to be a part of this process and the conversation.

**Q.** If a developer submitted a zoning by-law but not a site plan, how will inclusionary zoning impact the development?

**A.** Without the site plan application then the provincial regulations say inclusionary zoning could apply, even if the zoning by-law amendment application was deemed complete before the IZ zoning by-law is passed.

**Q.** Would Inclusionary Zoning apply to a multi-phased development?

**A.** If you had an official plan amendment, zoning amendment and plan of subdivision or plan of

condominium application in before the IZ official plan policies are adopted by Council, then the Province says IZ would not apply.

**C.** We need more clarity on transition.

**Next steps**

**C.** We need to engage the homelessness coalition.

**Q.** Is there going to be outreach with Councillors in advance of the April 30<sup>th</sup> Committee meeting?

**A.** Once the report is finalized and on the agenda Councillors will become aware.

**C.** People need to have access to education and information about inclusionary zoning so they are not hearing about the nuances for the first time via deputations. People need to come together and become informed.

**Q.** Are the various City divisions coming together and talking to each other?

**A.** Yes, the project team is having conversations with other City divisions.

**C.** I think we need to talk about the Province. The Province is planning to make several changes to current land use tools.

**A.** We know housing affordability and supply are aspects of the conversation at the Province. We are carrying on with our work until we receive definite information.

## Stakeholder Meeting Summary

### Meeting #1b – March 8, 2019

#### Meeting Overview

On Friday, March 8, 2019, the City of Toronto (City) hosted a Stakeholder meeting for the Inclusionary Zoning Engagement and Consultation program. The meeting was held at City Hall, Committee Room 3. The meeting agenda was:

<b>10:00-10:45pm</b>	Welcome, Overview Presentation on Inclusionary Zoning
<b>10:45-11:45pm</b>	Prioritization and Discussion of Policy Areas
<b>11:45-11:55pm</b>	Discussion of Any Outstanding Policy Options
<b>11:55-12:00pm</b>	Wrap-Up and Next Steps

The primary objective of the meeting was to obtain input from housing advocates and housing stakeholders to assist in developing inclusionary zoning policies for the City. Other key objectives of the meeting were to:

- Inform stakeholders of the project history, current work and next steps;
- Explain how inclusionary zoning fits into the planning tool box to support housing affordability; and
- Develop an understanding of housing advocate and housing stakeholders' values and priorities as they relate to inclusionary zoning policies.

Stakeholders received email invitations for the meeting and calendar requests were made to confirm attendance. Thirty-one (31) stakeholders were invited and seventeen (17) stakeholders attended the meeting.

#### Attendees

Organization	Name
Parkdale People's Economy	Mercedes Sharpe Zayas
ACORN	Judy Duncan
Maytree	Effie Vlaciouannacos
Parkdale Neighbourhood Land Trust	Melissa Goldstein
Cooperative Housing Federation of Canada	Simone Swail
Advocacy Centre for Tenants Ontario	Magda Barrera
Independent/Consultant	Richard Drdla
Wellesley Institute	Scott Leon
CD Farquharson Community Association	Stephen Casselman
Toronto Alliance to End Homelessness	Daphna Nussbaum
Birchmount Community Action Council	Laura Hammond
Aboriginal Labour Force Development Centre	Randy Pitt
Wigwamen	Angus Palmer
Convene Toronto	Sean Meagher
TAFH – Human Rights Working Group	Paul Dowling
Scarborough Civic Action Network	Anna Kim
FMTA	Geordie Dent

### City Staff and Consultants

Organization	Name
City of Toronto	Deanna Chorney
City of Toronto	Christine Ono
City of Toronto	Minha Hassim
Dillon Consulting	Karla Kolli
Dillon Consulting	Ryan Siersma
Dillon Consulting	Miriam Bart

### Welcome and Overview Presentation

Dillon Consulting Limited (Dillon) provided opening remarks and welcomed stakeholders. Dillon facilitated two interactive activities using Mentimeter, which asked stakeholders to choose one or two words that speak to their hopes and concerns for the project. The purpose of this exercise was to extract the values underlying the interests of the housing advocate and housing stakeholder group. The word clouds that were developed through these activities can be found in [Appendix A](#). A presentation by the City followed and outlined the project history, recent work and project process going forward. The City provided an overview of the policy areas and options under consideration.

### Prioritization and Discussion of Policy Options

Dillon facilitated a second interactive activity to rank policy areas in order of interest for discussion. The result of this activity is included in [Appendix B](#). The purpose of this activity was to prioritize the discussion around the topics of greatest interest. The following section provides an overview of the prioritized policy areas and summary of key themes that emerged through the plenary discussions. [Appendix C](#) contains the detailed discussion notes.

#### 1. Affordability Period and Depth

Stakeholders advocated for a longer affordability period. A 99 year or permanent affordability solution was suggested as the only way to ensure this program is effective. If the costs of the units increase to market rate in 25 years then this program will render ineffective and will only push housing affordability problems to the next generation. The definition of affordability is needed for future conversations. For the time being inclusionary zoning should be considered as a response to affordability for lower-middle income percentiles. A discussion of the challenges with long-term affordability focused on the need for rents to match other cost of living increases like utilities, resale concerns and income metrics to regulate these units. The group was unified in stating that affordability should address rental units instead of ownership.

#### 2. Number of Units

The conversation on number of units revolved around what approach would achieve the

best outcome for those in need. Stakeholders believe that the number of units as a percentage of the entire building would achieve more affordable units than the percent of additional density. The group also had questions related to allocating units by square footage and settled that it would be a better approach than allocating by unit types/sizes.

3. Geographic Application

Housing advocates prefer that affordable housing is provided across the city but that it may require different rates in different geographic areas. There are other factors like growth, transit and infrastructure that influence affordability. A geographic approach to inclusionary zoning could negatively impact development in that area, so there needs to be incentives that don't deter development. These policies should either mitigate or address the displacement impacts of development.

4. Incentives

On the one hand, stakeholders questioned whether or not incentives would work. Toronto has a strong market so development with inclusionary zoning units should happen with or without incentives. It is believed that City funding would be better suited towards other programs rather than subsidizing building costs for developers. On the other hand, housing advocates recognized that developers would need to build and provide the units so there should be mechanisms in place that make it feasible. Otherwise, inclusionary zoning will only be able to be applied in very few areas like downtown and Yonge and Eglinton where the demand is high but the supply is also high. This will not positively impact places like Scarborough or Northern Etobicoke.

5. Scale of Development

Recognizing that these policies will be burdensome for small developers as well as support services, an example range for scale of development was provided: 20% affordable for developments under 8 stories and 30% affordable units for developments 8 stories or higher. The housing advocate group recommended that the conversation needs to change from minimum number units to square footage to be consistent with the number/GFA of units required and to ensure that luxury projects with very large unit sizes are still captured even if they have a lower number of units compared to a similarly sized project.

6. Transition

The group wondered how the inclusionary zoning policies would affect development applications and if there were any opportunities for stewardship. The need to layer in a lens of adequacy (size of units, square footage, number of rooms, etc.), accessibility and equity need to be a part of the ongoing consultation discussions.

### **Discussion of Any Outstanding Items**

Dillon facilitated a brief discussion of outstanding questions that the stakeholders had. Stakeholders suggested that the City provide evidence of IZ in other jurisdictions and that materials should be circulated in advance of subsequent meetings to allow time for review. The



group acknowledged that provincial changes to planning policies may impact the future of this project. The discussion concluded at 11:55am.

**Wrap-Up and Next Steps**

Stakeholders were welcomed to fill out engagement comment forms, provide written feedback and contact the project team with further questions. Of the 17 stakeholders in attendance, 10 participants provided written feedback at the end of the meeting. On a scale of 1 (not very satisfied) to 5 (very satisfied), the average rating of the meeting was a 4.2/5.

The meeting adjourned at 12:00pm.

## Appendix A – Interactive Workshop to Understand Stakeholder Values

**What are your concerns for the Inclusionary Zoning Policies? Please limit your response to one or two words.**



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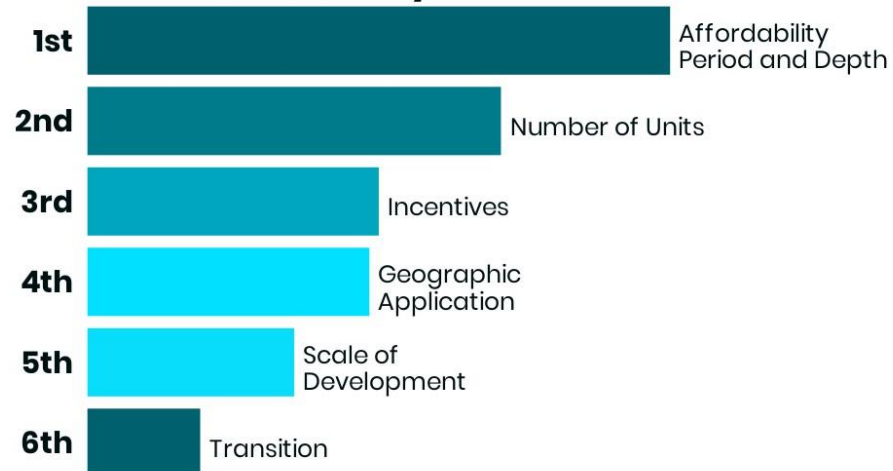
**What are your hopes for the Inclusionary Zoning Policies? Please limit your response to one or two words.**



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## Appendix B – Interactive Workshop to Understand Stakeholder Priorities

### Rank order the Inclusionary Zoning Policy Options for discussion today.



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## **Appendix C – Plenary Discussion**

Stakeholders were able to ask questions throughout the presentation and during the formal plenary discussion. The conversation is summarized below. Questions are noted with a “Q”, comments with a “C” and answers with an “A”. Unless noted otherwise, answers were provided by City staff.

### **Welcome, Overview Presentation on Policy Discussion**

**Q.** What does ‘suitable housing’ mean? Is that about how many people live in the household?

**A.** Suitable housing refers to occupants per bedroom in accordance with occupancy standards.

**Q.** So suitable housing doesn’t take into account need for repairs?

**A.** No, it is just about number of bedrooms.

**Q.** Are you able to share this presentation?

**A.** Yes.

**Q.** Do you mind if we share slides from the presentation via social media?

**A.** Feel free to share.

**Q.** Will you be reviewing the definition for affordable rental as well or will the IZ policies only address a new definition for affordable ownership?

**A.** We have received direction from Council to look at the definition of affordable ownership as part of our work on inclusionary zoning. There may be direction from Council to look at the definition of affordable rental in the future but that would likely be a conversation as part of our Housing Plan consultations.

**Q.** Is this based on a one-income per household situation?

**A.** Yes the examples shown on the slide highlight affordability for a one-income household.

**Q.** Where did you get the shared rent numbers from?

**A.** Canadian Mortgage and Housing Corporation (CMHC) doesn’t look at shared market rents. We have worked with SSHA to undertake a rental market listings analysis study to collect information on asking rents, including for shared rentals.

**Q.** Is the information on shared rents available to the public?

**A.** It will be available but not at this time.

**Q.** In New York and Boulder, Colorado there are deeply affordable units run by not-for-profits. Are we assuming that is not possible in Toronto?

**A.** Not necessarily. There are many ways to achieve affordability. We are focusing on balancing priorities. On its own, inclusionary zoning has not achieved deep affordability in other jurisdictions. That is why we show inclusionary zoning as one part of the housing toolbox.

**Q.** Can you explain what you mean by a partnership approach?

**A.** Inclusionary zoning relies on market development. We recognize that there is a need for participation by the City, developers, not-for-profits and the public. We need to think about what everyone’s contributions will be.

**Q.** Partnership-based is a term used by developers to say that the City needs to pay some or all of the costs. Is it possible for developers to build affordable units without contribution from the City?

**A.** The provincial regulation requires the City to look at a whole suite of tactics. The City needs to bring incentives to the table.

**C.** I hope we can discuss and have input into the goals of this program. Affordability needs to be reflected as a goal of this program.

**C.** I think a high-level principle needs to be increasing affordable housing in the city. It's obvious but it's not stated.

**Q.** Is the Municipal Assessment Report (MAR) approved by provincial minister?

**A.** No, the province will need to approve the policies but not the MAR.

**Q.** How does the timeline fit into the January 2018 staff report?

**A.** The January 2018 staff report outlined the issues that the City had with the draft provincial regulations, it does not get in to all of our thinking for policy development.

## **Prioritization and Discussion of Policy Options**

### *Affordability Period and Depth*

**C.** I would prefer a long period of affordability. We need to see tiered affordability looking at some very deep rental units with subsidies set up in advance. We are putting all this effort into creating affordable units, what good does it do to have them expire in a few years?

**C.** We are hoping to see non-profit development. To implement all of these affordable units, there will be a huge cost with legal fees. If it only lasts 15 years the cost will far exceed the value or impact.

**C.** In New York and Boston, they have tiered periods so that all of the affordability periods do not end at the same time. Lots of US jurisdictions have found they have to extend their affordability periods because they were initially too short-sighted.

**C.** 99-years or permanent makes a lot of sense. Also, it is preferred that the affordability level is tiered ranging from deep to 80% of Average Market Rentals (AMR).

**C.** Non-profits are limited by how much they can increase their rent. I wonder how inclusionary zoning will work together with utilities and water if the latter two have increasing costs over the next 99 years.

**C.** What happens if people resell after purchasing as an affordable unit?

**C.** One of my concerns is that these units will get sold and then lose their affordability status. These units need to remain affordable so we don't lose the established affordable stock. It is not effective to create an affordable housing program that will benefit a small portion of people who

will build their personal equity by reselling affordable units at a higher price. That's why we need to look at average incomes versus rents.

**C.** We need to use scientific language to describe what we are talking about here. The term affordability leaves too much room for interpretation.

**C.** We support using income and income percentiles as a tool for determining the affordable housing strategy.

**A.** As far as I know all of the income data is from the census which presents a challenge because it will always be out of date and require an assumed increase.

**C.** I'm supportive of the need to look at incomes. I also think you need to look at incentives to actually match the depth of affordability you are trying to achieve.

**C.** Has anyone seen the infographic showing a time lapse of development of most apartments in Toronto? The 1940s and 1960s saw a lot of development. I don't understand why they didn't endure the same difficulties we are experiencing today.

**A. (Stakeholder)** There were CMHC subsidies and a massive amount of public investment. There also wasn't any rent control and the supply exceeded demand. There's a big difference between then and now.

**C.** We need to open up the conversation to include affordable non-profit rental units and not just focus on ownership units.

**A.** This is about implementation of how the City does it today. Where the City secures affordable units we have those units conveyed at no or low cost. No cost is often associated with Habitat for Humanity. In these instances, developers are fully giving away an asset and don't get anything in return.

**C.** We need to have a separate conversation around affordability. It is tough to not have that shared understanding while having this broader conversation. From the Parkdale perspective, we have standards about tiered levels of affordability with 99% renters and a significant population of subsidized housing tenants. Our breakdown is 40% deep affordability, 30% in the 40-60% income percentile range and 30% in the 60%-80% income range. We would like to see a definition of affordability based on income but the housing system is currently based on market rent. Average median income would be a deficit in the community in Parkdale, Scarborough or inner suburbs because then you're automatically making affordability higher than what would be in that neighbourhood. In other jurisdictions geography has been the basis of applying inclusionary zoning.

**C.** If the goal of increasing market development and equitable communities conflict with one another then we aren't doing this right. If you have an increase in market supply there may be negative impacts at the neighbourhood level. You need to offset gentrification and create balance in the community.

#### *Number of Units*

**C.** Inclusionary zoning should apply to the entire building.

**C.** Ownership is more about families and affordability in low-income areas. What happens to the equity in the ownership model?

**C.** If it's going to be 80% AMR, how does the developer manage to bridge that difference? How do they make up the lost revenue? Do they do this by increasing rent of other units at 125% AMR? If that's how it works then we are just driving up the market. That's my concern.

**C.** There's a lot of different ways by which developers can make their profit. Developers will have new revenue by increased density and new units among other incentives.

**C.** There is lots of development going on in the city and it is not going to leave. I am not suggesting that the city make it difficult to develop here but we have a context that development will happen regardless of regulations. Developers want the predictability that allows them to cost out their revenue.

**C.** When we look at number of units, as many units as you can add is best.

**C.** Inclusionary zoning shouldn't exclusively apply to bachelor units. There needs to be more consideration for square footage.

**C.** It's good to keep in mind that number of units and incentives are interrelated. All of this requires a good financial analysis. Also we need to account for the time required to implement these programs.

### *Geographic Application*

**C.** We need to take into account geographic differences in the market. The geographic analysis should be a part of the financial analysis.

**Q.** Why is this important? What does it matter if inclusionary zoning is in Mississauga or Scarborough? Are we alienating people? Why can't we apply it to the whole city?

**A.** I think that goes back to the goals. If you apply it city wide, you might not get market development in some areas. Suddenly we are applying requirements in low-development areas at an additional cost.

**Q.** Has there ever been a case where development doesn't happen because of inclusionary zoning?

**A. (Stakeholder)** Yes, we saw an example of this in a ULI report. IZ depressed development in areas of a city where the market was less strong and where margins were significantly more stringent. If you layer on city-wide standards then you can end out deterring development. Inclusionary zoning is needed across the city but there are also margins within the city.

**C.** This is not necessarily a binary choice. You can do it across the city with layers of choice. Housing does not have a one size fits all solution.

**C.** You need to look at transit. I would hate for Scarborough to be excluded from inclusionary zoning. Scarborough should be a priority area.



**C.** Make sure there is flexibility within the policies. At some point you won't be able to develop downtown anymore.

**C.** We need to think of housing as a dynamic system. Depth of affordability influences set aside rates and geography influences both.

**C.** Making inclusionary zoning based on geography would create zones where developers might not develop. It is incumbent upon the city to incentivize development in these areas. A geographic lens could change the way the development happens in different places across the city.

**C.** If you're removing the requirement to build affordable housing you're going to inflate land values.

**C.** It should be a goal that inclusionary zoning mitigates the displacement effects of development.

### *Incentives*

**C.** I think that there are incentives that could achieve other policy goals.

**C.** Financial incentives are pretty rare in other jurisdictions. It is more common that you see a reduction in parking requirements, fast tracking applications, giving density bonuses, etc.

**Q.** What effect does tax incentive to the developer have on the scheme of things?

**A.** What kind of tax incentives are you thinking?

**C.** For example, I'm building a building. 10% will go to affordable units. I'm prepared to give you x in tax incentives to build it. What effect does that have on incentivizing the developer to build?

**A.** Reminder of Open Door policy. That provides exemptions from planning fees, development charges, and property taxes.

### *Scale of Development*

**C.** If it's a small building, how do you manage one affordable unit in a building? I think we need to consider offsite. Multiple offsite from multiple buildings all in one location.

**C.** If you're talking about rental units, you might be talking about people in need of supports. I think it would be better to target inclusionary zoning to larger developments so you could actually provide supports.

**C.** Scale of development might disproportionately disadvantage smaller builders.

**C.** When we are looking at scale of development we are looking at number of units in the building. Maybe square footage makes more sense.

**Q.** I feel like we are raising a lot of questions and things that don't have supporting evidence. I'm wondering how evidence from other jurisdictions are layering into this program. At the same time we need to acknowledge that Toronto is unique and it might be difficult to find comparable situations. Can we have jurisdictional or development costs or something more evidence-based



provided in advance of our next meeting? That way we can have a more informed conversation.

**A.** Yes. We will bring the financial assessment work to our next meeting. We will also present impacts from other jurisdictions but acknowledge that the context of Toronto is different.

#### *Transition*

**C.** I'm curious about how this will impact development implications. Will we get a rush of applications before IZ takes effect? I don't know how you will manage that.

**C.** The closest category of stewardship – the long term ownership of inclusionary zoning. In the United States, units are owned and operated by the private sector. We need to establish long term sustainability.

**Q.** Is it possible to go beyond 25 years for Open Door? Is that with Housing Now?

**A.** There is a call-out for the next phase of Open Door.

**C.** Not-for-profits have certain financial realities. There needs to be full disclosure about rules and regulations for providing housing stock when a unit gets passed from a developer to a non-profit.

**A.** There is nothing in the provincial regulation. This is about implementation. The policy will set out expectations but this will be a valuable conversation that we need to have as we move forward

**C.** We need to layer in a lens of adequacy (size of units, square footage and number of rooms), accessibility and equity. Who is being prioritized in the access of these units?

**C.** One more comment: we looked at current development. We know there will be growth. We should look at projected growth and comparable development rates to approximate number of units that inclusionary zoning could provide.

#### **Next Steps**

**Q.** Will we get reading materials in advance of the next meeting?

**A.** The financial analysis is not something we can share in advance of the next meeting. The consulting group will be there to walk us through their work and findings.

**C.** Receiving materials on the same-day or even at the meeting can be overwhelming. The ability to have something in advance will allow us to do our own analysis. That would be really helpful.

**C.** The next meeting will not be the last time we meet. There will be time to digest information and provide feedback throughout this process.

# Stakeholder Meeting Summary

## Meeting #2 – April 12, 2019

### Meeting Overview

On Friday, April 12, 2019, the City of Toronto (City) hosted a second Stakeholder meeting for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held at the Ontario Investment and Trade Centre and the agenda was as follows:

<b>9:35 – 9:50 am</b>	Welcome & Introductions
<b>9:50 – 10:25 am</b>	Part 1: Financial Feasibility Study and Discussion
<b>10:25 – 11:25 am</b>	Part 2: Overview of Policy Directions and Workshop
<b>11:25 – 11:30 am</b>	Wrap-Up and Next Steps

The purpose of this meeting was to consult stakeholders on the policy directions and financial feasibility study for IZ and to provide the opportunity for developers and housing advocates to share information and increase their understanding of various perspectives.

Stakeholders received email invitations for the meeting and calendar requests were made to confirm attendance. Forty-five (45) stakeholders were invited and thirty (30) stakeholders attended the meeting.

### Attendees

Organization	Name
ACORN	Alejandra Ruis-Vargas
ACTO	Magda Barrera
Altus Group	Daryl Keleher
Artscape	Mike Gouzopoulos
BILD	Paula Tenuta
BILD	Alison Baxter
CD Farquharson Community Association	Stephen Casselman
CHF Ontario	Simone Swail
Community Advisory Board	Randy Pitt
Convene Toronto	Sean Meagher
DiamondCorp	Laurie Payne
Habitat for Humanity	Ene Underwood
Habitat for Humanity	Nima Kia
Homecoming Coalition	Paul Dowling
Kehilla	Nancy Singer
Kingsett	Ingrid Beausoleil
Maytree	Effie Vlaciouyannacos
Menkes	Brandon Simon
MOD Developments	Michael Fox
Options for Homes	Dan Ger
	Richard Drlida

Rockport Group	Michael Tucci
Scarborough Civic Action Network	Anna Kim
St. Clare's	Andrea Adams
Toronto Alliance to End Homelessness	Daphna Nussbaum
Toronto Alliance to End Homelessness	Joy Connelly
University of Toronto	Emily Paradis
Waterfront Toronto	Sumeet Ahluwalia
Wellesley Institute	Scott Leon
Wigwamen	Angus Palmer
Woodgreen	Mwarigha

### City Staff and Consultants

Organization	Name
City of Toronto	Deanna Chorney
City of Toronto	Christine Ono
City of Toronto	Sharon Hill
City of Toronto	Minha Hassim
City of Toronto	Sean Guenther
Dillon Consulting Limited	Karla Kolli
Dillon Consulting Limited	Ryan Siersma
Dillon Consulting Limited	Miriam Bart
N. Barry Lyon Consultants	Mark Conway
N. Barry Lyon Consultants	Matthew Bennett

### Welcome and Overview Presentation

Dillon Consulting Limited (Dillon) welcomed stakeholders and provided an overview of what we heard from both development industry and housing stakeholders at the first round of stakeholder meetings in March, 2019. The purpose of sharing this information was to note how stakeholder input has been used and to identify the areas of consensus or disagreement both within and between the stakeholder groups. The City presented on the definition of affordability and an updated engagement timeline. The City clarified who would be eligible for IZ units and the income-per-household brackets and occupations of potential tenants and owners.

### Part 1: Financial Feasibility Study and Discussion

N. Barry Lyon Consultants' (NBLC) presentation on the IZ Impact Analysis consisted of technical information related to an overview of the residual land value analysis, major study assumptions, limitations, preliminary findings and considerations for an IZ policy. The study's initial findings found that strong market areas could sustain IZ requirements with minor impacts to land values.

Following the presentation there was plenary discussion, recorded and facilitated by Dillon. Participants were encouraged to ask questions which were recorded and answered by NBLC. The discussion primarily focused on the assumptions used in the report as it was recognized that if the assumptions are not accurate, it might impact the outcome of the report. The

assumptions discussed were related to inflation over time; transit infrastructure projects; the impacts of other development charges including Section 37 and Parkland Dedication; density uplift vs. as-of-right; developer profit margins; geographic mapping; and the inclusion of incentives in the model. Participants were seeking clarity on the assumptions. The specific question and answer from the plenary discussion is provided in **Appendix A**.

## Part 2: Overview of Policy Directions and Workshop

The City's presentation provided an update to the policy areas and options that were discussed at the first round of stakeholder meetings. The City presented their preliminary directions which included:

- **Geographic application:** an area-based approach that applies different IZ requirements for stronger/weaker market areas across the city.
- **Scale of development:** apply IZ to larger-scale developments. Avoid creating additional barriers to mid-rise and missing middle development.
- **Number of units:** Apply as a percent of the density increase. IZ requirements shouldn't apply to residential gross floor area already permitted by existing zoning.
- **Transition:** to be determined whether provincial regulations or additional transition provision requirements would be needed.

Following the presentation, participants were able to briefly ask some clarification questions. The City clarified that IZ policies could apply to the uplift of density and the provincial regulations for transition (IZ would apply to site plan applications made after an IZ zoning by-law is passed). Stakeholders inquired as to why incentives and period of affordability were not included as part of this stakeholder workshop. The City explained that stakeholder input on both of those topics during the first meeting is being considered.

The City noted that an update on all of the policy options would be included as part of the report going to Planning and Housing Committee at the end of May. The specific question and answer from the plenary discussion is provided in **Appendix A**.

### Workshop to Provide Input on Policy Directions

Stakeholders worked with one another in small groups to discuss the feasibility of the proposed policy directions considering the context of the financial feasibility study. They were asked to document their discussion of the pros and cons of the proposed directions as well as other key topics on the placemat provided at each table. The placemat provided the discussion topics as well as some key questions to participants.

The following narrative presents the questions asked and the key theme(s) for each of the discussion topics consolidated from all the discussion tables. The detailed consolidated feedback collected through this exercise can be found in **Appendix B**.

#### 1. Geographic Application

Apply different IZ requirements for stronger/weaker market areas across the city.

- What source do we use as the basis for drawing boundaries?

- What criteria should be used for determining where higher IZ requirements should apply?
- How do we account for changes in the market over time?

*It was suggested that the existing CMHC/ TREB boundaries be used for drawings boundaries. New secondary plan areas can also be used. Most tables stated that the IZ policy should be reviewed every few years, potentially linking with the OP review. It was also suggested that different markets result in a different percentage of IZ unit requirements. Higher market areas would require more IZ units and softer market areas could have more incentives.*

## **2. Scale of Development**

Apply IZ to larger-scale developments. Avoid creating additional barriers to mid-rise and missing middle development.

- What minimum number of units or residential GFA would exempt most mid-rise developments?
- Should this minimum vary across geographic areas?

*Some groups stated that IZ would be a challenge in mid-rise buildings. A minimum of 12 stories was suggested by one table and a minimum of 100 units by another. It was also suggested that the City's existing mid-rise development guidelines could be a threshold. The minimum should vary across geographic areas and be balanced with rezoning.*

## **3. Number of Units**

Apply IZ to development applications proposing additional density.

- Does this provide an equitable and predictable approach?

*The participants at all tables did not feel that this provided an equitable and predictable approach due to the current issues with the zoning bylaw. It was also suggested that some IZ be applied to the base and some to the percentage uplift.*

## **4. Purpose Built Rental**

- Under what conditions should purpose-built rental projects have lower requirements (e.g. if market units are below XX% of AMR, if tenure is maintained for a minimum period of XX years)?

*More clarity is needed on "purpose built" because it often includes luxury condos. One table suggested that everyone should be able to rent a unit and to tie the requirements to income level.*

## **5. Offsite**

- In what circumstances should offsite development be permitted?

*The tables suggested that offsite development should be permitted when it achieves a larger number of affordable housing units. Offsite development should also be permitted when it is easier to administer to achieve deeper affordability. There was a caution of not creating segregation.*

## **6. Non Profit Housing Providers**

- How can the policy support partnerships with non-profit housing providers to reach deeper levels or longer periods of affordability?

*Partnerships would be useful for management and administration, to market and fill units, and to help link to other incentives such as reduced mortgage rates.*

## **7. Transition**

- Are additional transition provisions needed? Should IZ requirements be phased-in over time? If so, how?

*IZ requirements should apply to new land purchases and the purchase of land date could be fixed into the policy. The policy should come into play during a rezoning application. It would not be perfect but it is a start and could be adjusted over time.*

### **Wrap-Up and Next Steps**

The City reminded stakeholders that the purpose of going to Planning and Housing Committee at the end of May is to seek approval to consult on the IZ policy directions. The City informed stakeholders that the third stakeholder meeting would be held in June.

The City expressed that they are available to present information on the IZ project to groups and indicated that a presentation has been scheduled for a BILD Chapter meeting on May 15<sup>th</sup> to share the same information that has been presented over the first two stakeholder meetings. Housing Advocates requested to have an additional meeting as well. The City encouraged Housing Advocates to organize a meeting and send potential dates along as soon as possible.

The City reiterated that the materials shared during the workshop would be circulated after the meeting but that it would not include the NBLC report as it had not yet been finalized. Stakeholders were welcomed to fill out engagement comment forms, provide written feedback and contact the project team with further questions.

The meeting adjourned at 11:30am.

## **Appendix A – Question and Answer Period**

Stakeholders were able to ask questions throughout the presentation and during the discussion periods. The conversation is summarized below. Questions are noted with a “Q”, comments with a “C” and answers with an “A”.

### **Welcome and Overview**

**Q.** Are we able to take the material with us today?

**A (City).** Yes.

**Q.** On slide 14 of the presentation, an administrative assistant would need to be in a single-income situation in order to access IZ because a second income would exclude them from these units?

**A (City).** This slide is meant to illustrate the types of occupations that could be eligible for units created through inclusionary zoning. Most of the occupations listed assume a one-income household (e.g., single person household, or single parent with children). In this example, if the administrative assistant's total household income (including income from a partner) exceeded the eligible household incomes shown, then they likely would be excluded from inclusionary zoning.

### **Part 1: Financial Feasibility Study and Discussion**

**Q.** How do you take inflation into account? Land values are not static. During the process of zoning and approvals you could get some inflation and enhanced land value.

**A (NBLC).** We look at the present value of the land today.

**Q.** Can you remind me of the transit assumptions that were made throughout this report?

**A (NBLC).** The transit access that exists at time of analysis.

**Q.** It looks like the scenarios in the Weston Village are not viable.

**A (NBLC).** Correct. Today, it would not be viable.

**Q.** What was the set aside used for these examples?

**A (NBLC).** 20% of the density uplift.

**Q.** Is the heat map created with a variety of set asides?

**A (NBLC).** Just the set aside of 20%. Sensitivity testing is still be undertaken that varies the set aside requirement.

**Q.** The process is predicated on uplift and density increase. Most jurisdictions in the United States apply IZ to as-of-right density as well.

**A (NBLC).** We have not applied IZ to as-of-right density. We are working with the assumption that density uplift will offset the costs of IZ.

**Q.** Are the analyses of impending transit scenarios still being performed?

**A (NBLC).** To a degree. We are planning for projects that will be developed within the first 5 years of IZ implementation.

**C.** I have a lot of comments on the assumptions behind this study. If you have the wrong assumptions you will end up with the wrong policy. Time is not the only assumption that impacts

land values. It takes 10 years to get a building through the process, land will adjust ten years beyond that date of transaction.

**Q.** Are you applying the same assumptions on public land? Will you look at the Housing Now sites differently?

**A (NBLC).** The model is only looking at private land, not public sites such as those proposed under Housing Now.

**Q.** Have the impacts of other soft costs under Section 37 been factored into the analysis? Are you taking into account the fact that Section 37 costs vary across the city?

**A (NBLC).** Yes, we accounted for a range of Section 37 amounts across the City to tease out what an area-specific value might be.

**Q.** Have you factored in the proposed future changes to parkland dedication?

**A (NBLC).** Yes.

**Q.** One of the assumptions seems to hold development profit at a fixed rate. You said hard costs and soft costs are fixed. I think you need to recognize that land value and profit are not fixed.

**A (NBLC).** There could be hundreds if not more proforma calculations.

**Q.** What about the impact of incentives to offset the costs here?

**A (NBLC).** This work does not consider any incentives in the approach.

**Q.** Did you do sensitivity analysis on the affordability period?

**A (NBLC).** Yes, that work is still emerging. We believe the period of affordability has a bigger impact than the depth of affordability.

**C.** It would be interesting to know if that finding was similar between rental and ownership scenario.

## **Part 2: Overview of Policy Directions and Workshop**

**Q.** You mentioned that IZ will apply where developers are proposing additional density and that the required affordable units will be based on a percentage of the additional density. Are you assuming the zoning is up to date in those areas?

**A (City).** We have assumed what the as-of-right density is as part of the analysis.

**C.** There will be a lot of instances where developers will request more density.

**Q.** What is the direction for incentives?

**A (City).** We don't have a direction to share with you today.

**Q.** Do you have a timeline on that?

**A (City).** We will be providing our report at the end of May.

**C.** Incentives will bring a different dynamic into the conversation.

**Q.** IZ would apply to development applications that come in for rezoning. How do you determine the base density for the purposes of determining the density uplift for an application?

**A (City).** We are aware that the zoning is not updated in the Golden Mile but that is in the process of getting updated. On any given site you should know what the maximum limits are.



**Q.** Regarding transition, if you get your Site Plan Approval in before IZ is passed you are fully exempt?

**A (City).** Correct. As long as developers submit for Site Plan Approval before the Zoning By-Law is passed then it is exempt from IZ requirements.

**Q.** Did the financial feasibility study model include any incentives?

**A (City).** No. The work presented today did not include any incentives.

### **Workshop to Provide Input on Policy Directions**

**C.** Two things jumped out for our group. The first relates to the question about IZ applying to the uplift. That seems like an incentive to keep zoning down. We considered changing the requirement to a percentage of units across the entire building. The second topic relates to affordability period. Units that were built at 80% of average market rent 30 years ago have now fallen into the deeply affordable category of housing today.

**C.** One thought we had relates to the City's definition of affordability. It is so broad. Perhaps you need to decrease the amount of units required in order to get more deeply affordable units or increase the duration for units that are less affordable. That would provide a range of affordable units.

**C.** We were eager to see geographic application be carefully reviewed on a regular basis. If there is a secondary plan or Major Transit Station Area (MTSA) in place, these could be used as distinct boundaries. We definitely think IZ should apply across the entire city and be phased in geographically over time based on market conditions.

**C.** We had a similar thought about geographic approach. What if you had the whole City at varying levels of IZ that shift as the market changes? We also had a discussion about as-of-right and uplift. If we focus on uplift it is not helpful for anybody.

**C.** We talked about non-profit housing providers and how to make their participation more meaningful to reach deeper affordability. We think that their involvement will encourage and increase mixed-income development. We also think that incentives need to be attributed to the non-profits in order to empower them and act as the contact for incentives. Those incentives are then turned into a financial tool that they can use in discussion and in partnership with developers. We also support the notion of non-profit ownership. Even if the incentives don't fully cover the cost, non-profits can carry the mortgages. We are also very favourable of offsite developments.

**C.** We would like to echo what has been said about IZ only applying to the uplift. The direction around the scale of development might gravitate against our desire to address the missing middle. IZ needs to be about decisions that are being made over a long period of time which is why the transition period needs to be very long. This applies to zoning as well.

### **Wrap-Up and Next Steps**

**Q.** At what point will this group talk about incentives and affordability period?

**A (City).** We've recorded your feedback from the previous meeting on those topics. We are still considering the options. We will be reporting to Committee in May on these two topics.

**Q.** Will you be circulating the NBLC report?

**A (City).** No, we are still reviewing the report. We will be sharing the slides from today.

**C.** It would be nice to hire another firm who can share more balanced information on how IZ is used in other jurisdictions.

**A (City).** We have done some analysis on how IZ is used in other jurisdictions and will make sure it's a part of the conversation in our public consultations.

**Q.** The June meeting is not yet set?

**A (City).** Correct. We will be meeting with the BILD Chapter on May 15th to talk about parkland dedication and IZ. If there is a large non-profit meeting, let us know and we would be happy to meet and discuss IZ with that group.

**Q.** This stakeholder group is not meeting again until June but you are meeting with BILD in May?

**A (City).** As of right now, yes. The purpose of the BILD meeting will be to share what we have discussed with this group.

**C.** It sounds like there will be more discussion about length of affordability with BILD.

**A (City).** No, those topics were covered during our first stakeholder meeting. The presentation with BILD in May will not contain any new information. When we go out to consult on draft policies in June there will be lots of opportunities for feedback.

**Q.** If housing advocates host a big meeting will the City meet with that group also?

**A (City).** Yes, we will try to accommodate suggested dates. The Committee meeting to get direction to begin public consultation is taking place in May.

**Q.** You are seeking approval to consult at the Planning and Housing committee meeting. The direction will come from that meeting?

**A (City).** Yes.

**Q.** When is the date of the BILD meeting? Housing Advocates would appreciate a meeting if you are meeting with the development industry.

**A (City).** That meeting is taking place on May 15<sup>th</sup>.

## Appendix B – Workshop to Provide Input on Policy Directions

Inclusionary Zoning Stakeholder Meeting #2 – Workshop Activity							
	<b>1. Geographic Application</b> Apply different IZ requirements for stronger/weaker market areas across the city. <ul style="list-style-type: none"> <li>What source do we use as the basis for drawing boundaries?</li> <li>What criteria should be used for determining where higher IZ requirements should apply?</li> <li>How do we account for changes in the market over time?</li> </ul>	<b>2. Scale of Development</b> Apply IZ to larger-scale developments. Avoid creating additional barriers to mid-rise and missing middle development. <ul style="list-style-type: none"> <li>What minimum number of units or residential GFA would exempt most mid-rise developments?</li> <li>Should this minimum vary across geographic areas?</li> </ul>	<b>3. Number of Units</b> Apply IZ to development applications proposing additional density. <ul style="list-style-type: none"> <li>Does this provide an equitable and predictable approach?</li> </ul>	<b>4. Purpose Built Rental</b> Under what conditions should purpose-built rental projects have lower requirements (e.g. if market units are below XX% of AMR, if tenure is maintained for a minimum period of XX years)?	<b>5. Offsite</b> In what circumstances should offsite development be permitted?	<b>6. Non Profit Housing Providers</b> How can the policy support partnerships with non-profit housing providers to reach deeper levels or longer periods of affordability?	<b>7. Transition</b> Are additional transition provisions needed? Should IZ requirements be phased-in over time? If so, how?
<b>TABLE 1</b>	Entire City should be included and reviewed every number of years depending on official and secondary plans. In a stronger market, there should be an adjustment in IZ. Set-aside changes with strength of local market. Phase up with increased strength. Boundaries: set to CMHC/TREB boundaries, except where there are secondary plans or major transit station areas in which case those are treated differently. Weaker areas that need more affordable housing - incentive? Other \$ sources?	Ensure that questions of scale are re-assessed with re-zoning e.g. yellow belt must include IZ but will be smaller scale.	Agree it's not equitable - but disagree on which direction. Some want to see IZ applied on as of right and all uplift. Others want to see IZ only applied to density above average FSI for past 5 years. Potential solution for predictability + equity: Apply IZ to as-or-right + uplift, but consider new definition of as-of-right based on average FSI over X period of time to reflect current conditions not legacy zoning.			All IZ units should be transferred to non-profit management for sale (affordable home ownership) or rental (including managing condo units as rentals).	Should apply to new land purchases. Boundaries of time should be taken into account. Purchase date of land should be fixed to the policy objectives. Table is split on base vs. as-of-right.
<b>TABLE 2</b>	Need to develop income and TREB map for rental. Need to also differentiate incentive zones in relation to above map. Tailor affordability to that area to ensure that community is not gentrified (principles of equity & inclusion.) Area specific vs. across the board means more resources to fit policy to different markets.	Mid-rise already difficult to make affordable.			When there is greater public benefit - more units, deeper affordability.	Mixed income to increase affordability at deeper level. Empower (income affordability) the non-profits to engage developers and act as conduit to incentives. Public investment through non-profits. Support non-profit ownership so that the non-profit can mortgage to purchase units at reduced rates and support mortgage through affordable rents.	

<b>TABLE 3</b>	Why IZ? To create units affordable to the 80% who cannot afford new units. The concern - wont go very deep. It's one tool to get at PART of the housing need - the middle income household. Is it worth getting a 20% uplift for such few units? How do other cities do it? Use waived development charges to create deeper affordability. IZ MUST be mandatory. Why are profits fixed? If the issue is RISK, how do we recuse risk through a more predictable system?		Why just an uplift? How does Vancouver and other municipalities achieving it? 80% AMR misses the majority of Torontonians. Creates an incentive to obsolete zoning. Might be better to have a lower % affordable on entire building. Leads to a convoluted planning process. In USA, some have IZ apply to entire building, but a higher % on the uplift.	Depends on cost of units i.e. is it luxury rental vs. affordable rental? Need to increase incentives to create rental - it doesn't make sense to offer public to merely achieve AMR.		Marketing/filling units Part of purpose of IZ is to get units into hands of non-profit sector for perpetual affordability. Non-profit ownership is essential to preserving affordability and enhance affordability over the long term.	Affordability period. On ownership - why on impact on affordability period? Habitat - want to modify model to restrict equity to protect second owner. Need 99-year affordability. Can this model work for rental?
<b>TABLE 4</b>	Section 37 - competing interests for development. Account for change overtime - reassessment/periodic. Sources - consistent market review, reassess every few years, how market is divided already - how many city neighbourhoods are there now? Balance is key. Criteria: End value/market can bear additional units, residual land value seems appropriate, looking at other jurisdictions in other n/a cities (similar to Toronto), geo-based planning studies, as new crises emerge/ have an opportunity to revisit policies/secondary plan is being developed; City new development permit system, remove site by site negotiations.	12 stories or less would not apply. Cities mid-rise guidelines. Whether it applies to rental. Yes, minimum should vary across geographic areas.	Existing zoning is out-dated (concern.) Opportunity to revisit that low zoning.	Yes, across the board for lower requirements. Different requirements on different levels of affordability/mixed income: use. Recognition that everyone should be able to rent a unit. Why is purpose-built rental not as viable as condo ownership?	Rental replacement. Avoids segregated communities.	Delivery vehicle for market providers	If it reduces land prices, may take some time/ it may make sense. Application based on timing. Not required to do inclusionary zoning/apply for rezoning then an opportunity for inclusionary zoning.
<b>TABLE 5</b>	Its dynamic - how does this adjust over time? Need to review regularly, don't disincentive to neighbourhoods that need it, need to be specific to places that can support.	100 min. - 1 opinion. Go as low as possible. Be very careful not to slow supply. Need to support missing middle	Does not provide an equitable and predictable approach. Need to establish a base.				Balance outcomes - decisions.

<b>TABLE 6</b>	Sliding scale of IZ. Should have some metrics on what makes varying % of IZ apply, so that geographic areas will change over time - OR - question: How would it redistribute development?	Some discomfort. But also some acknowledgement of economy scale.	If it applies to all, take out uncertainty of what is reasonable to assume as as-of-right, since zoning is so out of date. Concern about policy for rezoning, push density down to create more affordability requirements = bad policy.	Condos are rental. Also, "purpose built" includes luxury? Should luxury rental have lower requirements?	This would consolidate the affordable, make it easier to administer. This would be conducive to deeper affordability. Should have geographical limitation of distance. Would allow for trade of requirement to match strategic replacement, i.e. of green space.	Is less cumbersome for last term administration. Is cleaner as a model when IZ is introduced. Affordability period is a factor - UP period = more opportunities for non-profit capacity.	No perfect solution now that can be introduced without trauma. So start something now, and build from there.
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## Stakeholder Meeting Summary

### Meeting # 3 – July 9, 2019

#### Meeting Overview

On July 9, 2019, the City of Toronto (City) hosted a third Stakeholder meeting for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held at the Ontario Investment and Trade Centre and the agenda was as follows:

**1:00 – 1:15 pm – Open House**

**1:15 – 1:35 pm – Welcome and Introductions**

**1:35 – 2:10 pm – Part 1: Financial Impact Analysis Report and Plenary Discussion**

**2:10 – 3:30 pm – Part 2: Policy Areas Update and Plenary Discussion**

**3:30 – 4:00 pm – Wrap-up, Next Steps and Open House**

The primary objective of this meeting was to communicate project updates to the stakeholders and collect feedback that will assist the City in developing/refining Inclusionary Zoning policies for the City of Toronto. The meeting was also an opportunity to share what was heard at the four public meetings and provide another opportunity to discuss the financial impact analysis assumptions.

Stakeholders received email invitations for the meeting and calendar requests were made to confirm attendance. 53 stakeholders were invited and 21 stakeholders attended the meeting.

#### Attendees

Organization	Name
ACORN	Alejandra Ruiz Vargas
ACORN	Judy Duncan
ACTO	Magda Barrera
Altus Group	Daryl Keleher
Artscape	Loriann Girvan
BILD	Carmina Tupe
CERA	Teja Rachamalla
CERA	Alyssa Brierley
Community Advisory Board	Randy Pitt
Convene Toronto	Sean Meagher
Dream Team	Carmen Charles-McCracken
Habitat for Humanity	Ene Underwood
Homecoming Coalition	Paul Dowling
New Commons Development	Hadley Nelles
Ontario MMAH	Rizaldo Padilla
Ontario MMAH	Julianna Zhuo
RioCan	Isaac Shirokoff
Rockport Group	Michael Tucci
Scarborough Civic Action Network	Keth Navaratnam
St. Clare's	Andrea Adams
Toronto Alliance to End Homelessness	Daphna Nussbaum

Toronto Alliance to End Homelessness	Richard Drlda
University of Toronto	Jeremy Withers
Waterfront Toronto	Sumeet Ahluwalia
Wellesley Institute	Scott Leon
West Neighbourhood House	Gabriella Russek
Woodgreen	Mwarigha

#### City Staff and Consultants

Organization	Name
City of Toronto	Deanna Chorney
City of Toronto	Christine Ono
City of Toronto	Sharon Hill
City of Toronto (Housing Secretariat)	Sean Guenther
Dillon Consulting Limited	Karla Kolli
Dillon Consulting Limited	Ryan Siersma
Dillon Consulting Limited	Miriam Bart

#### Open House

During the first 15 minutes of the stakeholder meeting, participations were invited to review information panels and speak with staff members and consultants about the project. The purpose of the short open house was to show stakeholders what was presented as part of the public meetings, if they were unable to attend.

#### Welcome and Overview Presentation

After the open house, Dillon Consulting began the presentation portion of the session, providing opening remarks, welcoming stakeholders, reviewing the agenda and the purpose of the meeting, and showing the [Inclusionary Zoning video](#). Following that, a presentation was given by the City of Toronto which outlined the project background, timeline, and context.

#### Part 1: Assessment Report and Plenary Discussion

Following the introductory presentations, the City of Toronto gave an overview presentation on the [Housing Need and Demand Analysis](#) as well as the [Financial Impact Analysis](#). After the presentation concluded, Dillon facilitated a plenary discussion.

Participants were able to ask questions following the presentation of the Housing Need and Demand Assessment report and the Financial Impact Analysis. Participants sought clarity on the assumptions that were used in developing the Financial Impact Analysis. Specifically, participants wanted to see the sensitivity analysis examine a longer affordability period in order to understand how that would change the project viability.

Q. Would you be able to circulate the slides afterwards?

A. Yes, we will do that shortly after the meeting.

C: Did you look at the conversions of existing purpose built rental (i.e., the loss of units to condo developers)? It is important to think about what we are losing and what we are gaining.

Q: How do these different dimensions tell us if there are strong market areas compared to the NBLC report?

A: The Strong Market Analysis section within the Housing Need and Demand Analysis Report assessed eight market factors, including the results of the NBLC analysis, to assess whether an area is considered a strong or moderate market area. The NBLC analysis looked at 11 market areas across the city, while the Strong Market Check assessed 24 areas across the city.

Q: What does the “dash” mean in the Strong Market Check table on Slide 11?

A: It means that we don’t have information for that criteria in that area.

C. After this much work it seems that there are a lot of “unknowns”.

A. There is more to this analysis than is shown on the slide. The full table is on Page 45 of the Housing Need and Demand Analysis. There are "unknowns" for the areas outside of the 11 market areas tested as part of our financial impact analysis.

Q. Are the new condo and new rental prices based on asking price?

A. They are based on listings.

C. Condo prices might be inflated as some stay on the market longer.

Q. Regarding condominiums – does that refer to condo apartments or anything condo tenure?

A. It refers to condo apartments.

C. Lots of re-sale could suggest a hot market.

Q. Did you test the sensitivity to the point where you looked at how the sensitivity worked to 99 years?

A. Not in all areas, because the margins at lower affordability periods showed that it wouldn’t be feasible.

Q. Can you explain to the non-planners how uplift is calculated? There is an intuitive reaction to apply it to the total building because it takes the noise and negotiation out of the discussion.

A. As of right applies to the areas where they have zoning which allows for a certain percentage of development. Uplift is what the developer could get approved on top of that. The challenge is that there is more variability when you apply it to the entire building rather than as-of-right.

Q. Wouldn’t the number of units depend on the ratio of uplift?

A. These numbers actually show the same number of units, just a different percentage depending on whether it’s calculated on the uplift or the entire building.

Q. If the city’s zoning by-law was updated would we get more units or less units?

A. This would depend on the policy direction moving forward. We have proposed that where the applicable zoning has 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 determining the uplift.

C. It seems to me that focusing on the uplift is a work around for the Official Plan and that many developers will be at a disadvantage because of the timing of when they bought the land. There seems to be the need for a transition plan which focuses on the entire building rather than the percentage of uplift.



C. In general, uplift adds another layer of complexity. Any time that we do that, we may introduce unintended consequences.

Q. Was the analysis based on unit type or square foot percentage?

A. It was both, the square foot was in the background and we presented to the public as a percentage of units.

Q. Do you have a similar graph looking at purpose built rental developments?

A. Yes this is shown on slide 17 of the presentation.

Q. Was there any attempts to go over 5% for purpose built rental development?

A. As part of the original analysis, we tested 20% requirements for purpose-built rental projects. However, we know that purpose-built rental projects are more challenged when competing for land with condominium projects. Purpose built rental is built less frequently so the City does not want to put further constraints on that type of development.

Q. Why not ratchet the sensitivity analysis so you know what the capacity is?

A. We heard that at the Planning and Housing Committee as well, part of the thinking is that it felt reasonable to stop when the impact reached 35% to 50% of land value.

C. In the downtown core, where there has been a ton of land value growth, I think it is ok to have greater impacts to land value.

A. That is something we can consider as we conduct further analysis.

Q. On period of affordability – NBLC study says only 1 -3% of the impact on development – makes me think that we should do more affordability in these areas.

A. The analysis found varying impacts on land values depending on the market area. What we are looking at from the stakeholder's perspective is whether there should be different requirements for different areas.

Q. In terms of something else we would want to ask NBLC to do, I'm wondering if there is value in doing the same analysis but on an AMI basis, rather than an AMR basis?

A. This is something we could consider.

Q. Have you made any estimate of the number of units that you might expect to get based on what is in the pipeline and how many would be rental or ownership?

A. It is complicated at this stage in the policy because we are evaluating options still.

Q. In terms of sensitivity testing - have you tested with developers whether their preference would be to give you rental buildings in a condominium development and would that change if the affordability periods were to change?

A. We haven't explicitly had these conversations for this policy. But we are certainly pulling from past experience.

Q. What happens at the end of the affordability period?

A. What we have suggested is that if non-profits administer the affordable ownership unit, they will realize any profit from the unit and re-invest it in affordable housing.

Q. What does conveyed to the non-profit mean?

A. It means sold at a low or affordable price.

C. Habitat for Humanity is kind of a middle ground. Instead of renting, residents are building a bit of equity that is capped.

C. I think more explanation around what is going on in the United States is needed. It's my understanding that in the US they don't need the non-profits to be involved.

Q. Can you speak to how the land owner perspective was taken into consideration?

A. NBLC analysis assumes purchase today and uses the Altus 2019 Construction guidelines for costing in an effort to normalize costs.

C. I think it would be helpful to do a sensitivity analysis where you hold the sensitivity at 15%. I think that affordability is a conversation about values.

Q. On the 99 year affordability from 25 year affordability, is the 3.3% additional impact to land value?

A. Yes, it is an additional impact on land value.

Q. Did you just pick 25 year affordability period as a random number?

A. We picked 15, 25, 99 years because they related to the existing programs at the city but we may need to test other periods.

Q. If they are selling the condo units, what does it matter if it is 15 or 99 years to the developer?

A. The analysis we undertook looked at the impact of different affordability periods on land values and not the impact to developer's profit.

Q. What about testing in perpetuity?

A. We could explore it in perpetuity but we would need to talk to legal as the City has never done this before.

C. Since 2005, we have been fighting for IZ. We are speaking here on something that is so vital for the City. But time is ticking and we need to do this right. We know that IZ is not going to resolve the whole housing crisis but the city needs something.

Q. With affordable rental, could the unit switch to condo after the affordability period or would it stay as rental?

A. Existing tenants would stay until they voluntarily leave subject to the requirements of the Residential Tenancies Act. We have other OP policies to protect and maintain existing rental units which could be applied if these units were being converted to condominium.

## **Part 2: Policy Areas Update and Plenary Discussion**

Following a short break, there was a presentation on the draft policy directions. Each of the policy areas was introduced with a short *What We Heard* from the public and stakeholders in order to share that information with stakeholders. Stakeholders were clear that they wanted to see evidence-based decision making to support the policy directions and thresholds. There was also a focus on reviewing and evaluating the IZ policy over-time to make sure new "strong market" areas were included.

### **Geographic Application and Minimum Size of Development**

On Geographic Application participants discussed the potential impact of Bill 108 on IZ policies. Participants also discussed the frequency of updates to the financial feasibility assessment to bring new “strong market” areas under the policy. While there was a discussion on reducing the unit threshold, participants generally felt that 100 units minimum was a good starting point.

Q. How did you decide to go with 100 units?

A. We did some analysis based on existing and proposed mid-rise units. Most mid-rise buildings fell below the 140 units threshold in many places across the City. We found most mid-rise buildings in the Downtown have below 100 units because of smaller lots.

Q. As I understood Bill 108, it suggests that IZ can only be applied in PMTSA or where the Minister is orders.

A. Correct.

Q. Could you tell the Minister or propose to the Minister where IZ should apply?

A. It is possible for the City to request the Minister to order a Development Permit System in a certain area or city-wide. But there would be no guarantee on how the Minister would respond.

Q. What about PMTSAs which are not in strong market areas, in areas such as the Eglinton Crosstown, it may become a stronger market area once the stations are up and running.

A. There is a mandate to update the financial assessment every 5 years which would catch evolving areas that meet the criteria for strong market areas over time.

Q. Is 5 years too long of a timeframe for review for the IZ market areas?

A. The 5 years required in the legislation is a minimum, so there could be opportunities for this to be updated sooner.

Q. Could we apply it to all PMTSAs?

A. Yes that is possible, but based on the financial impact analysis, we are proposing that IZ should apply where the market is strong enough to support the requirements.

Q. Where are the PMTSAs in the City?

A. Currently we have zero but there are about 165 transit stations that are eligible to be PMTSAs.

Q. Given the pace of the planning department, what is the likely timeframe of those PMTSAs?

A. Under the growth plan, the City has to establish MTSA's by 2022. Establishing a PMTSA involves work to delineate their boundaries and establish minimum and/or maximum heights and densities.

Q. What do you mean by equivalent GFA in the development?

A. It's to prevent people from coming in with 99 units.

Q. Why didn't you create an exemption less than 100 units? It seems that you are exempting too many projects that could include IZ. Why not provide 10 units as a threshold?

A. In setting the threshold, we wanted to consider broader City goals for supporting and encouraging missing middle developments. We've also heard that having a smaller amount of affordable units in a building could be burdensome to administer.

Q. I understand the idea of not discouraging smaller developments, the missing middle, but did you say that you didn't even test it?

A. We tested some smaller projects. Typically developments are bigger developments (90% of units in the development pipeline are in high-rise projects), so we tried to test what was representative.

Q. Consider having stronger targets for larger scale developments and lower targets for smaller developments.

A. We have heard that comment through the public engagement as well.

C. It seems this recommendation would be complimentary to your goal of encouraging developments (mid-rise).

C. I like notion to the start with 100 and 140 unit buildings as a minimum. We all have to recognize that there is a ton of administration that could apply to the smaller buildings. There is a risk that nothing would happen. This is more manageable. Then we can review this in a few years and we can lower the threshold if we have been successful.

C. We have to be evidence-based about that approach. I think we should run some numbers and see what the threshold is. I also think that we should look at other municipalities and their thresholds are much lower.

C. I think the NBLC report shows that mid-rises should be considered.

#### **Number of units**

On whether IZ should apply to the density uplift or the entire building, most participants suggested that IZ should apply to the entire building because it reduces confusion and it seems to be more consistent. There was some discussion on the proposed policy that would reduce the requirement for affordable units by 50% where rental units are conveyed at no cost to the City for the purposes of long-lasting and/or deeper affordability, and whether additional testing could be done to provide some context for the 50% reduction. The City is interested in hearing comments about opportunities for the policies to encourage partnerships with non-profits.

Q. What is the range of density uplift that we are talking about here?

A. It's variable based on the zoning in the area.

C. Acorn supports IZ requirements being applied to the full development.

C. You need to be consistent on reporting the percentage of units in a building.

Q. How do you tackle uplift in a mixed use building? There is often financing tools that go along with IZ.

A. 20% would be calculated on the residential component of the uplift.

C. Calculating on the uplift is convoluted and makes it more challenging

C. You are talking about 1 to 2 years of land value inflation in the downtown core. I don't get why we need to look at land value.

C. I think it only matters when the land owner wouldn't sell.

C. Investors are going to look at land values differently.

Q. Does purpose built rental exclude luxury rental?

A: No, the proposed policy direction does not make this distinction.

C. IZ is going to produce very little affordable housing.

C. You aren't going to get many units. We get more through other tools.

C. Going back to demographics, and that more people are renting, it seems like a huge loss to reduce requirements for purpose built rental.

C. Another option would be that developers could develop off-site housing.

Q. Did the NBLC test viability for purpose built rental? What were the results?

A. Overall findings were that purpose built rental is more challenged when competing for land with condominium projects.

### **Transition**

The discussion on transition focused on when the policy would come into effect and how IZ ties into other affordable housing programs. Participants want to make sure that there is alignment in where there are affordable housing needs, affordable housing will be built.

Q. Do you see IZ policies being applied to actual developments before 2023?

A. The policy needs to go through Council and the Province prior to being applied. The timing is not certain at this point.

C. We should talk about poor doors and shared amenities. We are really striving for mixed communities so that should remain the objective.

Q. How is the IZ policy is tying into other city initiatives such as community benefits? Will the IZ units be aligned with the Toronto Poverty Reduction strategy? How are you working with your colleagues?

A. We are definitely keeping in contact with our colleagues to make sure that we are aligned with the outcomes of the different policies and strategies.

C. Not sure why we are reflecting the market needs and not what the community needs.

Q. Could the IZ unit be built in another IZ area?

A. Regulation outlines where IZ can be applied. It must be within another area where IZ applies, based on Bill 108 it would need to be in a PMTSA.

Q. What is the parking requirement in strong market developments?

A. The parking requirement is dictated by the zoning by-law; however, what we secure is typically lower for IZ. For IZ units we are looking at about 0.1 stalls per unit.

### **Affordability Period and Depth**

On affordability period and depth, most participants wanted to see a longer affordability period tested to see the results and the impact to developers. Participants challenged whether the IZ policy should be designed to support middle income earners or provide deeper affordability.

C. There are a lot of IZ policies in the US that do not have these feasibility problems and they do have deeply affordable housing. Very few new policies are coming in with short affordability periods. Not sure why we want to re-conduct an experiment that has already failed in the United States.

C. I don't think that 25 years is long enough.

C. Length of affordability is the most important policy element because you are keeping units, rather than losing them down the road.

C. Length of affordability would be the most important, because when we have the units we can make them more affordable, over depth of affordability.

C. 99 years or in perpetuity should be the goal.

C. Some sort of intermediary is needed to administer the program.

Q. Seeing as rent control no longer applies how would the affordability period be controlled?

A. It would be controlled through a legal agreement with the landowner that is registered on title. This is how we enforce affordability periods for our rental replacement policies now.

C. Based on the *What We Heard* summaries, it seems that each of the policy areas were almost equally weighted. I wonder if we should be comparing them or rather just saying that people want to see a balance between the policy areas

Q. At what point during the policy direction did this change to focusing on the middle income earners?

A. IZ as a tool has typically been targeted at these groups in other jurisdictions.

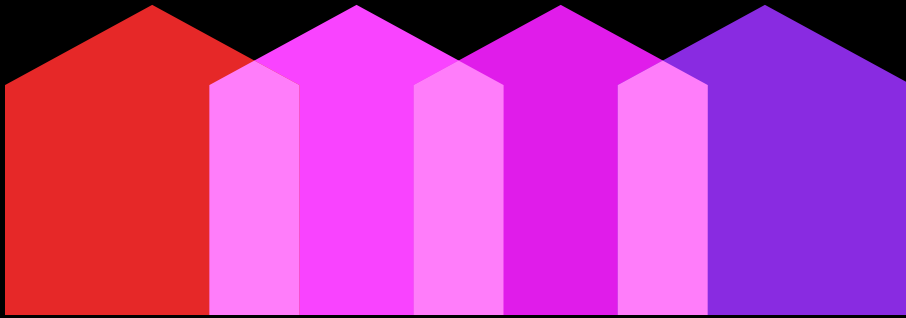
C. Maybe we need to look at a higher spread of affordability, as those under the 40<sup>th</sup> percentile are in the highest need for affordable housing.

### **Wrap-up, Next Steps and Open House**

Following the discussion, stakeholders were informed about the speakers' event which is scheduled to be held in the fall, the plan to report back to the Planning and Housing Committee near the end of the year and future stakeholder engagement following further analysis (date to be determined).

The stakeholder session wrapped up just before 4:00 pm.

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



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## **Appendix B**

# **Public Meetings**

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# Inclusionary Zoning Public Meeting Summary

Meeting #1 – June 17, 2019

## Meeting Summary

**Date + time:** Monday, June 17, 2019  
6:30 – 8:30 PM

**Location:** Metro Hall, 55 John St, Toronto, ON M5V 3C6

**Project Staff:** Deanna Chorney (City), Christine Ono (City), Karla Kolli (Dillon Consulting Limited), Ryan Siersma (Dillon Consulting Limited), Miriam Bart (Dillon Consulting Limited). Five (5) other city staff were present to assist in facilitating roundtable discussions.

## Meeting Overview

On Monday, June 17, 2019, the City of Toronto (City) hosted the first of four public meetings for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held in the rotunda of Metro Hall and the agenda was as follows:

<b>6:30 – 7:00 pm</b>	Open House
<b>7:00 – 7:30 pm</b>	Part 1: Overview Presentation on Inclusionary Zoning
<b>7:30 – 8:00 pm</b>	Part 2: Plenary and Roundtable discussion
<b>8:00 – 8:30 pm</b>	Option to continue discussions or return to the open house panels

The primary objective of this meeting was to promote awareness of this project to the public and collect feedback that will assist the City in refining Inclusionary Zoning policies for the City of Toronto. The event was widely promoted through social media, Councillor newsletters and the project website. About fifty (50) stakeholders received email invitations for the meetings and were asked to distribute the invitation within their networks. Email invitations were also sent to about 1,400 subscribers on the City of Toronto's Inclusionary Zoning and Poverty Reduction Strategy E-Update lists and promoted at other city-initiated consultations (Housing Now and King-Parliament Secondary Plan). Approximately fifteen (15) members of the public attended the meeting.

## Meeting Notes

### Open House

From 6:30 pm - 7:00 pm during a drop-in open house, participants were invited to review [information panels](#) and speak with staff members and consultants about the project.



## Presentation

At 7:00 pm, Dillon Consulting began the presentation portion of the evening, providing opening remarks, welcoming members of the public, showing the [Inclusionary Zoning video](#), and reviewing the agenda and purpose of the meeting. Following that, a [presentation](#) describing the project background, timeline, context, and policy directions was given by City of Toronto staff. At the conclusion of the presentation, Dillon Consulting guided a question and answer opportunity before explaining the group activity to participants.

## Questions and Answer Period

The discussion captured throughout the question and answer period is summarized below. Feedback about the project has been documented by the team and will be considered. The Q&A discussion documented here is specific to the conversations during the presentation. Questions are noted with a “Q”, comments with a “C” and answers with an “A”.

**Q.** Are you defining the downtown boundary based on the Official Plan definition?

**A.** We have looked at a range of geographic boundaries. The downtown boundary extends roughly from Bathurst in the west to the Don River in the east.

**Q.** I listened to a city planner from Vancouver last week at the HousingTO Action Plan panel discussion. I am curious if you could speak to the benefits of IZ as has been learned from other jurisdictions.

**A.** Every jurisdiction deals with IZ differently based on their local needs and regulatory framework. For example, in New York, the period of affordability is set as perpetuity. While the experience of other jurisdictions is helpful to learn from, we need to figure out the right balance of requirements for Toronto which is why we've undertaken the financial assessment and housing need and demand analysis.

**Q.** In reference to the Housing Need study - what was the range of income? Did you find an optimal number for an income? There are a variety of rental arrangements in Toronto. Were there any considerations for sub-letting, or short-term rentals? Given the influx of immigrants in the City, did you factor in the rate at which these people moved here?

**A.** As part of the Housing Need and Demand Analysis, we looked at Census from 2006 to 2016, CMHC data as well as trends in market data over the past 5 years. In terms of understanding the ideal household income – we've looked at our affordable ownership and based that on income. For rental units the income range is based on average market rents by unit type. Our Housing Need and Demand Analysis also includes population projections from the Ontario Ministry of Finance. We have been looking at the increased demand that accounts for range of factors such as immigration and aging population.

**Q.** Could a by-law be established to give the owners a tax deduction every year as a charity donation? Also, are the units set aside as affordable transferable between family members?

**A.** The policy we've proposed today does not rely on financial incentives being provided by the City. We know adding on financial incentives (e.g., reduced or waived property taxes or development fees, program funding) can achieve more, but we want something that will be sustainable for the City over time. As for transferring units between family members, there would be administration guidelines associated with eligibility for renters and owners.

**Q.** You don't expect IZ to raise the market price of other units. How did you come to that conclusion? What will it affect if not the cost of other units?

**A.** The question of who carries the cost of affordable housing requirements has been studied extensively, especially in the United States. Leading studies of inclusionary zoning programs in the San Francisco and Boston metropolitan areas have concluded that inclusionary zoning has little or no impact on housing production and market-rate housing prices. As is the case now, developers can only increase housing prices up to what the market can bear. Instead, the impacts of inclusionary zoning are felt by landowners, as the value of their land is adjusted to reflect new affordable housing requirements.

**Q.** How did you determine the income levels that you're proposing for eligibility?

**A.** We've proposed a new affordable ownership definition that is tied to income. For rental housing we are relying on CMHC data to determine the average market rents (AMR). AMR is determined based on over 200,000 units across the city. The eligible incomes shown on the slide demonstrates how much a household would need to earn in order to afford AMR without spending more than 30% of their income on rent.

### **Feedback Received through the Group Activity and Panels**

The table discussion consisted of asking members of the public to work together in small, roundtable groups to discuss three policy directions: affordability period, number of units and depth of affordability. We asked each group to record their discussion on a worksheet and come to a group consensus on a ranking of the policy directions identifying their priorities for inclusionary zoning.

This exercise generated great discussion and debate among participants – so much so that participants opted to remain in the discussion rather than return to the open house. Participants vocalized the difficulty they had in ranking the three policy directions and reaching consensus. Other key themes that emerged:

#### *Number of units*

- Start with a lower requirement for affordable units and allow the program to phase in over time. There was also a suggestion or request that the requirement should be applied to the entire building as opposed to a percentage of density.
- Incrementally increase required number of affordable units depending on location and links to major transit. Anchor demand with future growth.
- We need as many affordable housing units as possible.

#### *Affordability period*

- A long affordability period – consider perpetuity – is necessary.
- How does affordability period affect other things? Does this discourage a landlord from investing in maintenance of the affordable units? Or if there is a shorter affordability period then would there be a greater incentive for the eligible household to stay in the affordable unit until the affordability period expires?

#### *Depth of affordability*

- Deeper affordability is the lowest priority between the three policy directions. It would be great to push the envelope towards deeper affordability but that would require additional incentives and studies so it is not as practical at this time.

- This is the most important because it would provide housing to the people who are least likely to access housing in these areas. Some of these units should be provided to the bottom third of the income distribution.
- Instead of deep affordability there should be a diverse range of affordable units provided. Also, level of affordability might be different between renters and owners.

### **Closing**

The meeting concluded at 8:30 pm.

*Please contact Christine Ono regarding any errors or omissions at [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca).*

# Inclusionary Zoning Public Meeting Summary

Meeting #2 – June 18, 2019

## Meeting Summary

**Date + time:** Tuesday, June 18, 2019  
6:30 – 8:30 PM

**Location:** Etobicoke Civic Centre, 399 The West Mall, Etobicoke, ON M9C 2Y2

**Project Staff:** Deanna Chorney (City), Christine Ono (City), Karla Kolli (Dillon Consulting Limited), Ryan Siersma (Dillon Consulting Limited), Miriam Bart (Dillon Consulting Limited). Six (6) other city staff were present to assist in facilitating roundtable discussions.

## Meeting Overview

On Tuesday, June 18, 2019, the City of Toronto (City) hosted the second of four public meetings for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held in a Meeting Room 2 in Etobicoke Civic Centre and the agenda was as follows:

<b>6:30 – 7:00 pm</b>	Open House
<b>7:00 – 7:30 pm</b>	Part 1: Overview Presentation on Inclusionary Zoning
<b>7:30 – 8:00 pm</b>	Part 2: Plenary and Roundtable discussion
<b>8:00 – 8:30 pm</b>	Option to continue discussions or return to the open house panels

The primary objective of this meeting was to promote awareness of this project to the public and collect feedback that will assist the City in refining Inclusionary Zoning policies for the City of Toronto. The event was widely promoted through social media, Councillor newsletters and the project website. About fifty (50) stakeholders received email invitations for the meetings and were asked to distribute the invitation within their networks. Email invitations were also sent to about 1,400 subscribers on the City of Toronto's Inclusionary Zoning and Poverty Reduction Strategy E-Update lists and the project was promoted at other city-initiated consultations (housing Now Initiative and King-Parliament Secondary Plan). Approximately twenty (20) members of the public attended the meeting.

## Meeting Notes

### Open House

From 6:30 pm - 7:00 pm during a drop-in open house, participants were invited to review and place sticky notes on the [information panels](#) and speak with staff members and consultants about the project.

## Presentation

At 7:00 pm, Dillon Consulting began the presentation portion of the evening, providing opening remarks, welcoming members of the public, showing the [Inclusionary Zoning video](#), and reviewing the agenda and purpose of the meeting. Following that, a [presentation](#) describing the project background, timeline, context, and policy directions was given by City of Toronto staff. At the conclusion of the presentation, Dillon Consulting guided a question and answer opportunity before explaining the group activity to participants.

## Questions and Answer Period

The discussion captured throughout the presentations is summarized below. Feedback about the project has been documented by the team and will be considered. The Q&A discussion documented here is specific to the conversations during the presentation. Questions are noted with a “Q”, comments with a “C” and answers with an “A”.

**Q.** Where is the money coming from to pay for consultations and consultants for this project? I am a concerned taxpayer.

**A.** Most of City Planning funding comes from development application fees and Development Charges in areas where further growth is expected. The City takes a portion of these funds to undertake fulsome planning work. The City hires consultants to support a robust consultation process and evidence-based analyses when undertaking policy work.

**Q.** What incentives is the City prepared to give to developers to obtain commitment from them to build and administer these affordable units?

**A.** We want to create a sustainable policy for the City and have proposed policy directions that do not rely on financial incentives.

**Q.** Who will administer the units and select the residents and costs?

**A.** The City has experience with administration of affordable housing through other housing programs (e.g. Housing Connections, Open Door Affordable Housing Program, Housing Now). Administration will be dealt with at a later point, which could include a Tenant Access Plan identifying eligible incomes and households. It could be City staff or a non-profit partner administering these units.

**Q.** Who is on the Planning and Housing Committee that is going to be making these decisions?

**A.** The Planning and Housing Committee is a committee of Council and is made up of City Councillors. Members are listed on City’s website. Reports go to the Planning and Housing Committee and they make a recommendation to City Council, who makes a decision on whether to adopt a policy. If City Council adopts a policy it is forwarded to Minister of Municipal Affairs for final approval.

**Q.** Is this presentation available online?

**A.** The presentation, display panels and reports will be available online soon.

**Q.** Does the map showing areas where people are spending more than 50% of their income on rent take into account gentrification? For example, the Mount Dennis area.

**A.** The City has Official Plan policies that work to maintain existing affordable rental housing (rental replacement). The map in the presentation shows where there are present affordability issues. The Housing Needs and Demand Analysis looks at emerging housing trends in the city.

## **Feedback Received through the Group Activity and Panels**

The table discussion consisted of asking members of the public to work together in small, roundtable groups to discuss three policy directions: affordability period, number of units and depth of affordability. We asked each group to record their discussion on a worksheet and allocate seven (7) points across the policy directions. The more points allocated to a policy direction, the greater priority it was given. The intent behind the points system was to help the project team understand the perceived relative importance of the policy directions.

This exercise generated great discussion and debate among participants – so much so that participants opted to remain in the discussion rather than return to the open house. Participants vocalized the difficulty allocating points across the three policy directions and reaching consensus. Other key themes that emerged:

### *Number of units*

- Maximizing number of units required would guarantee a constant supply and ensure there are always modern affordable units available.
- Link number of units to major transit stations including in emerging areas.
- Higher-demand areas should have an increased percentage.

### *Affordability period*

- We need affordable housing for at least 20-25 years or in perpetuity.

### *Depth of affordability*

- Instead of deep affordability there should be a diverse range of affordable units provided. Also, level of affordability might be different between renters and owners.
- Deeper affordability is needed but it is not believed that IZ is in position to address this. We should use other policies and programs for deeper affordability.

## **Closing**

The meeting concluded at 8:30 pm.

*Please contact Christine Ono regarding any errors or omissions at [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca).*

# Inclusionary Zoning Public Meeting Summary

Meeting #3 – June 19, 2019

## Meeting Summary

**Date + time:** Wednesday, June 19, 2019  
6:30 – 8:30 PM

**Location:** Scarborough Civic Centre, 150 Borough Drive, Scarborough, ON M1P 4N7

**Project Staff:** Deanna Chorney (City), Christine Ono (City), Karla Kolli (Dillon Consulting Limited), Ryan Siersma (Dillon Consulting Limited), Miriam Bart (Dillon Consulting Limited). Six (6) other city staff were present to assist in facilitating roundtable discussions.

## Meeting Overview

On Wednesday, June 19, 2019, the City of Toronto (City) hosted the third of four public meetings for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held in the Scarborough Civic Centre Rotunda and the agenda was as follows:

<b>6:30 – 7:00 pm</b>	Open House
<b>7:00 – 7:30 pm</b>	Part 1: Overview Presentation on Inclusionary Zoning
<b>7:30 – 8:00 pm</b>	Part 2: Plenary and Roundtable discussion
<b>8:00 – 8:30 pm</b>	Option to continue discussions or return to the open house panels

The primary objective of this meeting was to promote awareness of this project to the public and collect feedback that will assist the City in refining Inclusionary Zoning policies for the City of Toronto. The event was widely promoted through social media, Councillor newsletters and the website. About fifty (50) stakeholders received email invitations for the meetings and were asked to distribute the invitation within their networks. Email invitations were also sent to about 1,400 subscribers on the City of Toronto's Inclusionary Zoning and Poverty Reduction Strategy E-Update lists and the project was promoted at other city-initiated consultations (Housing Now and King-Parliament Secondary Plan Review). Approximately eighteen (18) members of the public attended the meeting.

## Meeting Notes

### Open House

From 6:30 pm - 7:00 pm during a drop-in open house, participants were invited to review and place sticky notes on [information panels](#) and speak with staff members and consultants about the project.



## Presentation

At 7:00 pm, Dillon Consulting began the presentation portion of the evening, providing opening remarks, welcoming members of the public, showing the [Inclusionary Zoning video](#), and reviewing the agenda and purpose of the meeting. Following that, a [presentation](#) describing the project background, timeline, context, and policy directions was given by City of Toronto staff. At the conclusion of the presentation, Dillon Consulting guided a question and answer opportunity before explaining the group activity to participants.

## Questions and Answer Period

The discussion captured throughout the presentations is summarized below. Feedback about the project has been documented by the team and will be considered. The Q&A discussion documented here is specific to the conversations during the presentation. Questions are noted with a "Q", comments with a "C" and answers with an "A".

**Q.** Are there other tools the city has to create affordable housing?

**A.** There are other tools including Housing Now, Open Door, and zoning changes to allow secondary suites and laneway housing. The City is consulting on a ten year action plan for housing (HousingTO 2020-2030 Action Plan) to address the wide range of housing needs across the housing spectrum.

**Q.** How can you (City and Province) push developers to include affordable housing?

**A.** Inclusionary zoning would be a mandatory requirement that developments must meet as part of the development approvals process. The Provincial legislation has given municipalities the authority to make affordable housing a mandatory requirement.

**Q.** Does the rent go up after the tenant leaves? Are there mechanisms to stop rent increases?

**A.** If a tenant chooses to leave an affordable unit during the affordability period, the rent for the new tenant moving in would have to be affordable. We use legal agreements between the City and the landowner to ensure that during an affordability period, a tenant's rent can only be increased by the provincial rent increase guideline.

**Q.** How long should the units be affordable? What City should Toronto look to?

**A.** We have proposed that the units should remain affordable for a minimum of 25 years. This is something we are interested in hearing your thoughts on. The City uses different affordability periods for its other programs and policies. Other jurisdictions using inclusionary zoning have generally shifted towards longer affordability periods.

**C.** Why is there a timeframe at all? Affordability is always going to be a problem. Maintenance is always required.

**Q.** Would IZ policies apply to old buildings or just new?

**A.** Inclusionary Zoning would apply to new developments and not buildings already built or under construction.

**Q.** Condos are being built at 10 times the rate of rental. Do you have a target number of inclusionary zoning units?

**A.** The City is looking at targets for affordable housing as part of the HousingTO 2020-2030 Action Plan.



**Q.** Will the number of units required be set from these meetings?

**A.** Yes, and we are looking for your input.

**Q.** On the land value chart in the presentation, are property values higher with IZ?

**A.** Yes, what we are testing as part of the Financial Impact Analysis is whether or not land values for potential developments with inclusionary zoning requirements would be higher than the land values for existing uses. This reflects the need for existing land owners to have an incentive to sell in order to continue to encourage housing development.

**Q.** In Vancouver, empty homes tax and other policies have resulted in more units but lower property values. Have you taken that into consideration?

**A.** Not at this time.

**Q.** Are you working in coordination with City departments and other projects?

**A.** Yes.

**Q.** Why is there the delay in doing something with rent control? I think this should have been done three years ago.

**A.** The City has been asking the Province for the legal authority to use inclusionary zoning for years. The Province passed legislation last April to allow municipalities to implement IZ.

**C.** Housing advocates have been pushing for inclusionary zoning for over a decade.

**Q.** What is the timeline for implementing IZ policies?

**A.** We will be bringing the policies to Planning and Housing Committee in the fall and from there the policies will go to Council. Ultimately this will need to get approved by the Ministry of Municipal Affairs and Housing.

### **Feedback Received through the Group Activity and Panels**

The table discussion consisted of asking members of the public to work together in small, roundtable groups to discuss three policy directions: affordability period, number of units and depth of affordability. We asked each group to record their discussion on a worksheet and allocate seven (7) points across the policy directions. The more points allocated to a policy direction, the greater priority it was given. The intent behind the points system was to help the project team understand the perceived relative importance of the policy directions.

This exercise generated great discussion and debate among participants – so much so that participants opted to remain in the discussion rather than return to the open house. Participants vocalized the difficulty allocating points across the three policy directions and reaching consensus. Other key themes that emerged:

#### *Number of units*

- Keep overall inclusionary percentage in line with other big cities for similar sized projects.
- 5-10% of units should be affordable.
- 30% should be mandatory; 40% near higher-order transit.

#### *Affordability period*

- Perpetuity would allow not-for-profits to manage units and portfolios.
- Concerned about what will happen after the period is over.

- A longer affordability period will ensure that units are available despite changes to the economy.

#### *Depth of affordability*

- We should use other programs and policies to achieve deeper affordability.
- There should be a range of unit types with varying levels of affordability.
- Depth should be based on income, not AMR.

#### **Closing**

The meeting concluded at 8:30 pm.

*Please contact Christine Ono regarding any errors or omissions at [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca).*

# Inclusionary Zoning Public Meeting Summary

Meeting #4 – June 24, 2019

## Meeting Summary

**Date + time:** Monday, June 24, 2019  
6:30 – 8:30 pm

**Location:** North York Civic Centre, 5100 Yonge St, North York, ON M2N 5V7

**Project Staff:** Deanna Chorney (City), Christine Ono (City), Karla Kolli (Dillon Consulting Limited), Ryan Siersma (Dillon Consulting Limited), Miriam Bart (Dillon Consulting Limited). Six (6) other city staff were present to assist in facilitating roundtable discussions.

## Meeting Overview

On Monday, June 24, 2019, the City of Toronto (City) hosted the third of four public meetings for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held in Committee Room 3 in the North York Civic Centre and the agenda was as follows:

<b>6:30 – 7:00 pm</b>	Open House
<b>7:00 – 7:30 pm</b>	Part 1: Overview Presentation on Inclusionary Zoning
<b>7:30 – 8:00 pm</b>	Part 2: Plenary and Roundtable discussion
<b>8:00 – 8:30 pm</b>	Option to continue discussions or return to the open house panels

The primary objective of this meeting was to promote awareness of this project to the public and collect feedback that will assist the City in refining Inclusionary Zoning policies for the City of Toronto. The event was widely promoted through social media, Councillor newsletters the project website and the City's public consultation website. About fifty (50) stakeholders received email invitations for the meetings and were asked to distribute the invitation within their networks. Email invitations were also sent to about 1,400 subscribers on the City of Toronto's Inclusionary Zoning and Poverty Reduction Strategy E-Update lists and were promoted at other city-initiated consultations (Housing Now and King-Parliament Secondary Plan). Approximately twenty-six (26) members of the public attended the meeting.

## Meeting Notes

### Open House

From 6:30 pm - 7:00 pm during a drop-in open house, participants were invited to review and place sticky notes on [information panels](#) and speak with staff members and consultants about the project.

## Presentation

At 7:00 pm, Dillon Consulting began the presentation portion of the evening, providing opening remarks, welcoming members of the public, showing the [Inclusionary Zoning video](#), and reviewing the agenda and purpose of the meeting. Following that, a [presentation](#) describing the project background, timeline, context, and policy directions was given by City of Toronto staff. At the conclusion of the presentation, Dillon Consulting guided a question and answer opportunity before explaining the group activity to participants.

## Questions and Answer Period

The discussion captured throughout the presentations is summarized below. Feedback about the project has been documented by the team and will be considered. The Q&A discussion documented here is specific to the conversations during the presentation. Questions are noted with a “Q”, comments with a “C” and answers with an “A”.

**Q.** Do we know the effect that lowering land values has on the housing market? Wouldn't it lower all rents?

**A.** Analysis that we conducted was based on impacts to land values. With new IZ policy we want to make sure that people keep developing land for housing.

**Q.** 83% of ODSP goes to rent - what is the future of Ontario Disability recipients?

**A.** We have been hearing there are huge struggles with housing affordability across the city, especially with those on ODSP. Housing is a complex ecosystem and IZ won't address everyone's needs. There are opportunities to layer on other funding programs to address additional housing needs.

**Q.** You are redefining affordability from market based to income based. HousingTO has its own definition. How will all of the housing programs and policies work together?

**A.** We are communicating internally at the City about how to bring the findings of the various housing projects together and move forward with a consistent approach.

**Q.** Bill 108 restricts IZ to protected major transit station areas. Is this correct?

**A.** Yes, we would not be able to apply IZ outside of these protected major transit station areas.

**Q.** How will you ensure that IZ units go to people who are in need of the unit?

**A.** Administration and monitoring is an important component, but will be dealt with at a later point in the process. Right now our focus is on setting the policy parameters. It could be City staff or a non-profit partner administering these units.

**Q.** I'm interested in learning more about impacts to land values. What does the City mean by that?

**A.** The land in question will be private land on which private developers propose new developments.

**Q.** Who's building on City lands?

**A.** The City's Housing Now initiative is proposing to build affordable housing and market housing on publicly-owned land.

**Q.** What is the success factor from other places that have IZ policies?

**A.** Since implementing IZ policies, New York City now has 1,500 affordable units. Different jurisdictions have different policy requirements and planning frameworks so it can be difficult to compare success across different cities. With that being said, IZ has shown to be a proven and effective tool at increasing the supply of affordable housing

**Q.** Would offsite units also be limited to Bill 108 areas?

**A.** Yes, the City could permit some IZ units to be built on another site, but these units would need to be located within another protected major transit station area where IZ applies.

**Q.** How has the development industry responded?

**A.** They want to ensure IZ will not impact project viability and will continue to support a strong housing market.

## **Feedback Received through the Group Activity and Panels**

The table discussion consisted of asking members of the public to work together in small, roundtable groups to discuss three policy directions: affordability period, number of units and depth of affordability. We asked each group to record their discussion on a worksheet and allocate seven (7) points across the policy directions. The more points allocated to a policy direction, the greater priority it was given. The intent behind the points system was to help the project team understand the perceived relative importance of the policy directions.

This exercise generated great discussion and debate among participants – so much so that participants opted to remain in the discussion rather than return to the open house. Participants vocalized the difficulty allocating points across the three policy directions and reaching consensus. Other key themes that emerged:

### *Number of units*

- Scale of development should be low.
- It is not just about number of units. We also need a range of unit sizes for varying family housing needs.
- Aim for 100% of units in all development but if that is not feasible aim for 20-30% of units in all developments.

### *Affordability period*

- Short affordability period is a band-aid solution. Longer affordability period would provide people in need with stability.
- Offer a range across the city – some areas could have longer than others.
- Perpetuity is ideal but concerned about feasibility.
- Consider a shorter affordability period (e.g. 20-30 years) and re-negotiate over time.

### *Depth of affordability*

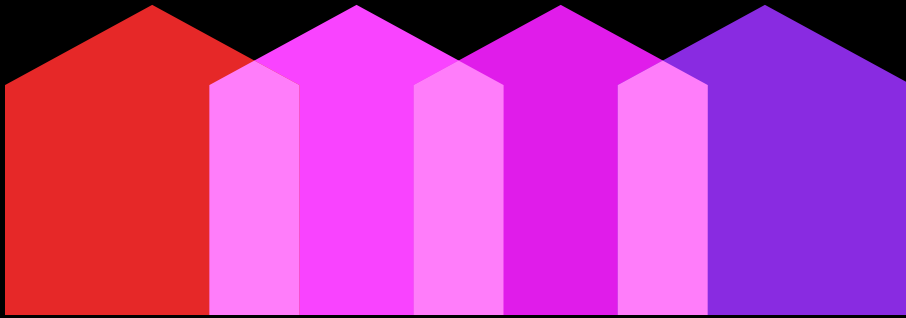
- Unit price should be relative to location. Offer rents based on incomes to ensure affordability.
- Curious about considerations of maintenance fees.
- The effect of IZ seems best applied to help with mid-level affordability. The \$35,000 - \$80,000 range is missing from other housing programs.

## **Closing**

The meeting concluded at 8:30 pm.

*Please contact Christine Ono regarding any errors or omissions at [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca).*

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



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## **Appendix C**

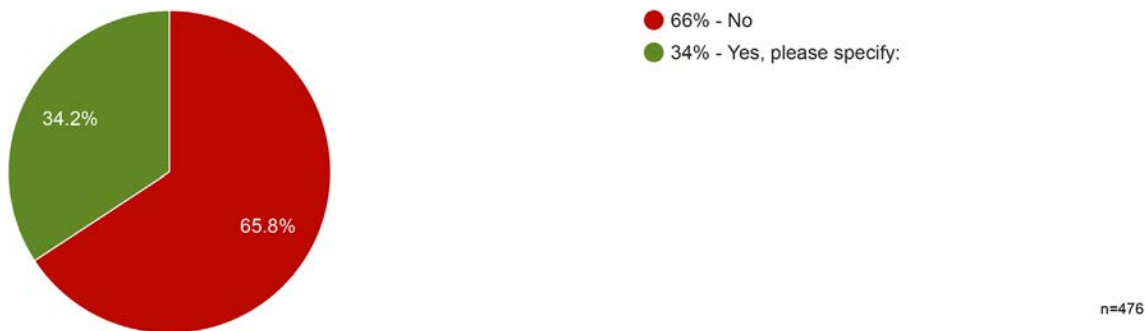
# **Survey**

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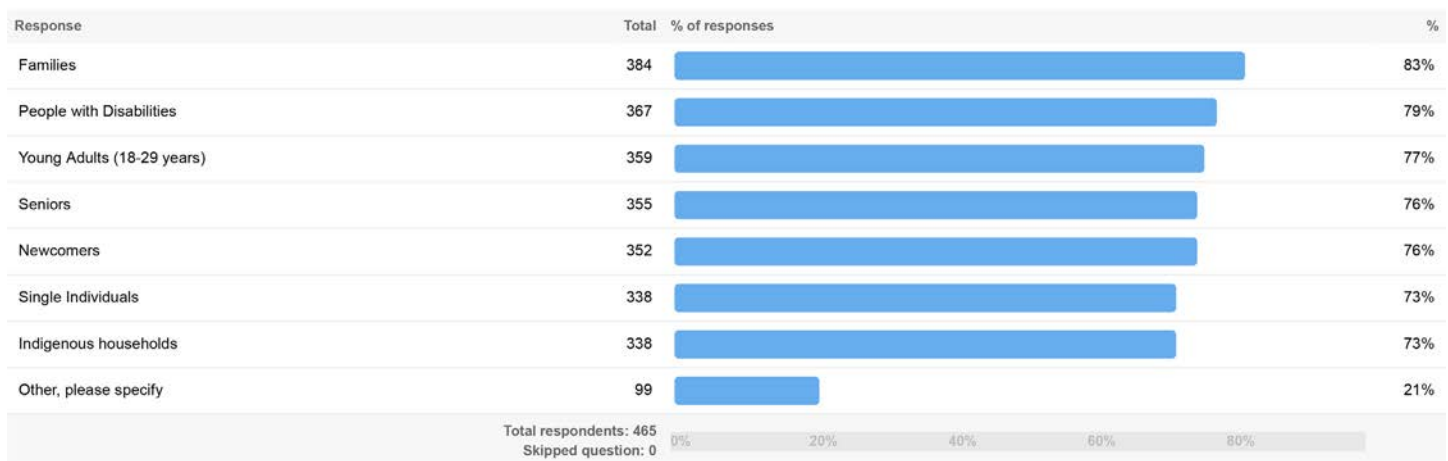
1. The City of T oronto has prepared draft materials to help in the development of inclusionary zoning policies. These are a Housing Need and Demand Assessment (<https://www.toronto.ca/wp-content/uploads/2019/05/981d-IZ-Assessment-Report-Need-and-Demand-formatted-170519-accessiblePAC.pdf>) and a Financial Impact Analysis (<https://www.toronto.ca/wp-content/uploads/2019/05/90b6-Final-Draft-City-of-Toronto-IZ-Analysis-May-21-accessible.pdf>)

The Housing Need and Demand Assessment includes an analysis of demographics, income, housing supply, and housing need and demand, and current average market prices and rents. The Financial Impact Analysis looks at the potential impacts of inclusionary zoning on the housing market and the viability of market development.

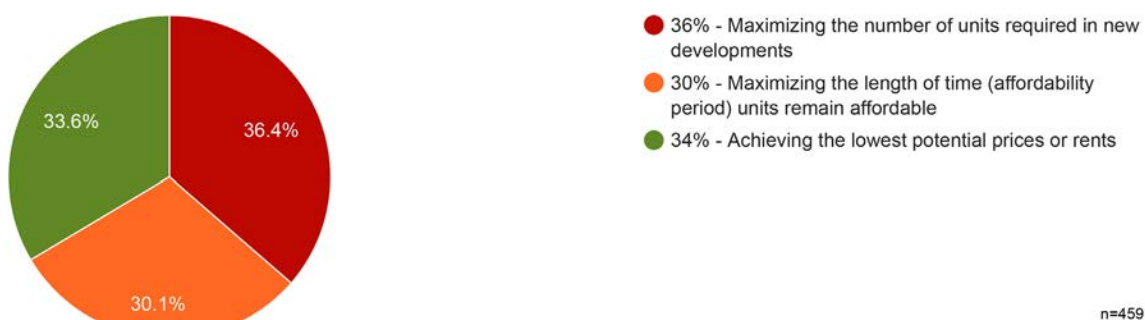
Is there other information you believe the City should take into consideration?



2. What groups do you feel could benefit the most when it comes to accessing affordably priced housing in the City of Toronto? Please identify all groups that from your perspective would benefit.

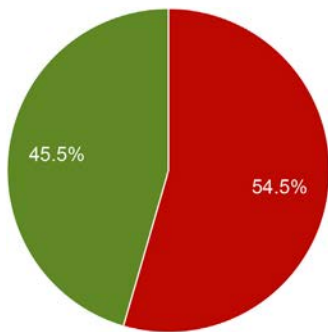


3. I think the most important priority for an inclusionary zoning policy should be:





4. I would prefer to see:



- 55% - More affordable units required in new developments for moderate income households (e.g. units provided at 100% of average market rents or prices)
- 45% - 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)

n=455

5. An affordability period is the length of time inclusionary zoning units will be secured at affordable prices or rents. Where a resident moves into an affordable unit during the affordability period, their rent will be maintained until they move out of their unit.

Other cities in North America have affordability periods ranging from 25 years to 99+ years. New York City secures units in perpetuity (ie. never ending), whereas places like Boston have a 50 year affordability period and Seattle have a 75 year affordability period.

The City of Toronto currently uses a 30 year affordability period (inclusive of a 5-year phase-out) for its Open Door Affordable Housing Program, which provides City financial incentives for new affordable developments, and a 99 year affordability period for its Housing Now program, which will create mixed-income housing on public land.

I would like to see an affordability period (in number of years) of at least:

AVERAGE	MEDIAN	STANDARD DEVIATION
67.99	75	33.36

n=450

6. The proposed policy direction is to apply inclusionary zoning to medium and large developments in order to continue to support mid-rise and smaller-scale development.

Thinking about how to continue to support a full range of housing forms across the City , what is the minimum size of development (e.g. 80 unit buildings or 150 unit buildings) that you believe inclusionary zoning should apply to?

AVERAGE	MEDIAN	STANDARD DEVIATION
74.78	50	72.00

n=445

7. Supporting the development of purpose-built rental housing and creating opportunities for non-profit involvement are both goals for an inclusionary zoning policy.

What ideas do you have for how the policy can support these goals?



**8.** The proposed policy would apply inclusionary zoning to strong and moderate housing markets in the City

These areas have been selected based on the following analysis:

- resale prices for condominium apartments;
- resale price increases;
- new condominium prices;
- new condominium price increases;
- new rental prices;
- intensity of development activity measured by the number of approved and proposed units in the development pipeline; and
- whether an area achieved high, medium or low financial viability when an inclusionary zoning requirement was tested.

Proposed strong and moderate market areas are identified in the map below.

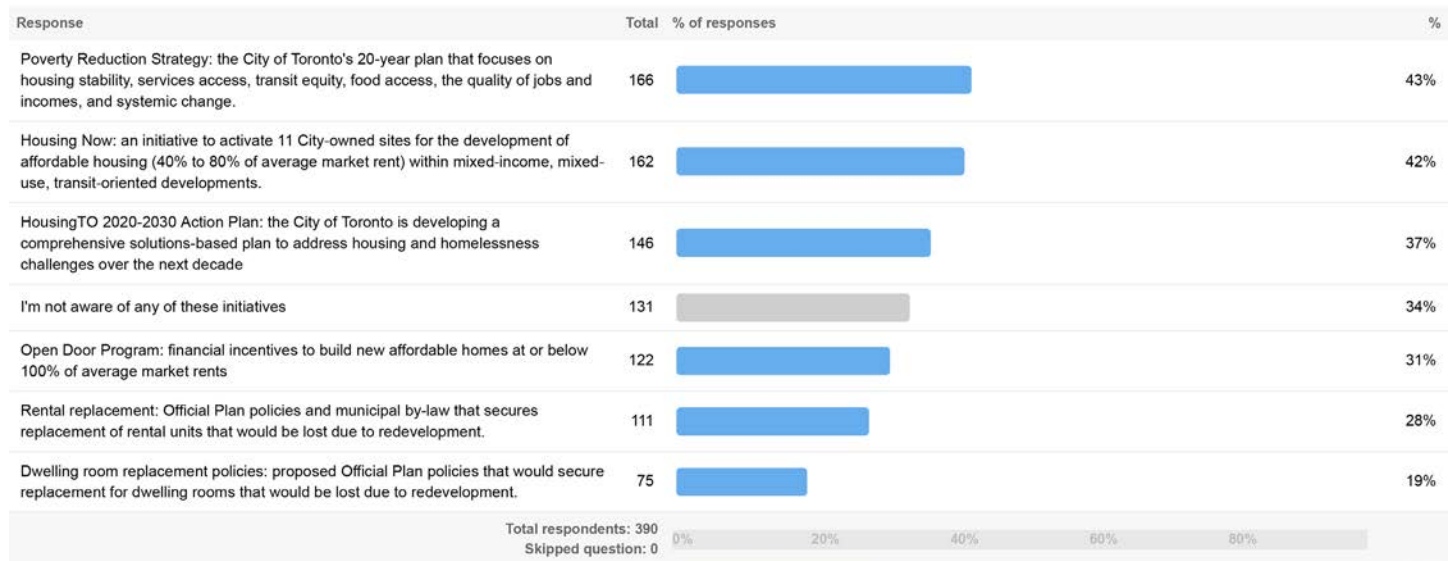
Please list any other criteria that should be taken into consideration when determining what areas of the City inclusionary zoning should apply to.

Response	Total	% of responses	%
Additional Criteria 1:	216	<div><div></div></div>	100%
Additional Criteria 2:	131	<div><div></div></div>	61%
Additional Criteria 3:	74	<div><div></div></div>	34%
Skipped question: 177 <div> <div></div> <div>0%</div> <div>20%</div> <div>40%</div> <div>60%</div> <div>80%</div> </div>			



9. Inclusionary zoning is one tool within the City's toolbox to address housing needs in Toronto. Different tools focus on different household incomes and/or specific household needs. Inclusionary zoning is focused on addressing households with incomes in the range of \$35,000 to \$88,500, depending on household size.

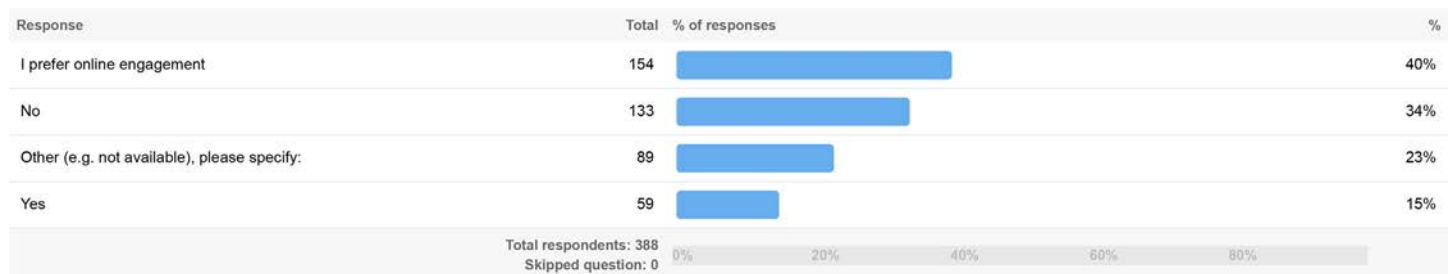
Are you aware of some of the other City of Toronto housing initiatives? Please select all that you are aware of.



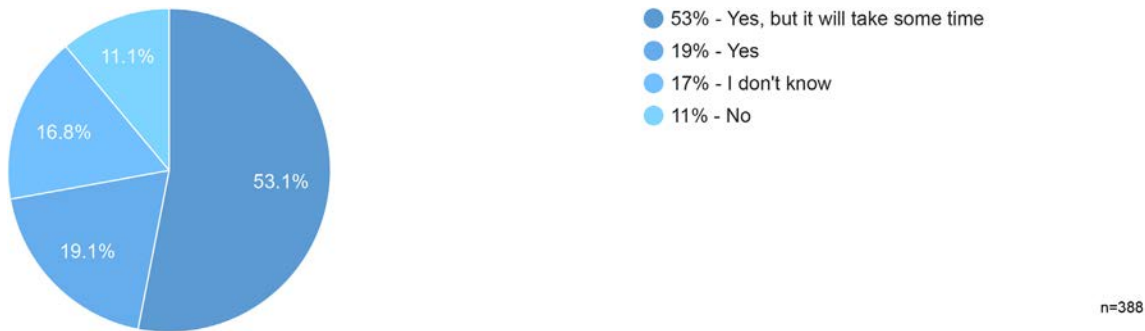
10. We will be consulting (<https://www.toronto.ca/community-people/get-involved/public-consultations/inclusionary-zoning-policy-consultation/>) on proposed inclusionary zoning policy directions on the following dates between 6:30 pm and 8:30 pm:

- June 17, Metro Hall, 55 John Street
- June 18, Etobicoke Civic Centre, 399 The West Mall
- June 19, Scarborough Civic Centre, 150 Borough Drive
- June 24, North York Civic Centre, 5100 Yonge Street

Are you planning on attending a meeting?



**11.**After learning a bit about inclusionary zoning through this survey, do you think it will improve housing affordability in Toronto?



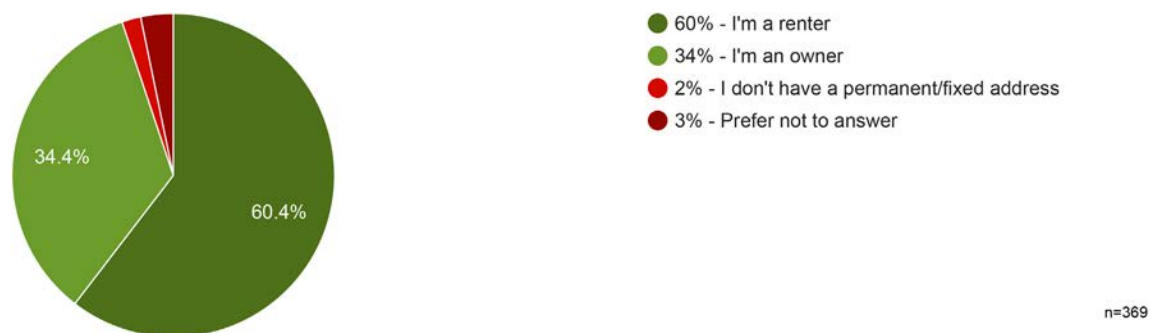
**12.**Is there anything else you would like to tell us about your priorities for an inclusionary zoning policy?



Tell us a bit about yourself:

Responses on this page are optional and will remain anonymous. This information will help us build a better understanding of who is participating in the survey

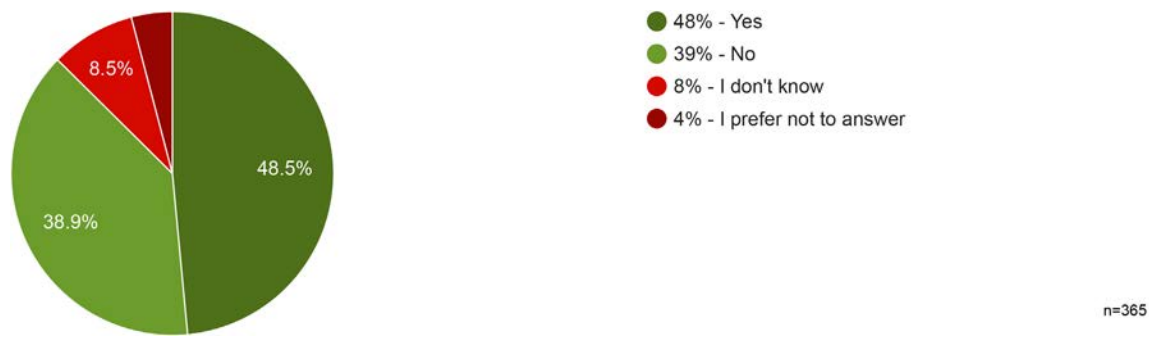
**13.**Please describe your current housing situation



14. What is your household income range before tax? This is the combined total of all sources of income for everyone living in your household.



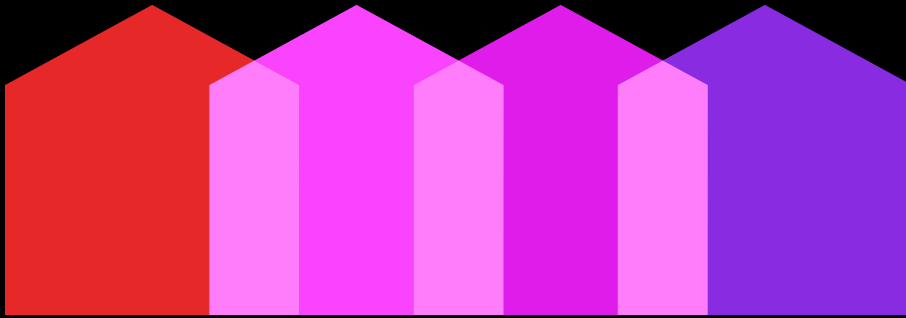
15. Do you pay more than 30% of your pre-tax income on housing costs (including utilities)?



16. It would be helpful to know what area of the City respondents live in to ensure we have reached a city-wide audience. Please provide the first three characters of your postal code (e.g. M5H).



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



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## **Appendix D**

# **DIY Kit**

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## DIY Kit Summary Overview

The following table represents an overview of what we heard from the eleven groups that completed the DIY kits. If you have any questions or for the individual summaries please contact Christine Ono at [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca).

Date	Organization + Number of Participants	Key Takeaways
August 12, 2019	Women's Habitat of Etobicoke, 11 participants	<ul style="list-style-type: none"> <li>• Inclusionary zoning should apply across the city;</li> <li>• The longer the affordability term, the greater the benefits for individuals in need of affordable housing</li> <li>• Consider co-op housing models; and,</li> <li>• Establish a guideline to define and control the affordability for the individuals renting IZ units.</li> </ul>
August 14, 2019	Voices of Scarborough, 17 participants	<ul style="list-style-type: none"> <li>• IZ should be applied to areas in Scarborough and other factors other than transit should be considered (e.g. schools, hospitals, access to highways, demographics, etc.);</li> <li>• IZ units should be affordable in perpetuity; and,</li> <li>• Concerned with the definition of "affordable"; the lower income bracket should start at \$28,000.</li> </ul>
August 20, 2019	Parkdale People's Economy and West Neighbourhood House, 15 participants plus 3 note takers and 3 small-group facilitators	<ul style="list-style-type: none"> <li>• A 20% requirement on the density increase is inadequate to the level of need;</li> <li>• IZ requirements to mid-size developments below 100+ units would be necessary to produce enough units;</li> <li>• The City's definition is not sufficient and needs to be broader to include deep affordability for very low income residents and income-based; and,</li> <li>• The period of affordability for IZ units should apply for 99 years or in perpetuity.</li> </ul>
August 22, 2019	Independent Volunteer, 16 participants	<ul style="list-style-type: none"> <li>• More analysis is needed to determine the geographic applications;</li> <li>• A minimum 10% of units in all new developments should be affordable; and,</li> <li>• The definition of affordability should consider vulnerable populations and prioritize families with greater need.</li> </ul>



Date	Organization + Number of Participants	Key Takeaways
August 23, 2019	Independent Volunteer, 4 participants	<ul style="list-style-type: none"> <li>The geographic application of IZ needs to include Scarborough and consider Neighbourhood Improvement Areas (NIAs);</li> <li>The City needs to prioritize vulnerable populations and low income families when considering who should be eligible for IZ.</li> </ul>
August 27, 2019	Yonge Street Mission, 10 participants	<ul style="list-style-type: none"> <li>IZ should apply beyond major transit station areas, including areas surrounding bus stops;</li> <li>IZ should be applied in perpetuity in an attempt to ease the housing crisis; and,</li> <li>IZ should be created for lower income households first and then moderate income households and affordability should be based on incomes instead of average market rents</li> </ul>
August 28, 2019	LAMP Community Health Centre, 15 participants	<ul style="list-style-type: none"> <li>IZ should apply anywhere where transit exists, including around bus and streetcar stops</li> <li>Higher requirements should apply, especially in larger buildings</li> <li>Affordable units should mixed within the building and share common entrances with market units</li> <li>Units should be affordable in perpetuity and consider a rent-to-own model</li> <li>Affordability should be based on income and family size</li> </ul>
September 11, 2019	Justice Makers, 5 participants	<ul style="list-style-type: none"> <li>Apply IZ city-wide in order to ensure equity</li> <li>Higher requirements should apply in order for IZ to make a meaningful impact on the city's affordable housing deficit</li> <li>Affordability should be secured in perpetuity</li> <li>Some units should be available to non-profits who can provide subsidized rentals for those people on OW and ODSP.</li> </ul>
September 13, 2019	Family Services Toronto, Transitional and Housing	<ul style="list-style-type: none"> <li>IZ should apply everywhere without exceptions and should be affordable</li> </ul>



Date	Organization + Number of Participants	Key Takeaways
	Support Program Network, 16 participants	<ul style="list-style-type: none"> <li>in perpetuity for low and moderate households</li> <li>For each development, require a certain percentage of deeply affordable units (e.g. 50% AMR) and moderate units</li> </ul>
September 13, 2019	Lawrence Heights, 10 participants	<ul style="list-style-type: none"> <li>Much higher IZ requirements need to apply to help solve Toronto's housing crisis</li> <li>Affordable housing should be available indefinitely</li> <li>The affordability definition should be based on wages (no more than 30% of income is spent on housing)</li> <li>Consider affordability needs of recent graduates with student debt and contract entry-level low-wage jobs</li> </ul>
September 14, 2019	Scarborough Rosewood Community Association, 7 participants	<ul style="list-style-type: none"> <li>Developments along Sheppard should be included</li> <li>Consider affordability in perpetuity and a pathway to ownership for renters</li> <li>Low income residents already have access to social housing; this should be geared to middle income.</li> </ul>

# Inclusionary Zoning DIY Workshop Kit (Facilitator)

**This is the Workshop Facilitators' Kit. It includes:**



**Instructions for the Session**



**Instructions for Activities**



**Participant Conduct**



**Activity Worksheets**



**Workshop Summary Form**



**Participation Certificates**

Thank you for hosting a Do-It-Yourself workshop on inclusionary zoning! The City of Toronto appreciates your commitment to opening up the conversation on Inclusionary Zoning to members of your community. Your group's feedback will help to inform and shape the City's draft Inclusionary Zoning policies.

Check out our website:  
[toronto.ca/InclusionaryZoning](https://toronto.ca/InclusionaryZoning)  
for more information!



# DIY Kit Instructions

## Wondering how to get started?

### 1) Read through the material

This DIY Workshop Kit has everything you need to host a small workshop discussion on Inclusionary Zoning. Read through the material to build your understanding of the activities. As a facilitator, your goal will be to explain the activities, encourage participation and record feedback.

### 2) Book a meeting location and invite guests

Book a convenient meeting location with enough space for your guests. The workshop activities are intended for groups of about 5-20 people and will take about 60-90 minutes to complete. After you have confirmed your DIY Workshop, please contact Christine Ono at 416-392-1255 or [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca) for details on how to get free pizza for workshop participants!

### 3) Host your Workshop!

This DIY Workshop Kit has been set up to allow for easy workshop facilitation. Simply print as many copies of the DIY Workshop Kit as you have participants. Every participant can work through the Kit during the workshop. Make sure to select one person to take notes during the discussion that can be provided back to the City!

### 4) Hand out Engagement Participation Certificates

We value the time that it takes to participate in civic conversations. We want to recognize your participants' time by providing Engagement Certificates for their feedback. Print off certificates and fill in participant names following the end of the DIY Workshop session.

### 5) Send Workshop Summary and Notes back to City staff

After you finish your workshop, please share the recorded notes from the session with the City before August 26, 2019:

**By Email:** [Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca) (scan or send pictures of the worksheets)

**By Mail/Drop-Off in Person:** City Planning, Attn: Christine Ono, 55 John Street, 22<sup>nd</sup> Floor, Toronto, ON M5V 3C6

The information collected during the DIY Workshop will help inform draft Inclusionary Zoning policies.

# Instructions for Activities

**The City of Toronto needs to determine where Inclusionary Zoning will apply, how many affordable units will be required, how long units will remain affordable and who will access the affordable units. There are five activities in this DIY Workshop Kit for you to facilitate to get input on these policy areas.**

## **1) Mapping Exercise (Activity #1)**

- The City needs to determine where to apply Inclusionary Zoning. Have participants read through the worksheet for Activity #1, which explains the key considerations for geographic application.
- Following the discussion, use the map and key questions to solicit feedback.
- Time required: about 10 minutes

## **2) Policy Discussion (Activities #2-4)**

- The City needs public input on the following policy areas:
  - How many units should be affordable in new developments (Activity #2)
  - How long units should remain affordable (Activity #3)
  - Who will access these affordable housing units (Activity #4)
- Have participants read through the worksheet for each activity, which explains the key considerations for the policy area. Facilitate a discussion about each policy area and document key points on the placemat.
- Time required: about 30 minutes (10 minutes for each policy area)

## **3) Priority Setting (Activity #5)**

- Ask the participants to prioritize what they think is most important for the Inclusionary Zoning policies to achieve. The group has a total of seven (7) points ("the budget") to distribute between the three policy areas.
- Discuss and document the key considerations raised during your group discussion and come to a consensus on how to allocate the seven points. It can be helpful to start the discussion by asking participants to identify their top priority and why. Remind them that there are no right or wrong answers; the purpose is to help the City understand their priorities.
- Time required: about 20 minutes

# Participant Conduct

- **Welcome all feedback and discussion.**
- **Give everyone a chance to speak.**
- **Be respectful.**
- **Create a welcoming and safe environment.**
- **Listen to all perspectives.**
- **Find common ground.**



# Activity #1 Worksheet

## Geographic Application

Use the space provided to record group feedback.



# Activity #2-5 Worksheet

## Placemat



### More Units

Number of units that must be affordable (e.g. up to X% of the density increase)

### Longer Affordability Period

Length of time units must remain affordable (e.g. 15, 50 or 99 years)

### Deeper Affordability

Households eligible for the affordable housing units (e.g. very low, low or moderate income households)

**Discuss and document the key points raised during your group discussion.**

This will provide us with context for your point distribution. For the policy area with the most points, tell us your preferred policy solution.

#### Activity #2

Do you think that Inclusionary Zoning should apply to a % of the entire building or the density increase?

#### Activity #3

What do you think about the proposed 25 year affordability period?

#### Activity #4

Do you think that Inclusionary Zoning should be created for moderate income households or lower income households?

### Activity #5

**You have a total of seven (7) points (“the budget”).**

Distribute these 7 points between the three policy areas (the policy area that you allocate the most points to is your highest priority for Inclusionary Zoning).

# Workshop Summary Form

Please complete and submit this workshop summary form for the City’s records.

Date of Workshop											
Location											
Organization											
Facilitator Name											
Facilitator Email											
Total # of Participants											
Overall Ranking of the DIY Kit	<table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td colspan="3">Highly Ineffective</td><td colspan="2">Highly Effective</td></tr></table>	1	2	3	4	5	Highly Ineffective			Highly Effective	
1	2	3	4	5							
Highly Ineffective			Highly Effective								
Feedback on the DIY Kit											



# Certificate of Completion

THIS CERTIFICATE IS PRESENTED TO

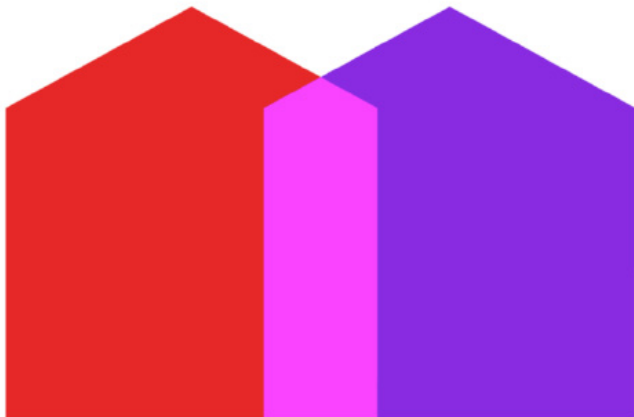
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on

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for successful completion of

**CITY OF TORONTO INCLUSIONARY ZONING WORKSHOP**



# Inclusionary Zoning DIY Workshop Kit (Participant)

**This is the Workshop Participant Kit. It includes:**



**Explanation of Inclusionary Zoning**



**Key Terms**



**Workshop Activities #1 - #5**

The City of Toronto wants your feedback on proposed Inclusionary Zoning policy directions. We need your help to better understand the needs and priorities of Torontonians. Your feedback will help inform changes and improvements to the proposed Inclusionary Zoning policies.

Check out our website:  
[toronto.ca/InclusionaryZoning](https://toronto.ca/InclusionaryZoning)  
for more information!



# What is Inclusionary Zoning?

Of the over 230,000 units built or approved in the last five years, only about 2% were affordable (with rents at or below average market rents for the City).

## Inclusionary Zoning is:

- A land use planning tool that would allow the City to require affordable housing units in new developments.
- It typically addresses the housing needs of low and moderate income households, such as those who earn too much to be eligible for low income housing (e.g. government funded rent-geared-to-income or affordable housing) but not enough to be able to afford market rents or prices.
- These households generally fall between the 30<sup>th</sup> and 60<sup>th</sup> percentile of the income distribution. In the City of Toronto, this generally includes households earning between \$35,000 and \$87,500 per year, depending on household size.
- Authority provided under the Planning Act and Ontario Regulation 232/18.

We are looking for feedback on how the following key directions should be applied within the inclusionary zoning policies:



Geographic application



Types of developments



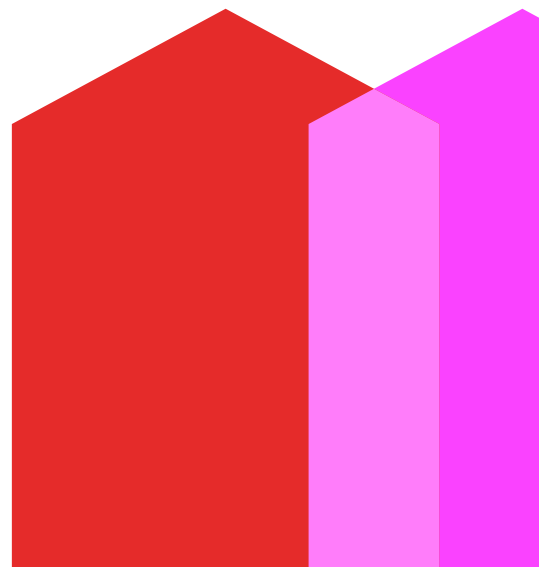
Number of units



Duration of affordability

## Key Goals

- Increase the supply of affordable housing
- Continue to encourage market housing development by supporting a diverse range of housing supply
- Create more inclusive, complete and equitable communities



Page 2

# Key Terms

## Affordable

Housing where the total monthly cost (including utilities) is at or below Toronto's Average Market Rent (AMR) by unit type [as currently defined in Toronto's Official Plan].

## Average Market Rent (AMR)

Calculated based on an annual survey by the Canada Mortgage and Housing Corporation of all private apartment rental units, including those that have been occupied by the same tenant for many years as well as units that are vacant or recently turned over. AMR is more affordable (as much as 40% cheaper) compared to current asking market rental rates. The AMR in 2019 is \$1,270 for a one-bedroom apartment and \$1,492 for a two-bedroom apartment.

## Depth of Affordability

Households eligible for the affordable housing units (e.g. low to moderate income households) and corresponding prices or rents (e.g. 60%, 80% or 100% of Average Market Rent (AMR))

## Affordability Period

Length of time units must remain affordable (e.g. 15, 50 or 99 years).

## Measures and Incentives

E.g. density bonus, waived planning fees and development charges, streamlined approvals, reduced parking requirements.

## Offsite

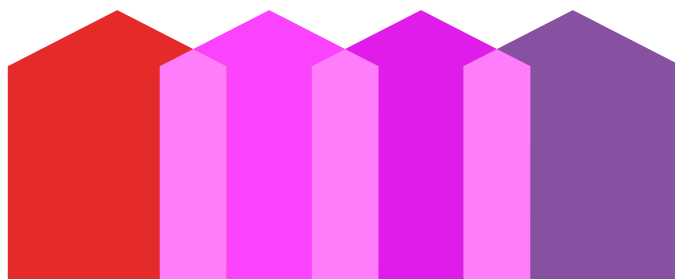
Option for affordable units to be built on another site.

## Protected Major Transit Station Area

An area generally within 500 to 800 metres of a transit station (subway or light rail, on dedicated right-of-ways) where official plan policies and zoning bylaw provisions have designated and zoned lands to accommodate transit-supportive densities (e.g. permitting uses, identifying minimum or maximum densities and minimum or maximum building heights).

## Scale of Development

Minimum size of buildings that inclusionary zoning would apply to (e.g. 100 units or more).



# Activity #1

## Geographic Application

### The City needs to determine where to apply Inclusionary Zoning.

#### Proposed Policy Direction

Inclusionary Zoning would apply in strong and moderate market areas of the city.

#### Key Considerations

- The Province of Ontario passed Bill 108 on June 6, 2019, which limits where the City can apply inclusionary zoning to “protected major transit station areas” (generally areas within 500m to 800m of subway or light rail stations on dedicated right-of-ways).
- A market area was determined to be a ‘strong market area’ based on the following criteria:
  - Resale prices for condominium apartments
  - Resale and new condominium price increases
  - New condominium and new rental prices
  - Intensity of development activity measured by the number of approved and proposed units in the development pipeline
  - Whether the financial viability analysis determined that a typical development in the market area could support a 10% or 20% Inclusionary Zoning requirement

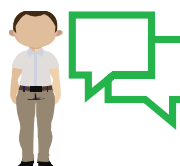
**The strong and moderate market areas and major transit stations are outlined on the map.**

#### Use the map to tell us what you think!

Do you have any concerns with the proposed areas?

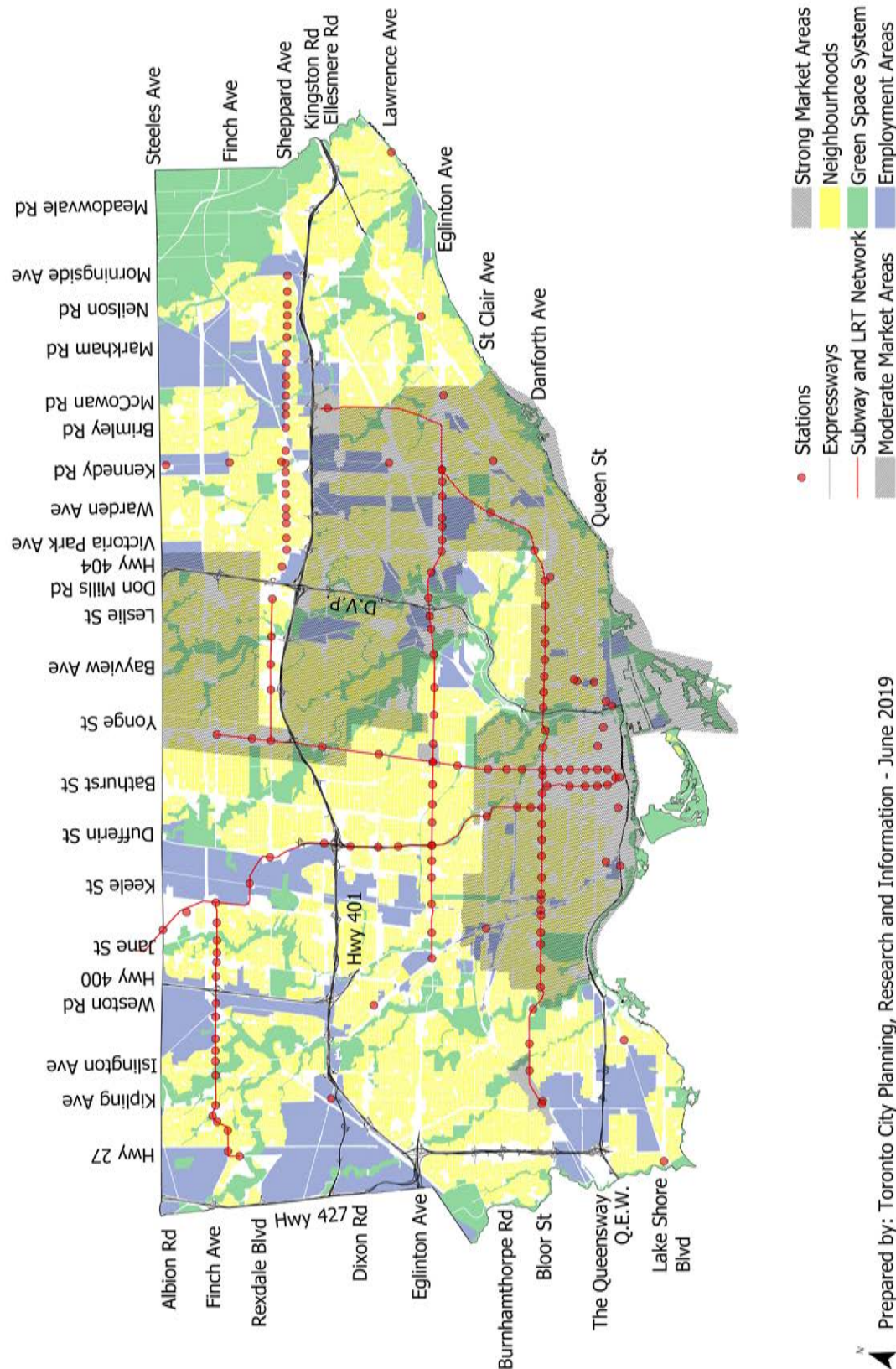
Are there areas which should be included?

Are there other criteria you think should be used to determine Inclusionary Zoning policy areas?



# Geographic Application

## **Toronto** Strong and Moderate Market Areas



Prepared by: Toronto City Planning, Research and Information - June 2019

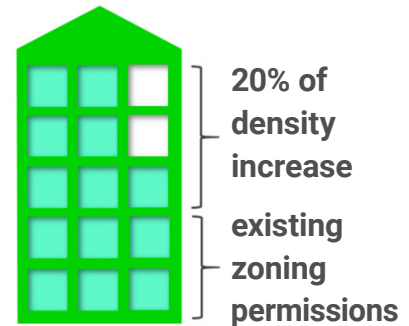
# Activity #2

## Number of Units

**The City needs to determine how many units should be affordable in new developments.**

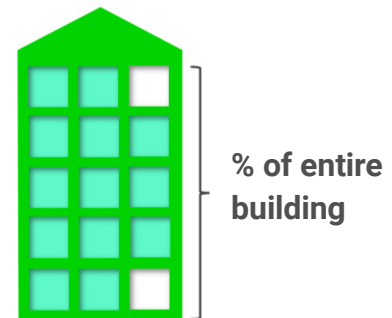
### Proposed Policy Direction

- Inclusionary Zoning would apply on up to 20% of the density increase OR an equivalent % across the entire project.
- 2.5-5% for purpose-built rental projects.
- Lower requirements for moderate market areas.



### Key Considerations

- Affordable rental units could be provided in condominium developments.
- In 2018, 2,472 purpose-built rental units were built compared to 11,816 condominium units.
- Other jurisdictions typically require between 10%-30%, with higher requirements tied to incentives.
- How can we ensure a fair and equitable approach that takes into consideration recent land transactions?



**For Discussion:**

**Do you think that Inclusionary Zoning should apply to a % of the entire building or the density increase?**





# Activity #3

## Period of Affordability

**The City needs to determine how long units should remain affordable.**

### Proposed Policy Direction

Affordable housing units created through Inclusionary Zoning would be secured at affordable prices or rents for 25 years.

### Key Considerations

- If a resident moves into an affordable unit during the affordability period, their rent will stay affordable until they move out.
- Other jurisdictions use 25 years to perpetuity.
- The City uses 30 years inclusive of a phase-out period to market rents for Open Door (which provides City financial incentives for rental housing) and 99 years for Housing Now (creating mixed-income housing on public lands).

### Proposed Policy Direction for IZ



### For Discussion:

What do you think about the proposed 25 year affordability period?





# Activity # 4

## Defining Affordability

### The City needs to determine who could access the Inclusionary Zoning units.

#### Toronto's Official Plan currently defines affordable rental housing as:

Housing where the total monthly shelter cost (gross monthly rent including 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:	One-bedroom unit:	Two-bedroom unit:	Three-bedroom unit:
\$1,089	\$1,270	\$1,492	\$1,657

#### 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 \$87,500 per year and is defined as the 30<sup>th</sup> to 60<sup>th</sup> income percentiles, depending on household size.

	Income Percentile	Target Income	2019 Price	2019 Price based on current definition
Bachelor (1-person hh)	30	\$42,574	\$179,210	\$167,472
1-BDR (2-person hh)	40	\$55,698	\$234,450	\$197,339
2-BDR (3-person hh)	50	\$70,360	\$296,200	\$231,296
3-BDR (4-person hh)	60	\$87,545	\$368,500	\$272,186

#### Who would access the affordable housing units?

As part of the administration and implementation of Inclusionary Zoning, a Tenant Access Plan would be established and could outline requirements for eligibility (e.g. household incomes cannot exceed four times the annual rent of the affordable unit) and could establish a lottery system for offering units to income-eligible households).

For Discussion:

What are your thoughts on the existing and proposed definitions?



# Activity # 5

## Setting Priorities

### The City wants to know your priorities for the Inclusionary Zoning policy.

#### Financial Impact Assessment Findings (2019)

- Based on the findings from the Financial Impact Assessment, the City is looking to find the right balance between the policy requirements for number of affordable housing units, length of the affordability period and depth of affordability. Finding this balance will help to ensure that Inclusionary Zoning requirements support viable housing developments.
- **More Units:** Securing a higher or lower percentage of units had one of the biggest impacts on land values, making projects in some market areas no longer viable.
- **Longer Affordability Period:** In strong markets extending the affordability period from 25 to 99 years negatively impacted land values by up to an additional 3.3%. In moderate or emerging areas, a longer affordability period had a bigger impact, in some cases making development not viable with an 18% impact on land values.
- **Deeper Affordability:** Going from 100% of Average Market Rent (AMR) to 80% of AMR had less of an impact in strong markets as moving to a longer affordability period. In moderate or emerging areas, the impact was greater.

#### For Discussion:

What will have the greatest impact? You have a total of seven (7) points (“the budget”) to distribute between the three policy areas.



# Notes

# Thank you for attending the DIY Workshop for Inclusionary Zoning!

## Next Steps:



**Please complete the online survey and sign up for E-Updates at:  
[www.toronto.ca/inclusionaryzoning](http://www.toronto.ca/inclusionaryzoning)**



**Be sure to sign-up for the Speaker Series this fall!**



## For more information:

### Email:

Christine Ono  
Planner, Strategic Initiatives, Policy & Analysis  
[Christine.Ono@toronto.ca](mailto:Christine.Ono@toronto.ca)

### Call:

416-392-1255

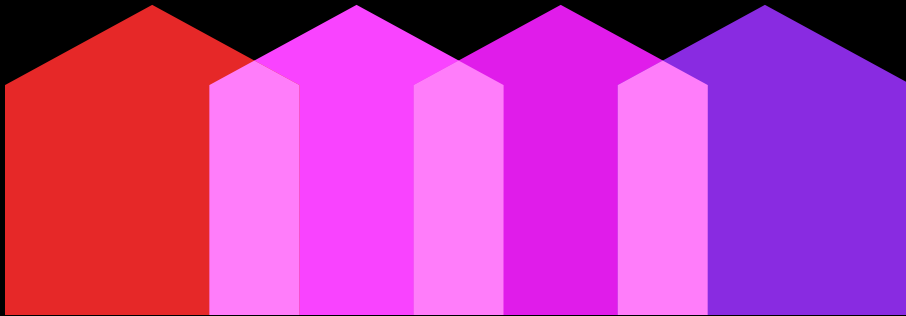
### Website:

[toronto.ca/  
InclusionaryZoning](http://toronto.ca/InclusionaryZoning)

### Social Hashtag:

[#InclusionaryZoningTO](https://twitter.com/InclusionaryZoningTO)

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



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## **Appendix E**

# **External Advisory Table**

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## Expert Advisory Table Meeting Summary

### Meeting #1 – September 19, 2019

#### Meeting Overview

On Thursday, September 19, 2019, the City of Toronto (City) hosted an Expert Advisory Table meeting for the Inclusionary Zoning Engagement and Consultation Program. The meeting was held at 519 Church Street, Meeting Room 301.

<b>8:30 – 8:50 am</b>	Welcome Remarks and Introductions
<b>8:50 – 9:20 am</b>	Overview Presentation and Questions
<b>9:20 – 9:50 am</b>	Discussion: Policy and Engagement Approach
<b>9:50 – 10:00 am</b>	Wrap-Up and Next Steps

The primary objective of the meeting was to:

- Formally establish the Expert Advisory Table and outline the role of Expert Advisors;
- Share information on the City's inclusionary zoning work to-date and next steps; and
- Seek strategic advice from Expert Advisors on the City's engagement approach and policy approach for inclusionary zoning.

#### Attendees

Attended?	Expert Advisors	Organization
Yes	Alan Broadbent	Chairman and Founder of Maytree
Yes	Benjamin Tal	Deputy Chief Economist, CIBC World Markets
Yes	David Amborski	Professor, Ryerson Centre for Urban Research and Land Development
Yes	Kwame McKenzie	CEO, Wellesley Institute
Yes	Martin Blake	Partner, Daniels Corp
Yes	Michelle German	Program Director, Evergreen
Yes	Paul Bedford	Former Chief Planner; Chair of Waterfront Toronto
Yes	Peter Milczyn	PM Strategies Inc., Former Minister of Housing and Toronto Councillor
Yes	Ruth Crammond	VP of Community Investment & Development, United Way Greater Toronto
Regrets	Shauna Brail	Associate Professor, Urban Studies Program; Director, Urban Studies Program;

		Associate Director, Outreach and Partnerships, School of Cities, University of Toronto
Regrets	David Hulchanski	Professor, University of Toronto Centre for Urban and Community Studies

### City Staff and Consultants

Organization	Name
City of Toronto, Council	Deputy Mayor Ana Bailão
City of Toronto	Gregg Lintern
City of Toronto	Sharon Hill
City of Toronto	Christine Ono
City of Toronto	Narmadha Rajakumar
City of Toronto	Graham Haines
Dillon Consulting	Karla Kolli
Dillon Consulting	Ryan Siersma

### Welcome Remarks and Introduction

Deputy Mayor Ana Bailão provided opening remarks on the project and its overall importance to increasing the number of affordable housing units in Toronto. Gregg Lintern, Chief Planner, also provided opening remarks, setting the stage for the discussion and thanking Expert Advisors for their participation. Dillon Consulting Limited (Dillon) then provided overall context for the meeting, land acknowledgement and facilitated round-table introductions.

### Overview Presentation and Questions

Sharon Hill and Christine Ono, City Planning delivered a presentation covering the inclusionary zoning project and work completed to-date. The presentation also covered the public and stakeholder engagement.

### Discussion: Policy and Engagement Approach

The discussion commenced with a focus on clarifying assumptions in the Financial Impact Analysis. The Expert Advisors indicated that it was critical to unpack the assumptions around the financial analysis including land value. There was a request to understand how NBLC determined that people would not sell land at a certain value. Expert Advisors also want to have a better understanding of what the model looks like at 15, 25 and 99 years, including the market factors which would influence this. They strongly encouraged a longer affordability period.

The Expert Advisors would like to have a separate session with N. Barry Lyons to discuss the financial impact analysis.

Bill 108 was discussed. Discussion focused on inflationary forces around transit and how they would be factored into the analysis. Expert Advisors indicated that the City should be clearer about IZ income level, that the policy could live and die on how it is packaged.

Expert Advisors suggested three key additional stakeholders that should be engaged in future conversations. These include pension funds, rental housing investors and banks.

It was noted that having financial services and investors at the table is important to help them understand the overall risks associated with IZ policy. Pension funds and other investors with patient capital are the typical buyers of finished (rental) product from developers, so it is important to understand their perspective with regards to the impact of IZ policy on purpose-built rental housing. Tax implications associated with affordable housing units needs to be understood by investors. Tax exemptions have been successfully used in other municipalities to enable IZ units to be developed.

The overall goal would be to normalize IZ so that it becomes a standard part of the development process. A comparison was made that the impact of IZ would likely be similar to the experience with contaminated sites policies, which created downward pressure on land values and are now built into the development process. It was also mentioned that it is important to define what success would look like. On the engagement work completed to-date, the Expert Advisors suggested that what was heard should be reflected in the draft policies moving forward, including providing for longer affordability periods. Expert Advisors raised the point that the City was not going far enough and was not aggressive enough with its initial policy directions.

### **Wrap-up and Next Steps**

The meeting concluded at 10:00 am. Brief discussion on next steps, including setting up an Expert Advisory Table meeting with NBLC to discuss the Financial Impact Analysis. This meeting would be scheduled after further details on the new community benefits authority under Bill 108 are released by the Province expected later this fall.