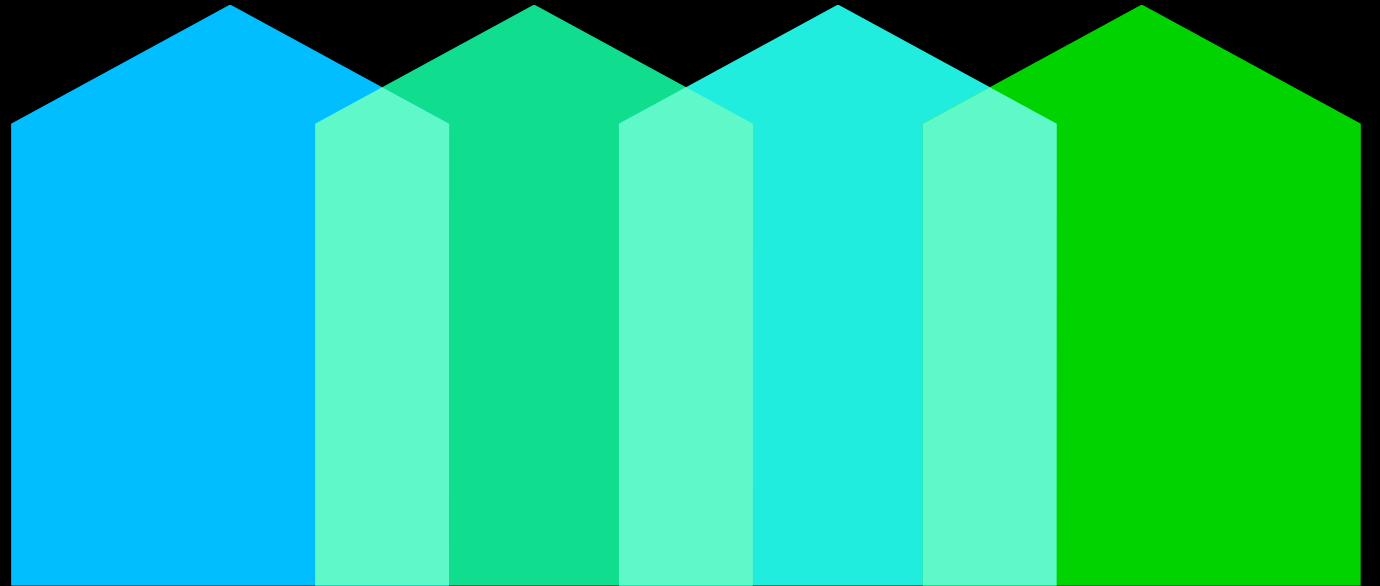


Inclusionary Zoning & Affordable Housing Definitions

Public Consultation Meeting



Having issues with audio?

Option 1: Try either a headset or use laptop/computer/device speakers

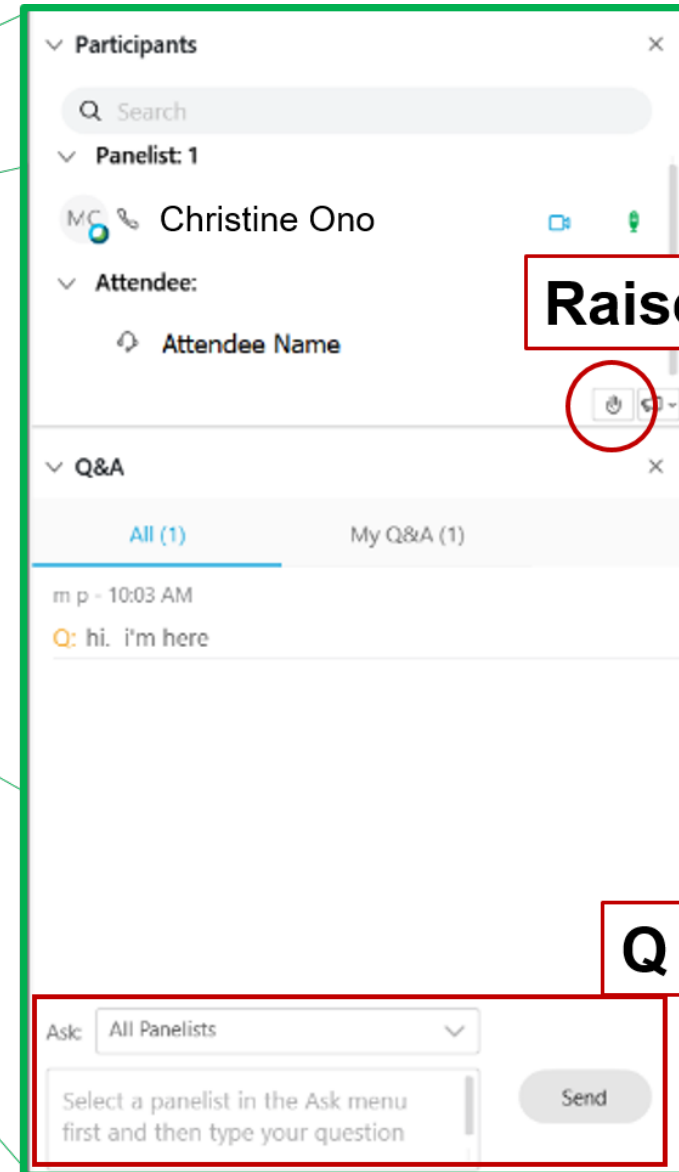
Option 2: Call in by phone:

Step 1: Call **416-915-6530**

Step 2: Enter the Meeting Access Code: **133 785 5913**

Step 3: If asked for an Attendee ID, skip by pressing the “#” key

Ask a question or raise your hand



Raise Hand

Q & A

When asking a question,
send it to **“All Panelists”**

How to answer a poll question

The image shows a Zoom poll interface. On the left, a large black box displays the poll question: "Where are you joining us from?" with four options: a) Your home, b) Your work, c) Outside, and d) Other. The Zoom logo and the number 12 are at the bottom of this box. To the right, a smaller window shows the poll details, including the time elapsed (0:27) and the time limit (1:00). Below this, the poll question and options are repeated. A red arrow points from the text "1. Select an answer" to the radio button next to option C. Another red arrow points from the text "2. Click submit" to the "Submit" button at the bottom right of the poll window. The bottom of the Zoom interface shows a bar with buttons for Unmute, Share, and a red X button.

Polling Question #1

Where are you joining us from?

- a) Your home
- b) Your work
- c) Outside
- d) Other

Q&A

All (0)

Ask: All Panelists

Select a panelist in the Ask menu first and then

Polling

Time elapsed: 0:27 Time limit: 1:00

Poll Questions:

1. Where are you joining us from?

- ☐ A. Your home
- ☐ B. Your work
- ☐ C. Outside
- ☐ D. Other

1. Select an answer

2. Click submit

Submit

Your answer may be recorded.

Participants Chat

Unmute Share

Meeting Rules

- One voice at a time. Be direct and frame questions to specific speakers.
- Be brief and limit yourself to one question or comment at the time, there will be other opportunities to engage.
- Be a good listener and keep an open mind.
- Raise hand to ask questions.
- Be respectful. City of Toronto is an inclusive public organization. Racist or other forms of discriminatory, prejudicial, or hateful comments and questions will not be tolerated.
- Engage with high energy, be personable as you would in person!
- For more instructions visit **toronto.ca/participate**



This meeting is being recorded

Please be aware that this meeting is being recorded and personal information, such as your opinions, statements and voice will become part of a public record. Under section 27 of the Municipal Freedom of Information and Protection of Privacy Act, records created for the general public do not restrict access and may be made available on the City Planning website. Your registration information will not be disclosed as part of the public record.

Land Acknowledgment

We acknowledge the land we are meeting on is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.

Introductions

Karla Kolli

Partner, Dillon Consulting

Deanna Chorney

Project Manager, City Planning, City of Toronto

Christine Ono

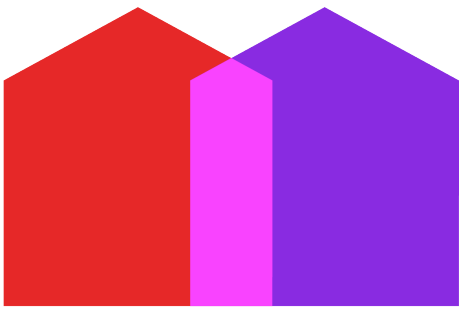
Senior Planner, City Planning, City of Toronto

Abigail Bond

Executive Director, Housing Secretariat, City of Toronto

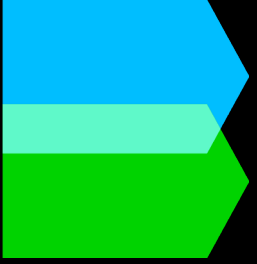
Mercedeh Madani

Policy Development Officer, Housing Secretariat, City of Toronto



Agenda

1. Introduction to Inclusionary Zoning
2. Project Update
3. Policy Updates
 - Affordable Rental Housing Definition
 - Inclusionary Zoning
4. Wrap-Up & Next Steps

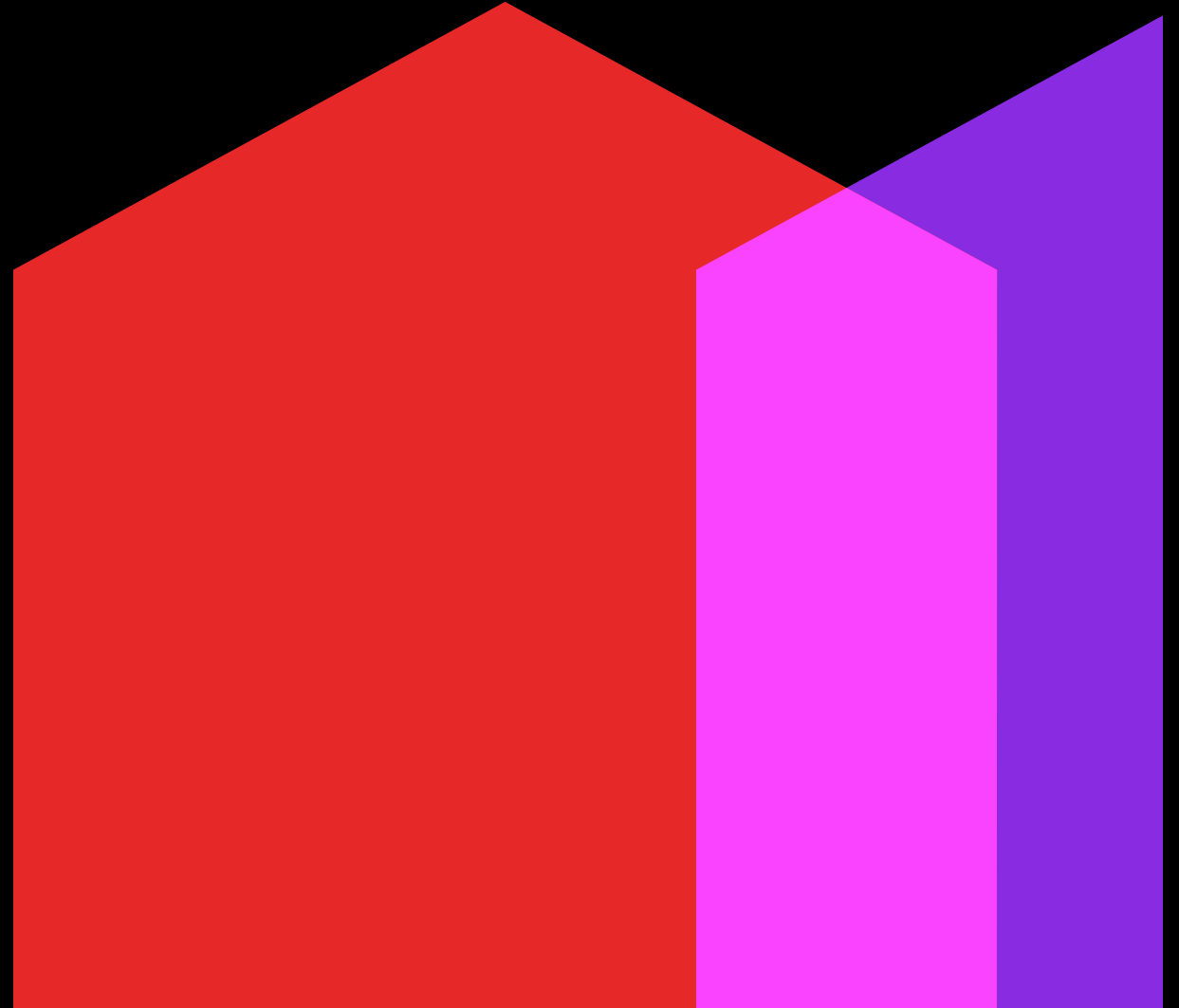


Where are you joining us from?

- a) Your home
- b) Your work
- c) Outside
- d) Other

Part 1

Introduction to Inclusionary Zoning



Toronto's Housing Initiatives



Definitions of Affordable

Inclusionary Zoning

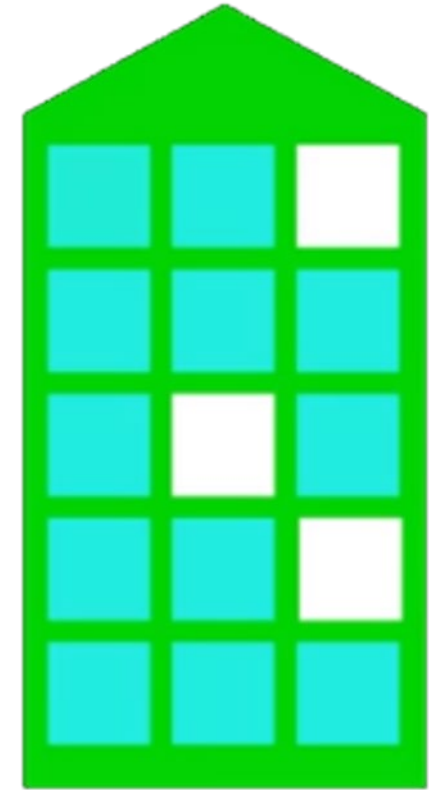
Modular Supportive Housing

Housing Now

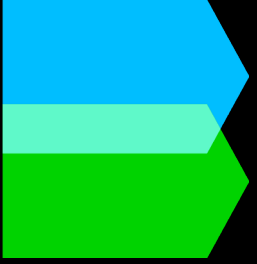
Open Door Affordable Housing Program

What is Inclusionary Zoning (IZ)?

Policy that will require affordable housing in new developments



 affordable units



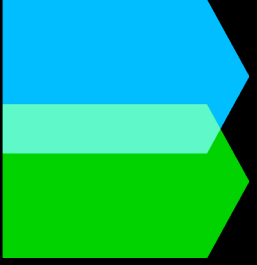
Why does the City want to implement inclusionary zoning?

- a) To increase the supply of affordable housing
- b) To create more inclusive, complete and equitable communities
- c) To encourage market housing development by supporting a diverse range of housing supply
- d) All of the above

Key Principles for Toronto's IZ policy



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

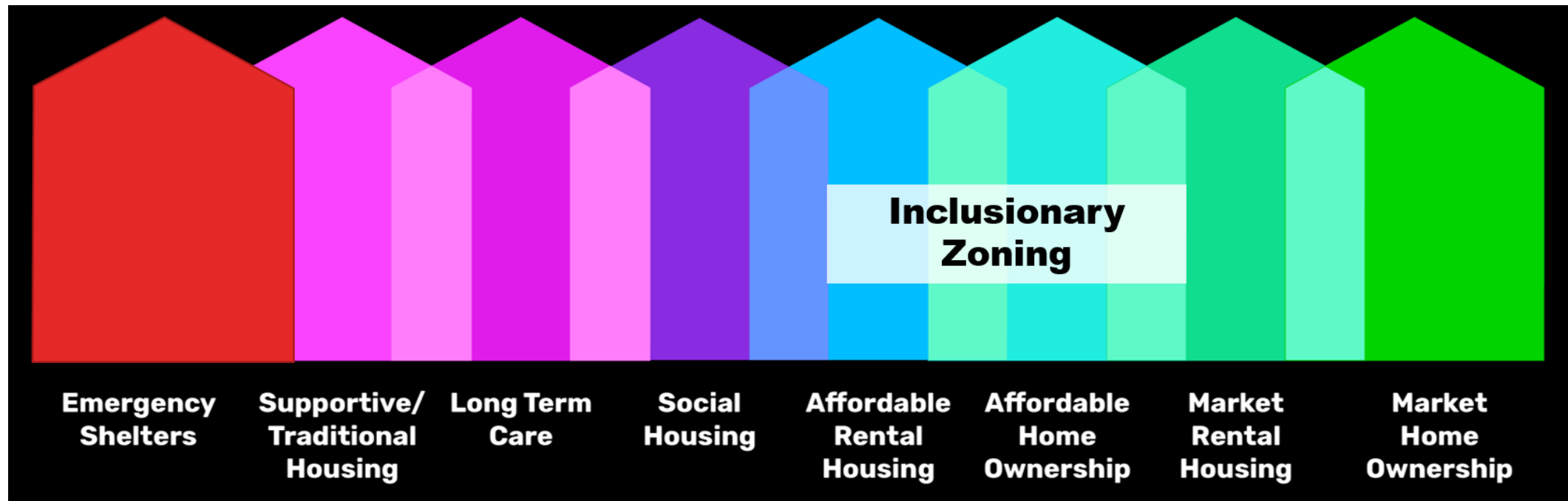


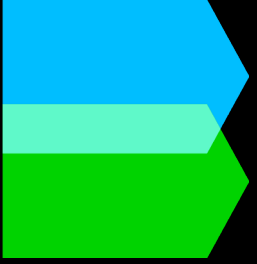
What household incomes are typically eligible for inclusionary zoning units?

- a) Households earning less than \$30,000 per year
- b) Households earning between \$30,000 to \$70,000 per year
- c) Households earning more than \$70,000 per year
- d) All of the above

Who does Inclusionary Zoning help?

Typically addresses needs of those who earn too much to be eligible for social housing but not enough to afford market rents or sale prices

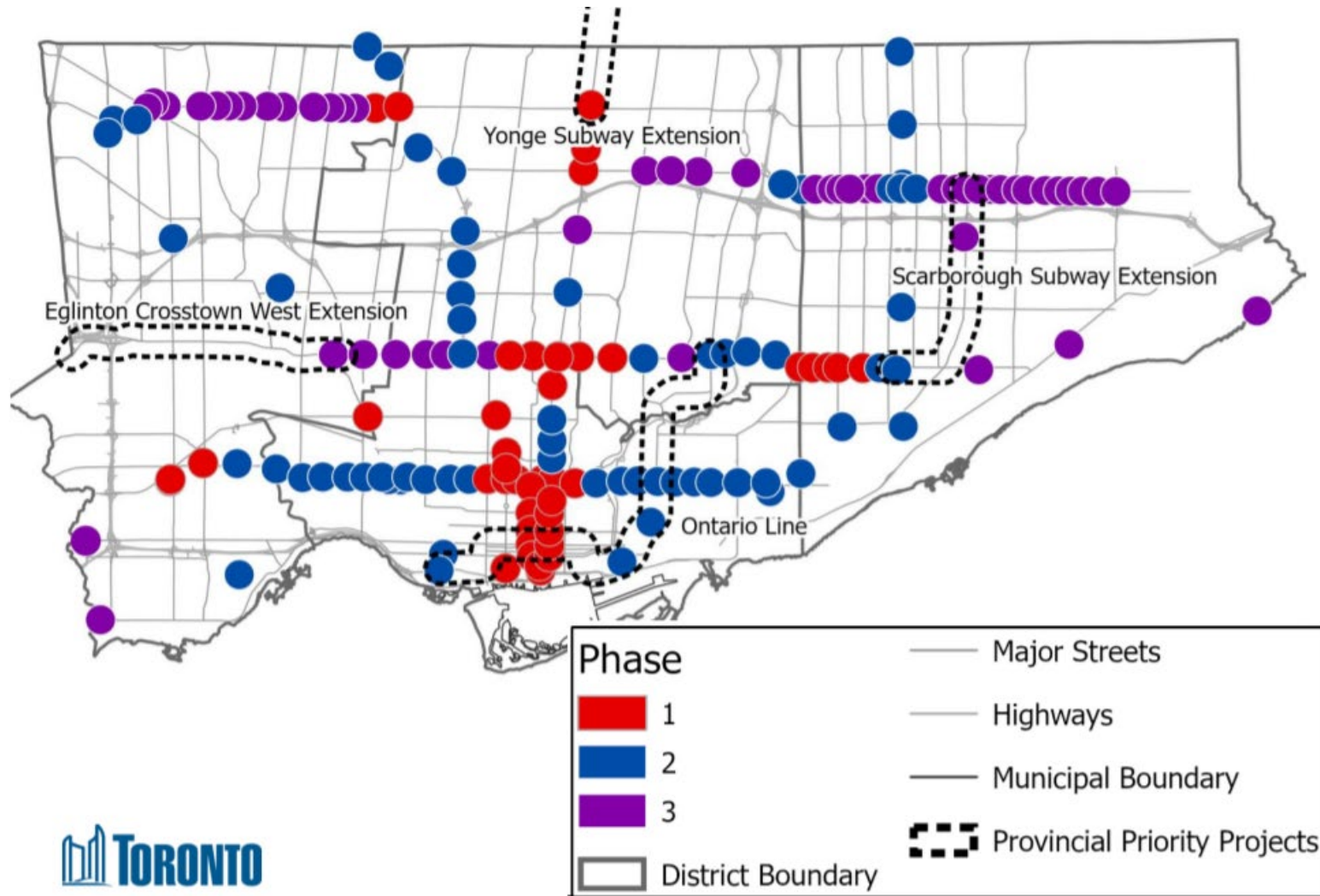




Where can Toronto implement inclusionary zoning?

- a) Only in the downtown
- b) Only around transit stations in areas that have been approved by the Province
- c) Anywhere across the city





IZ can only be implemented in PMTSAs



Protected Major Transit Station Areas (PMTSAs):

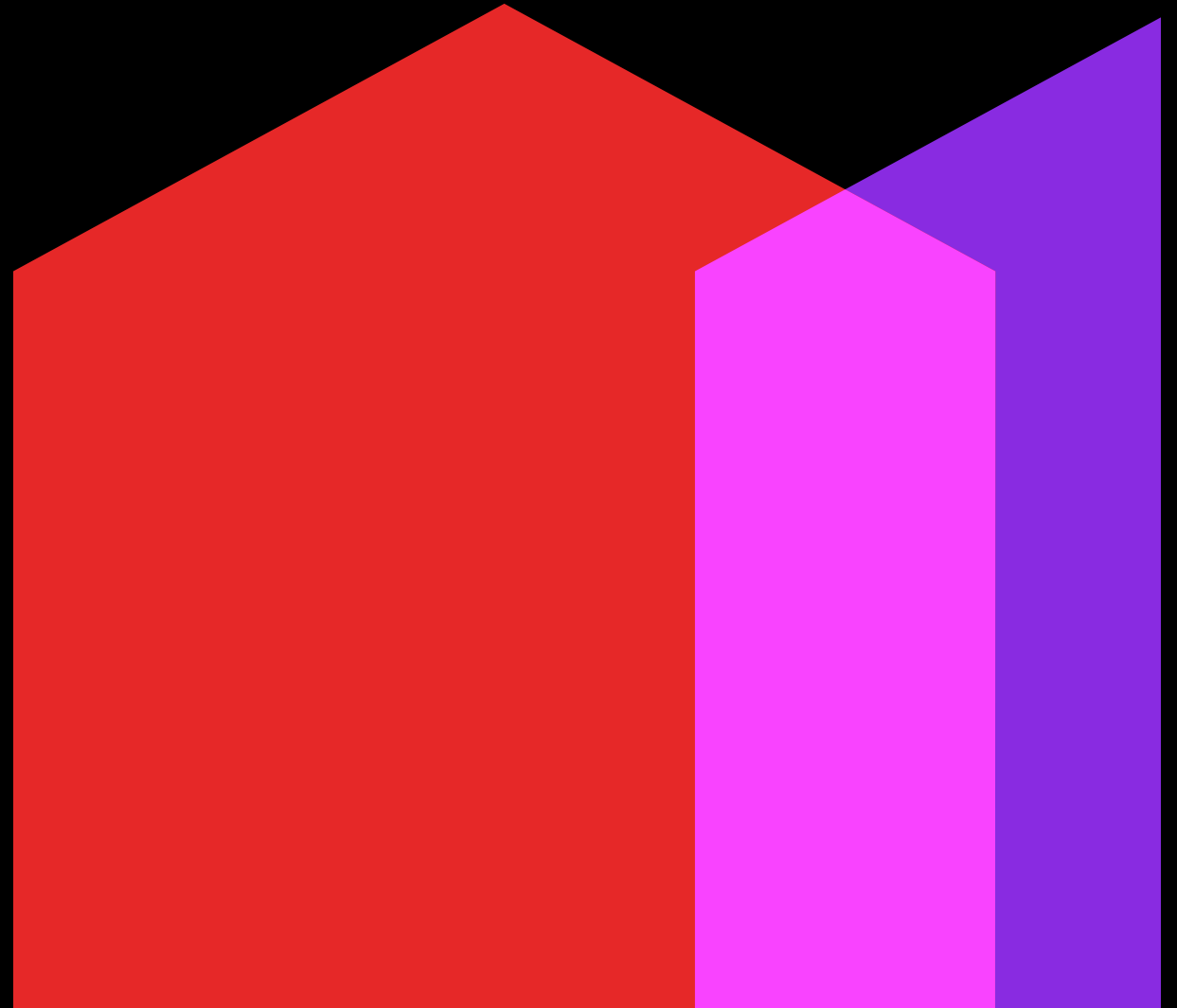
- Generally 500-800 metres around stations
- Detailed planning framework approved by Minister:
 - Planned minimum number of residents and jobs per hectare
 - Authorized uses of land
 - Minimum densities with respect to buildings and structures in the area

IZ requires balancing policy parameters

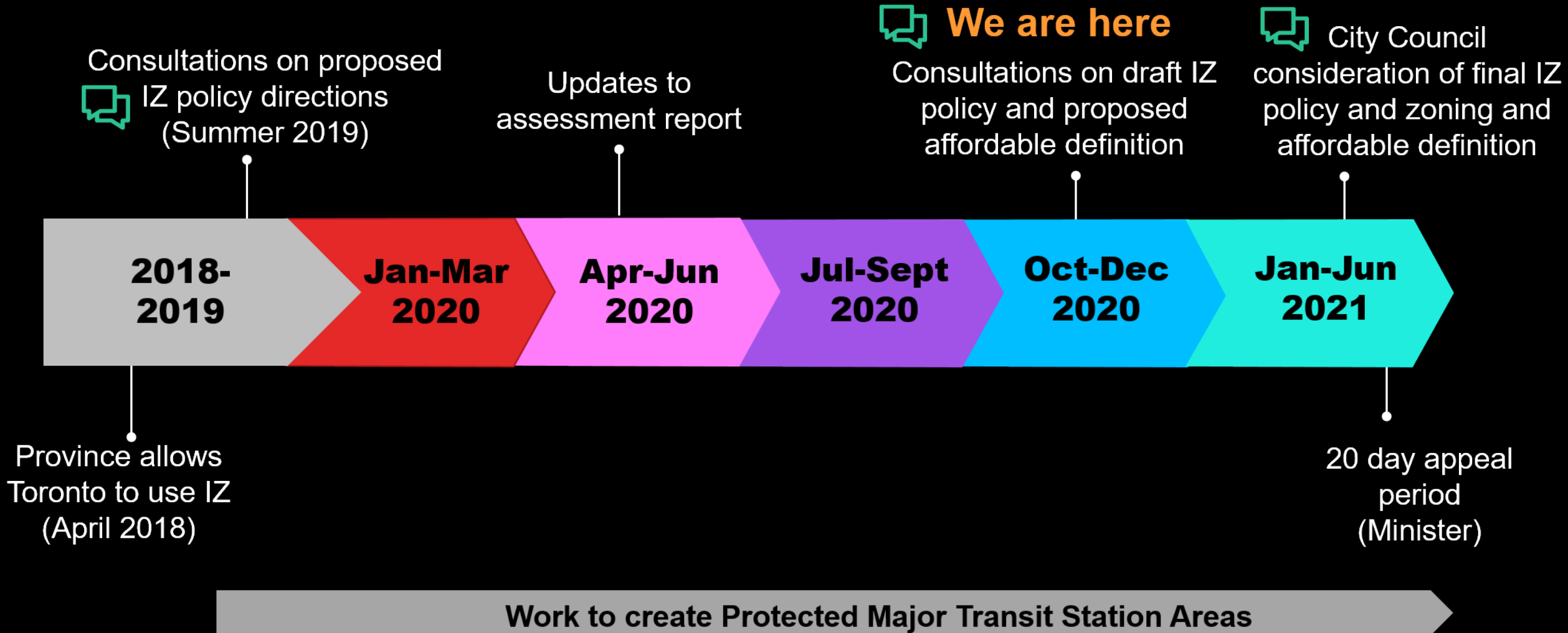
-  **Number of units:** the proportion/percentage of new units or residential gross floor area that will be secured as affordable housing
-  **Deeper/shallower affordability:** the income groups the units should serve
-  **Affordability period:** the length of time new units remain affordable
-  **Incentives:** supports to 'offset' the cost of providing affordable housing

Part 2

Project Update



Project Timeline



Engagement To Date

**About 80
participants at 4
public meetings**



**12 DIY workshops
with 130+
participants**



**Speakers Event:
NYC & Boston**



**100 Transit
Shelter Ads**

**5 pre-engagement
interviews**

**Online survey with
475+ respondents**

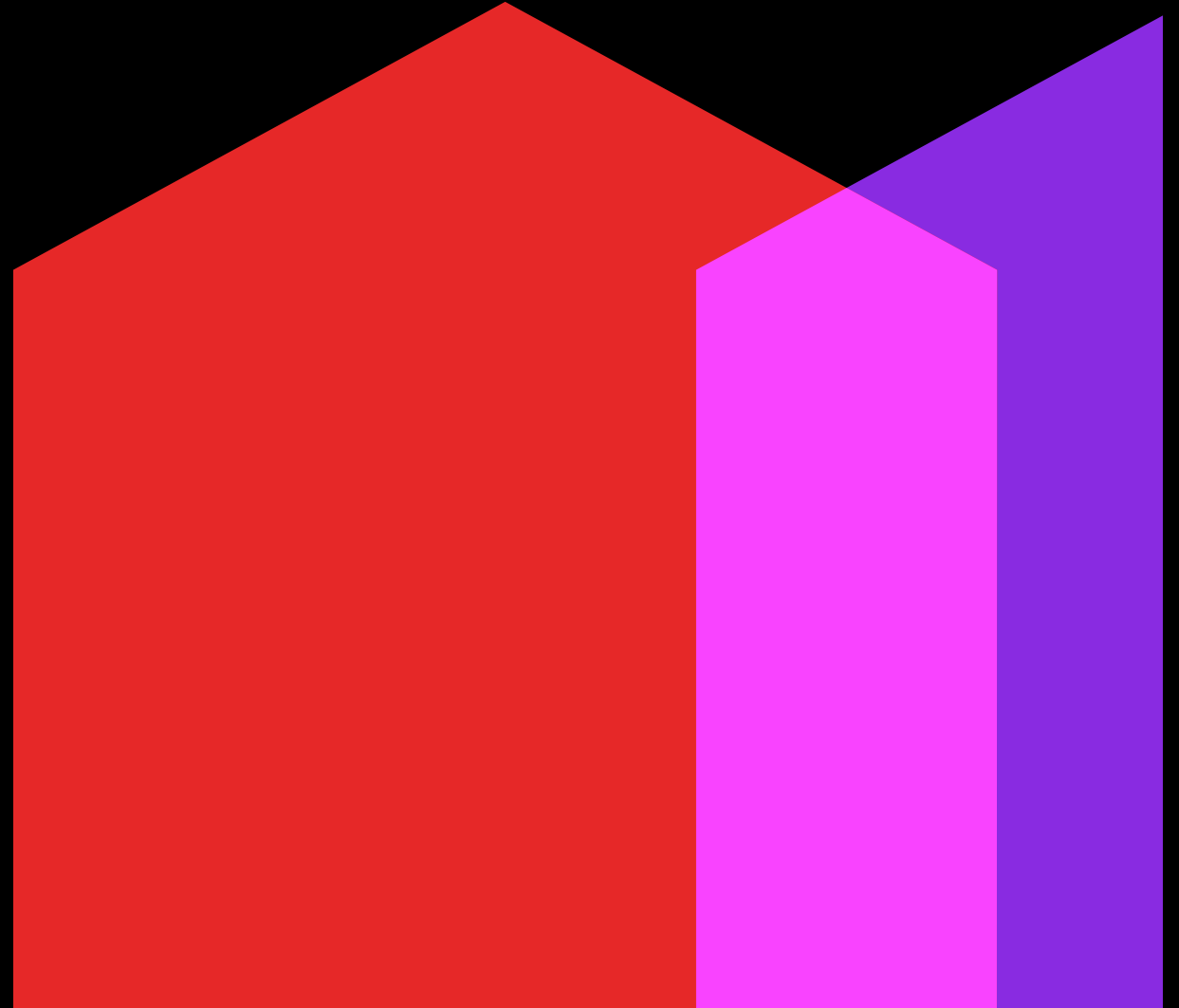
**15 stakeholder
meetings**

What We Heard Last Year

- **Affordability Period:** units should stay permanently affordable (instead of for 25 years)
- **Definition of Affordable:** should better reflect what people can afford
- **Depth of Affordability:** create units at variable levels of affordability
- **Number of Units:** apply requirement to % of a development's total gross floor area (instead of % of density uplift); lower requirements should apply for purpose-built rental; ensure family-sized units
- **Transition:** needed to ensure project viability and allow land values to adjust

Part 3

Policy Updates: Definition of Affordable

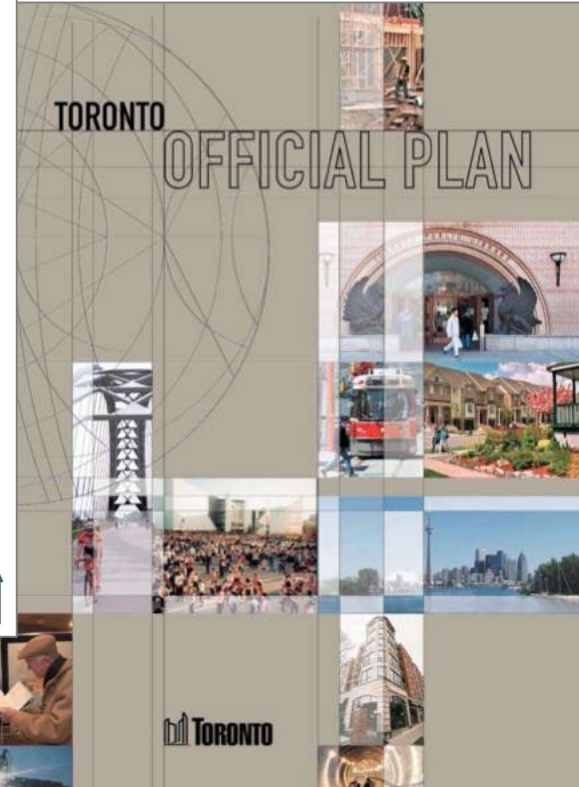


Current Official Plan Definition of Affordable Rental Housing

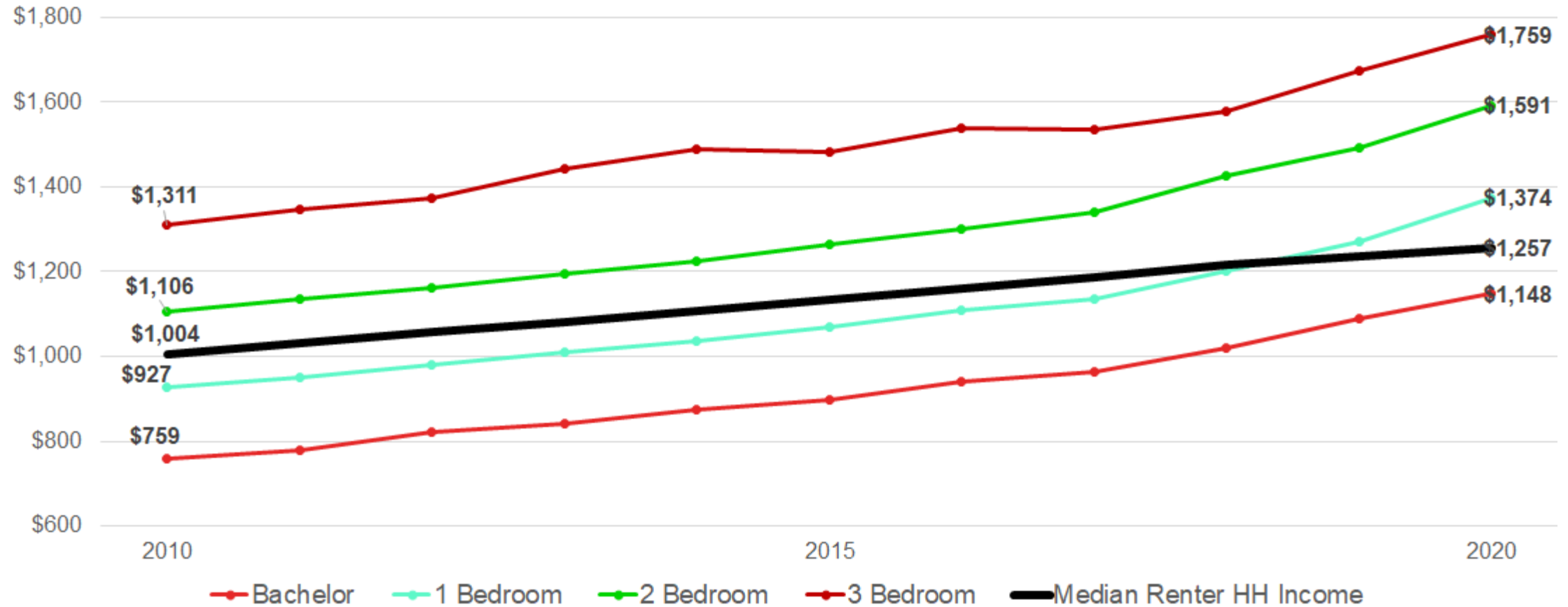
Affordable rental housing: means housing where the total monthly shelter cost is at or below one times the **average City of Toronto rent**, by unit type (number of bedrooms), as reported annually by the Canada Mortgage and Housing Corporation

Total Monthly Shelter Cost: gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges

Impacted Policies and Programs



Rising market rents



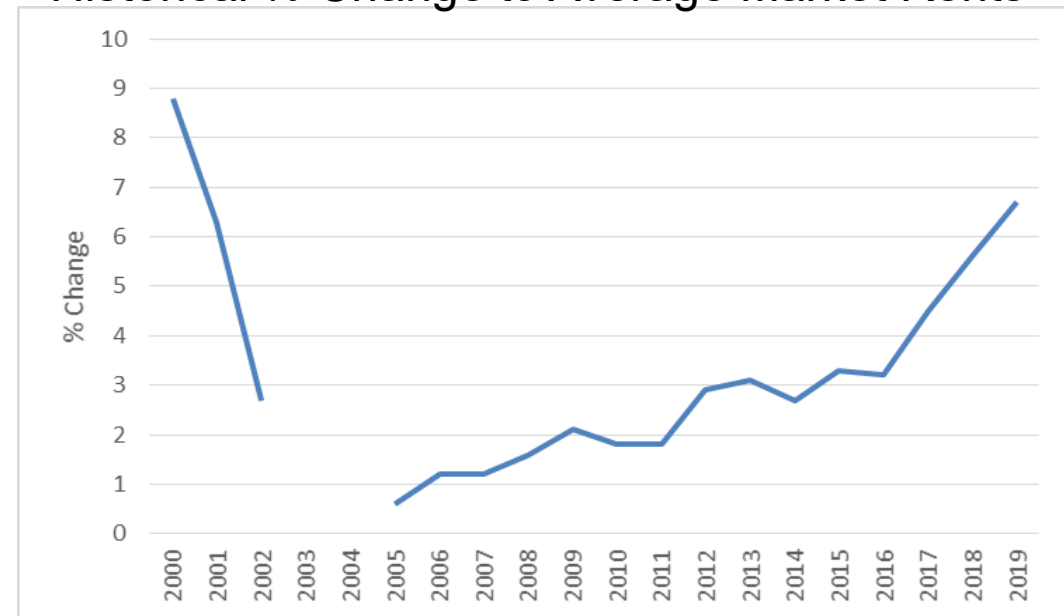
Rising market rents

- Market rents have risen at a significantly faster rate than incomes
- Over last 20 years, incomes have grown by 1.7% while rents have grown by 3.3%

4.6% 

Annual increase to average market rents from 2015-2019

Historical % Change to Average Market Rents



Proposed affordable rental definition

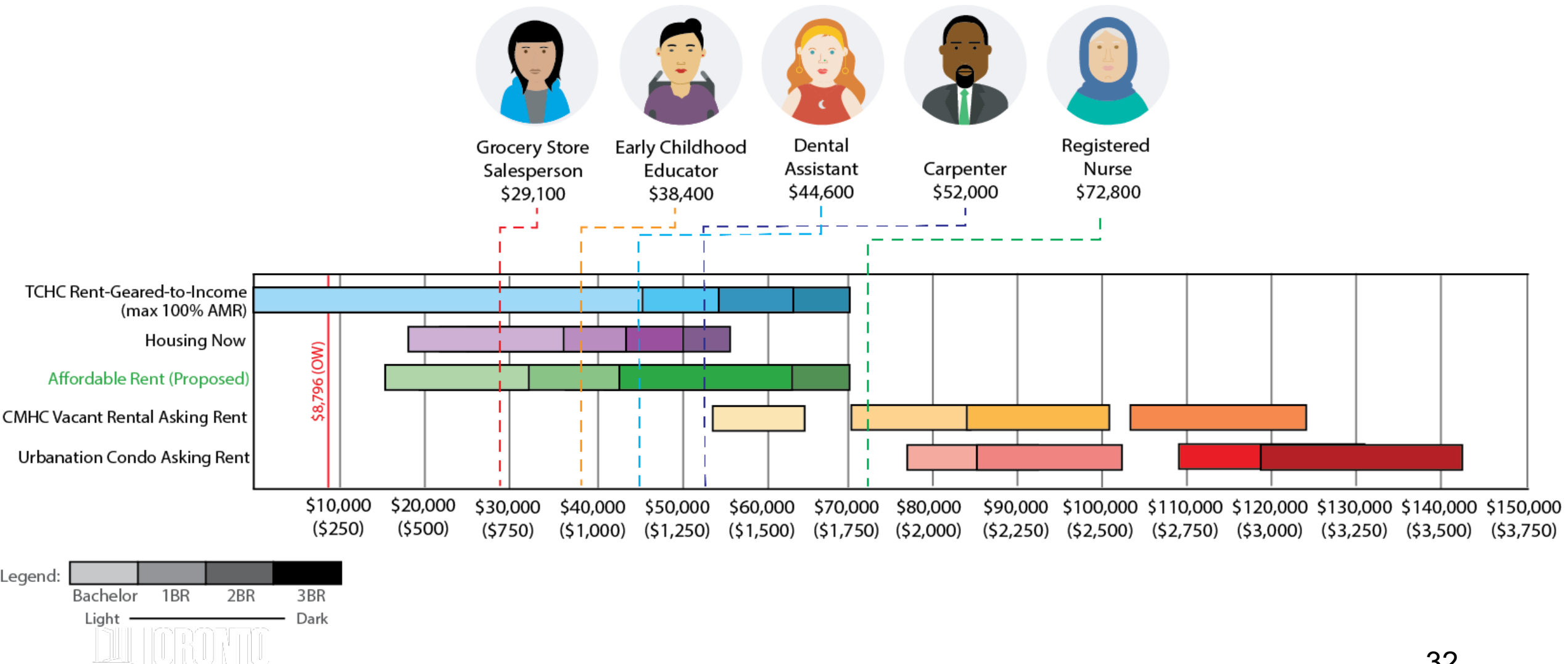
Affordable rental housing and affordable rents refers to housing that is intended to cost less than 30% of households' before-tax income in the City of Toronto, and where the total monthly shelter cost (inclusive of utilities) is the least expensive of 100% of Average Market Rent by unit type, and which is affordable to:

- 1) for bachelor units, households earning between the 20th and 50th percentile income for one-person renter households;
- 2) for one-bedroom units, households earning between the 30th and 60th percentile income for one-person renter households;
- 3) for two-bedroom units, households earning between the 30th and 60th percentile income for two-person renter households;
- 4) for three-bedroom units, households earning between the 30th and 60th percentile income for three-person renter households.

Incomes and rents (2020)

Unit Type	Current Definition	Min Household Income (Affordable Rent)	Max Household Income (Affordable Rent)
Bachelor	\$45,920 (\$1,148)	\$15,269 (\$382)	\$32,232 (\$806)
1-bedroom	\$54,960 (\$1,374)	\$19,649 (\$491)	\$43,244 (\$1,081)
2-bedroom	\$63,640 (\$1,591)	\$36,871 (\$922)	\$63,640 (\$1,591)
3-bedroom	\$70,360 (\$1,759)	\$41,542 (\$1,038)	\$70,360 (\$1,759)

Rents across housing spectrum



Proposed Mid-range rent definition

Removing the the existing **Mid-Range Rents** definition from section 3.2.1 of the Official Plan and adding the following as new definitions:

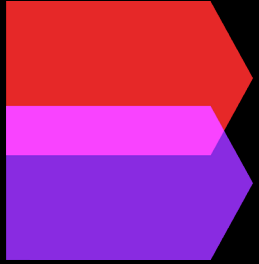
"Mid-range tier 1 rents are the total monthly shelter costs that exceed affordable rents but fall at or below 100% of the average City of Toronto rent, by unit type, as reported annually by Canada Mortgage and Housing Corporation.

Mid-range tier 2 rents are the total monthly shelter costs that are between 101% and 150% of the average City of Toronto rent, by unit type, as reported annually by Canada Mortgage and Housing Corporation."

This change is proposed to allow the City to continue to replace rental units at a similar price.

Proposed affordable ownership prices (2020)

Unit Type	Income	Price	Percentile (all households)
Bachelor	\$43,509	\$193,000	30
1-bedroom	\$56,921	\$252,500	40
2-bedroom	\$71,905	\$318,500	50
3-bedroom	\$89,467	\$397,000	60



Discussion: definition of affordable rental housing

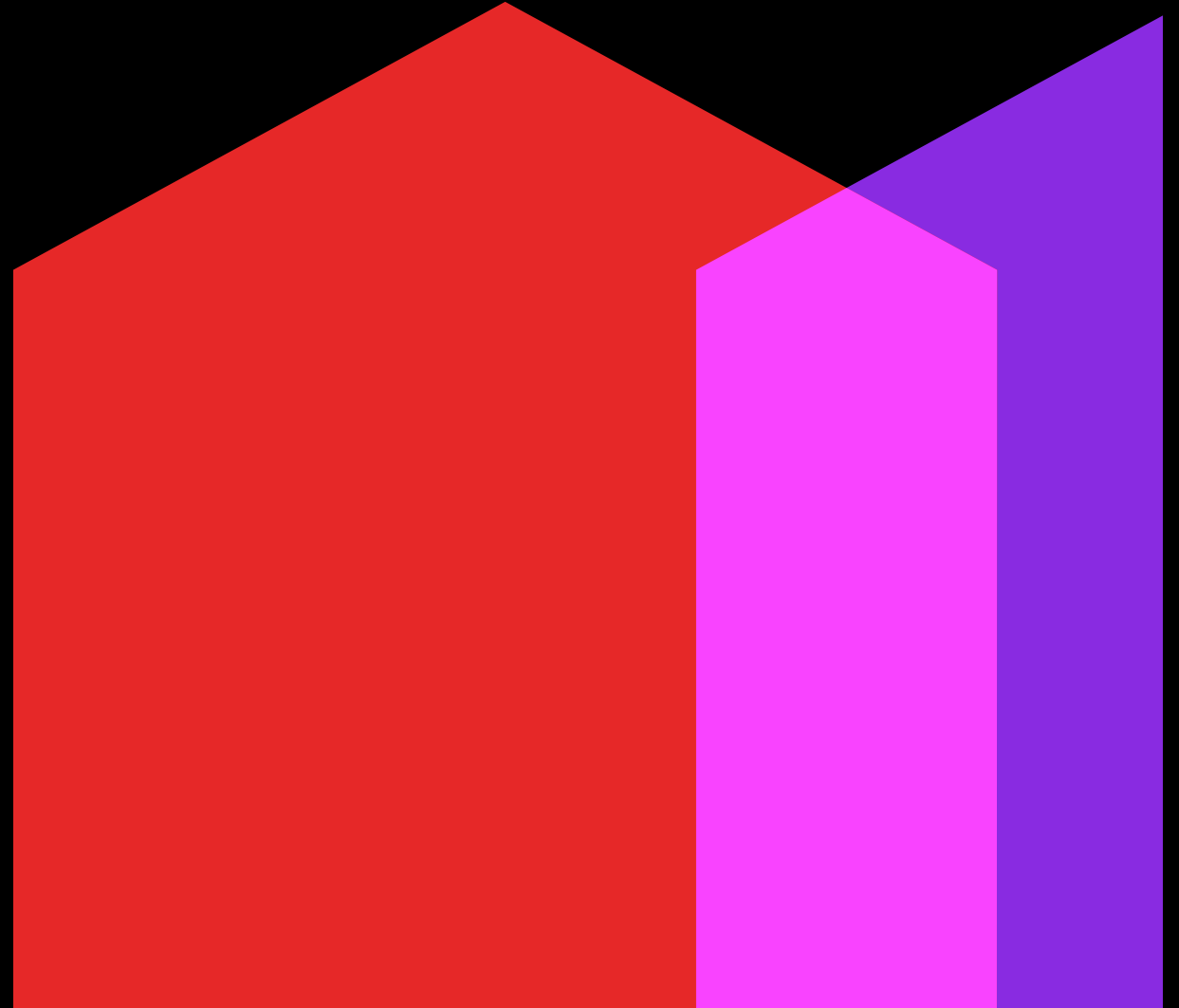
Is there anything missing from the proposed definition?

Instructions:

- Use the Q&A function to submit your questions and/or indicate you would like to speak
- If listening by phone only, **dial *3** to raise your hand

Part 4

Policy Updates: Inclusionary Zoning



Draft Official Plan and Zoning Amendments

Affordability Period:

- Units must stay affordable for 99 years

Number of affordable units:

- For a condominium development: 5-10% of the total residential gross floor area must be affordable
- For a rental development: 2.5-5% of the total residential gross floor area must be affordable

Draft Official Plan and Zoning Amendments

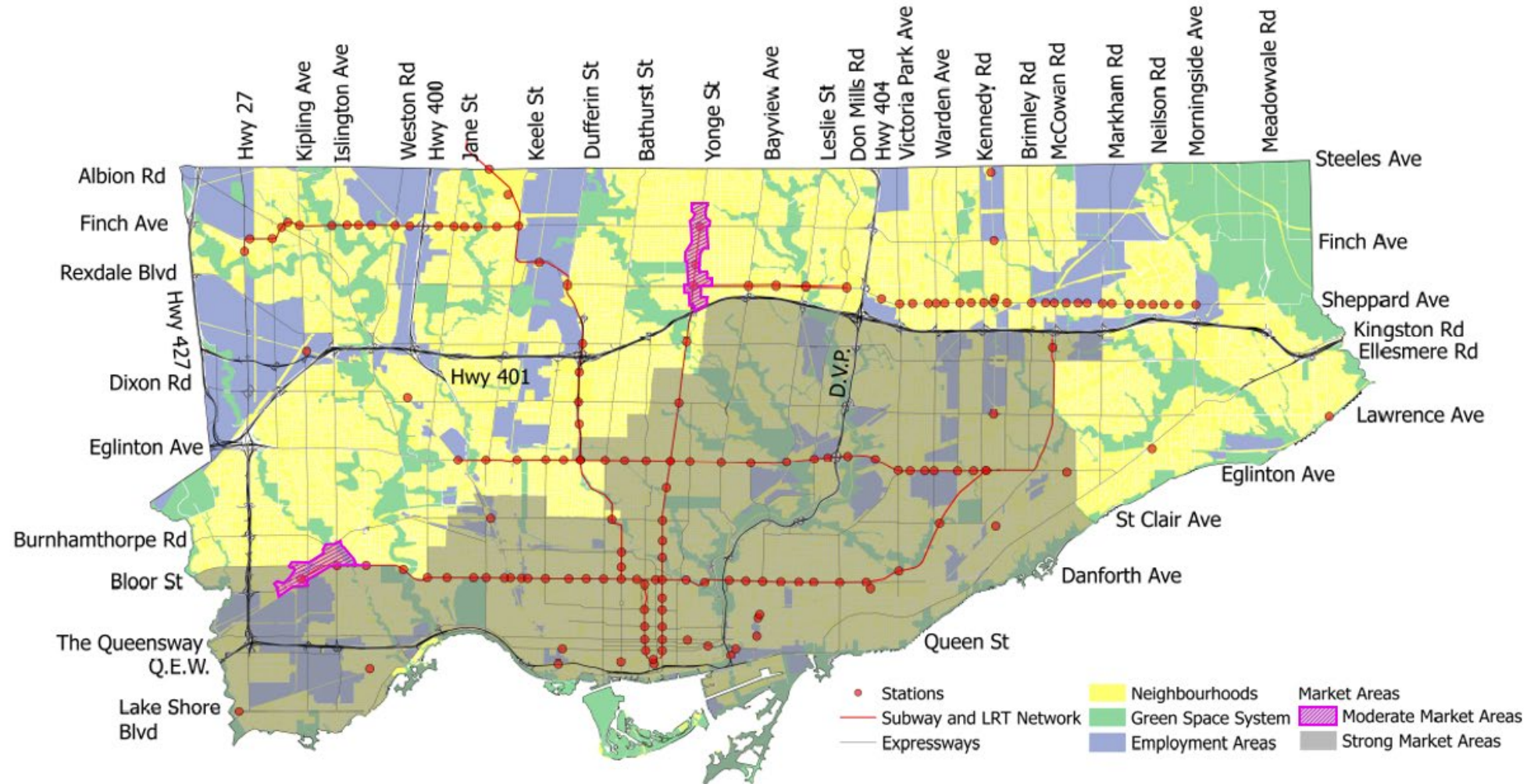
Scale of Development:

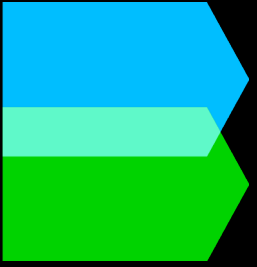
- IZ applies to development proposing 100+ units (8,000m²) in the downtown and 140+ units (10,000m²) in other areas of the city

Geographic Application:

- IZ applies to development in PMTSAs and located within a Strong or Moderate Market Area
- Strong and Moderate Market Areas will be reviewed after 3 years

Proposed Strong and Moderate Market Areas





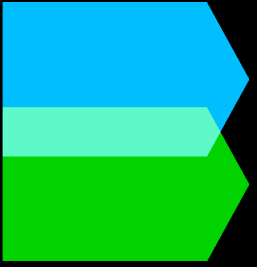
Over the past 5 years, what % of residential units proposed or under construction were located in IZ strong and moderate market areas?

a) 55%

b) 65%

c) 75%

d) 85%



What % of residential units in the development pipeline are in projects with less than 140 units and located near transit stations ?

- a) 7%
- b) 12%
- c) 15%
- d) 19%

Draft Official Plan and Zoning Amendments

Depth of Affordability:

- Rents and prices based on the proposed affordable definitions
- 10% of affordable rental units provided must have rents set at 80% of the affordable definition

Unit Type	IZ Target Rents/Prices (2020)		
	Max. Affordable Rent	80% of Max. Affordable Rent	Max. Affordable price
Bachelor	\$806	\$645	\$193,000
1-bedroom	\$1,081	\$865	\$252,500
2-bedroom	\$1,591	\$1,273	\$318,500
3-bedroom	\$1,759	\$1,407	\$397,000

Draft Official Plan and Zoning Amendments

Offsite: affordable units can be secured on another site at the discretion of the City, but they must be located in same market area category and ready for occupancy before on-site market units

Incentives: will be considered where a development proposes to exceed the IZ requirements (more units, deeper levels of affordability)

Family-sized Units: affordable units will reflect the unit mix of the market component of the development, to achieve a balanced mix of unit types and sizes and support the creation of affordable housing suitable for families

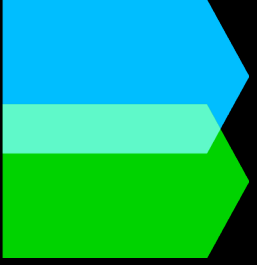
Draft Official Plan and Zoning Amendments

Transition:

- IZ would not apply to complete applications for a zoning by-law amendment, minor variance or site plan and building permit applications filed on or before January 1, 2022

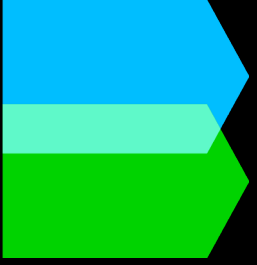
Additionally, implementation depends on the Province:

1. Minister could appeal policies to LPAT
2. IZ cannot be implemented until PMTSAs are approved by the Minister



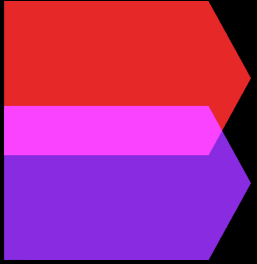
When do we expect the first IZ unit will be built and ready for someone to move in to?

- a) Next year
- b) Two to three years from now
- c) Five to six years from now
- d) Eight to ten years from now



If the draft IZ policy was implemented five years ago, how many affordable units could we have secured based on our historical pipeline?

- a) 200 units per year
- b) 500 units per year
- c) 1000 units per year
- d) 2000+ units per year



Questions and Answers: Inclusionary Zoning

Instructions:

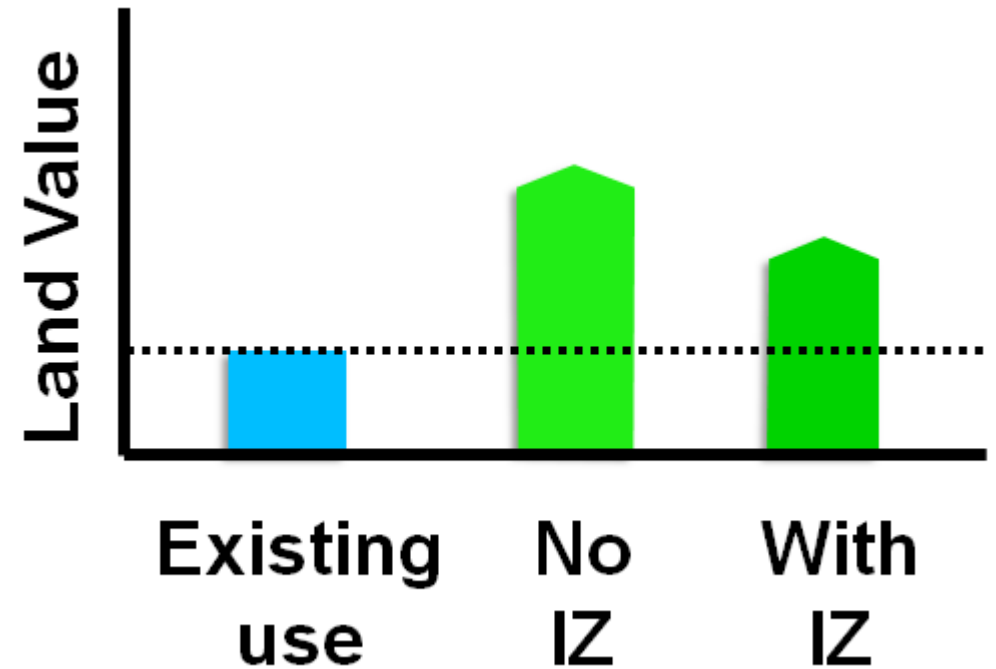
- Use the Q&A function to submit your questions and/or indicate you would like to speak
- If listening by phone only, dial *3 to raise your hand

Financial Impact Analysis

Purpose of the analysis was to evaluate the potential impacts of IZ on the Toronto housing market and the financial viability of development

Financial impact analysis tested :

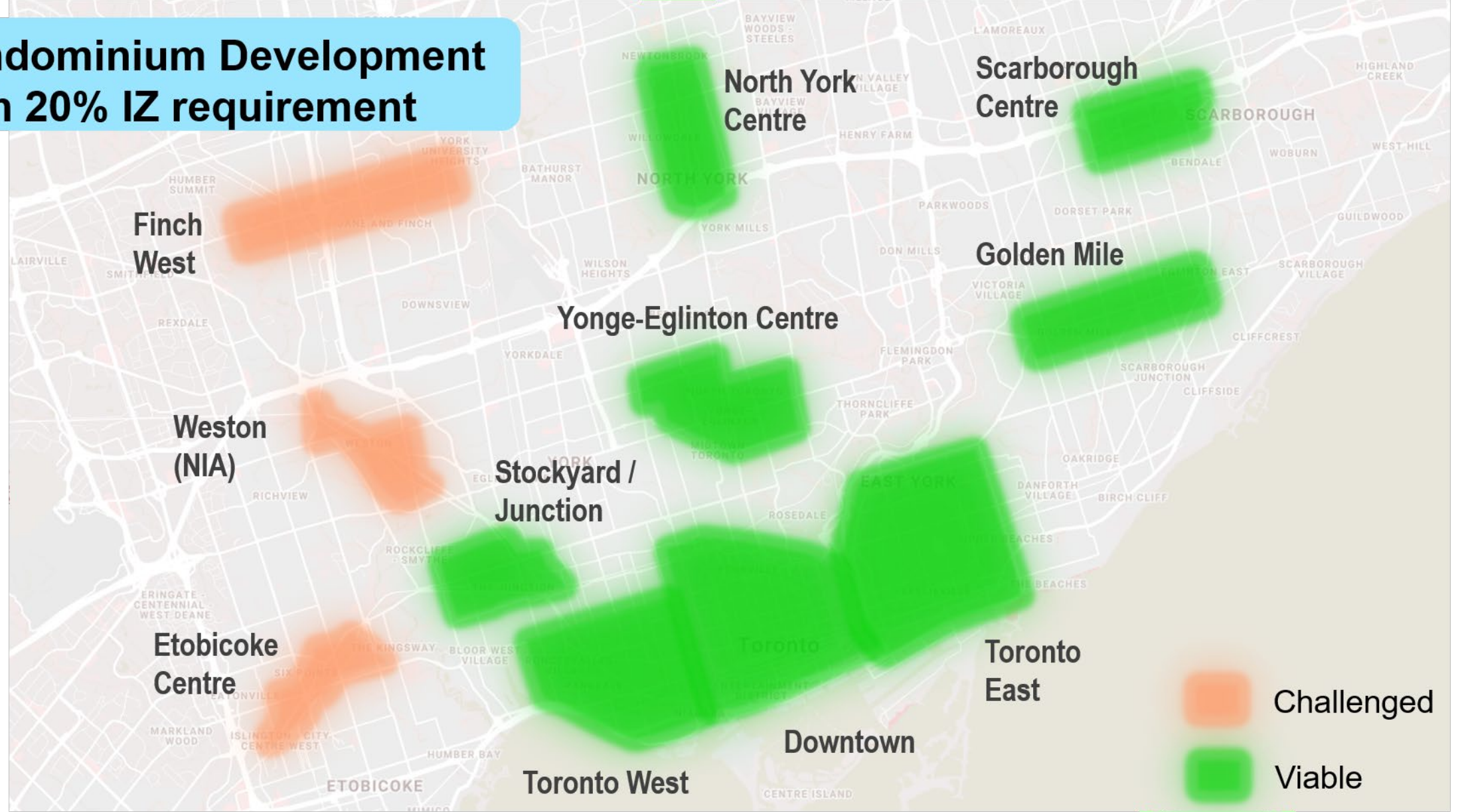
- 10% or 20% of the total development required to be affordable
- 99 year affordability period
- Affordable rents set at 80% of average market rent



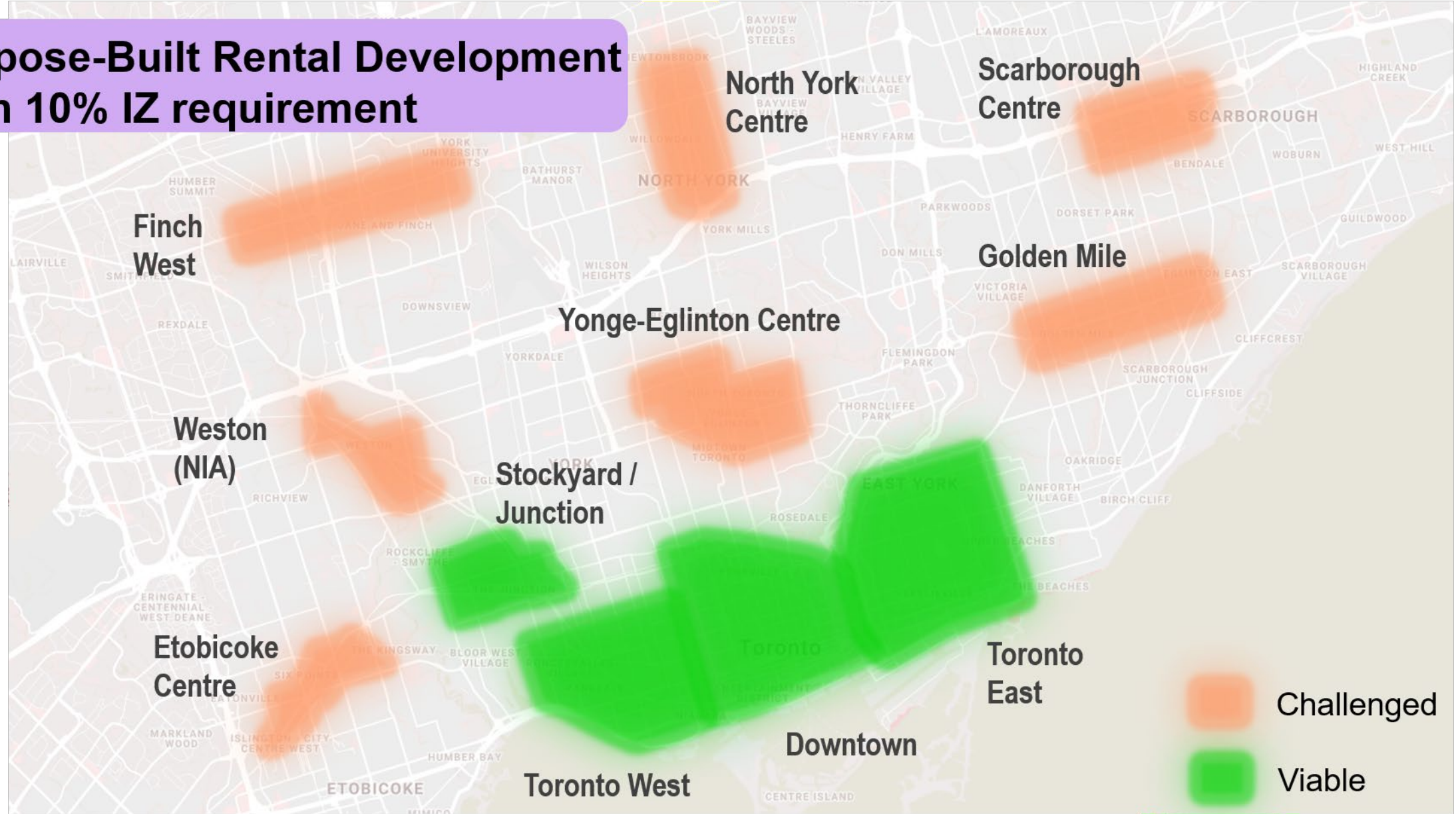
Condominium Development With 10% IZ requirement



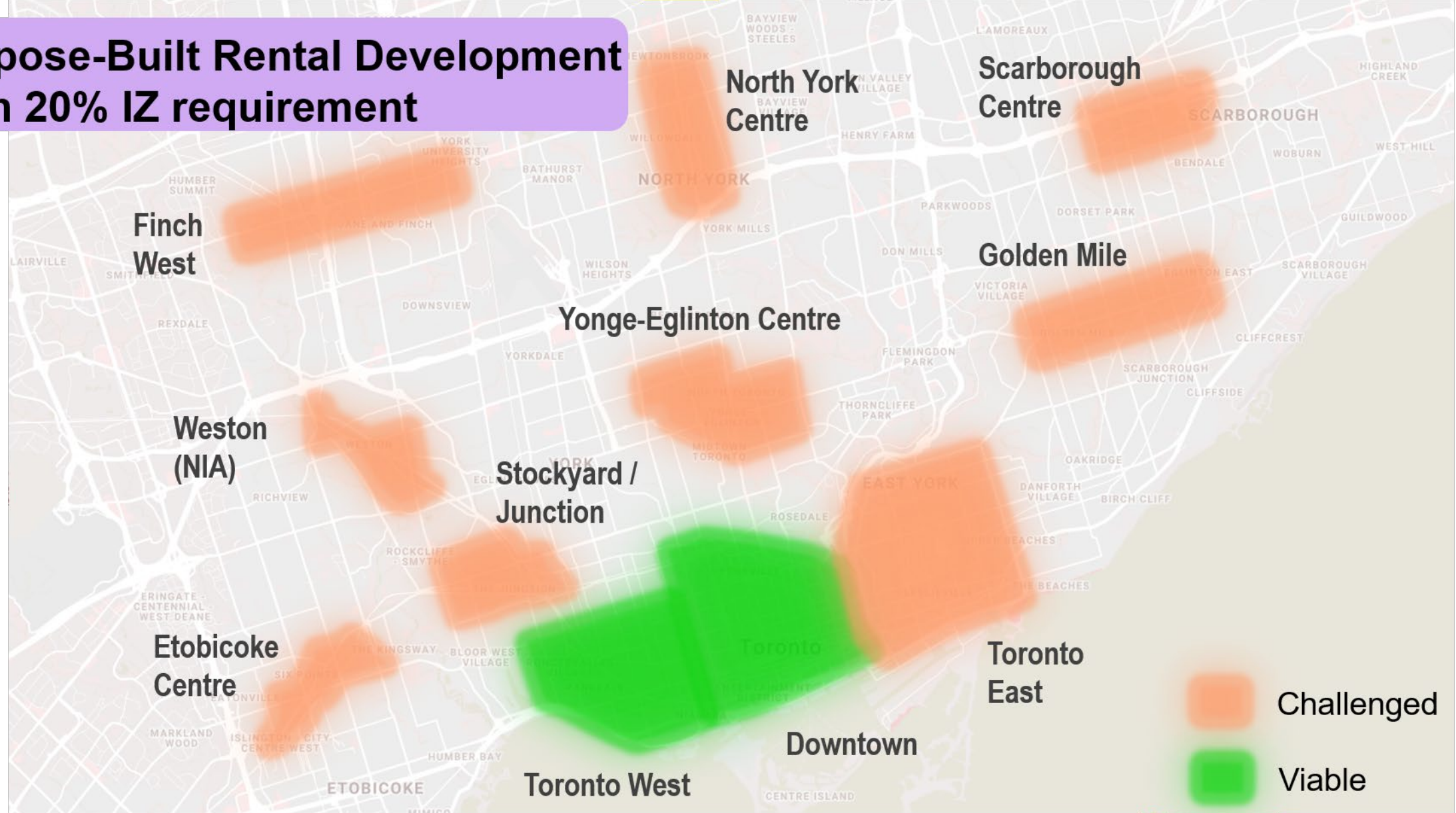
Condominium Development With 20% IZ requirement



Purpose-Built Rental Development With 10% IZ requirement



Purpose-Built Rental Development With 20% IZ requirement



Analysis will be updated to consider:

- COVID-19 impacts to the housing market
- Final community benefits charge framework (released by Province in September 2020)
- Proposed new affordable housing definition

Number of units

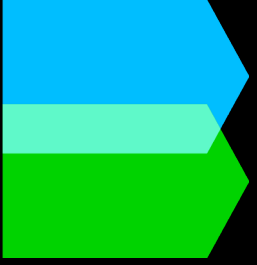
Current proposal:

- 5 -10% of total residential development for condominium developments
- 2.5 - 5% of total residential development for rental developments

Number of units

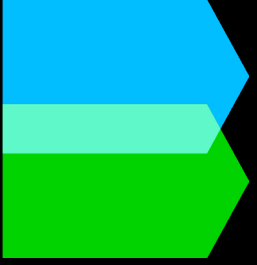
Options for achieving a higher percentage of affordable units:

- Create a “very strong market” category where a higher percentage applies in areas that show the strongest viability
- Reducing the affordability period (to less than 99 years)
- Requiring a higher percentage of affordable units to be provided in very large developments (e.g. development with greater than 1000 units)
- Policy direction that requirements will increase over time (e.g. requirement will increase to 15% after 5 years)



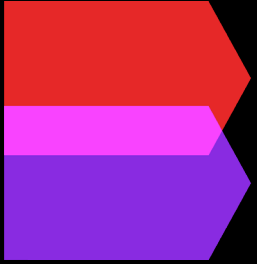
What is your preferred option for achieving a higher percentage of affordable units (top pick):

- a) Require higher % in “very strong” market areas
- b) Lower affordability period to less than 99 years
- c) Require higher % in very large developments
- d) Direct that higher % will apply in 3-5 years
- e) None of the above



What is your second favourite option for achieving a higher percentage of affordable units:

- a) Require higher % in “very strong” market areas
- b) Lower affordability period to less than 99 years
- c) Require higher % in very large developments
- d) Direct that higher % will apply in 3-5 years
- e) None of the above



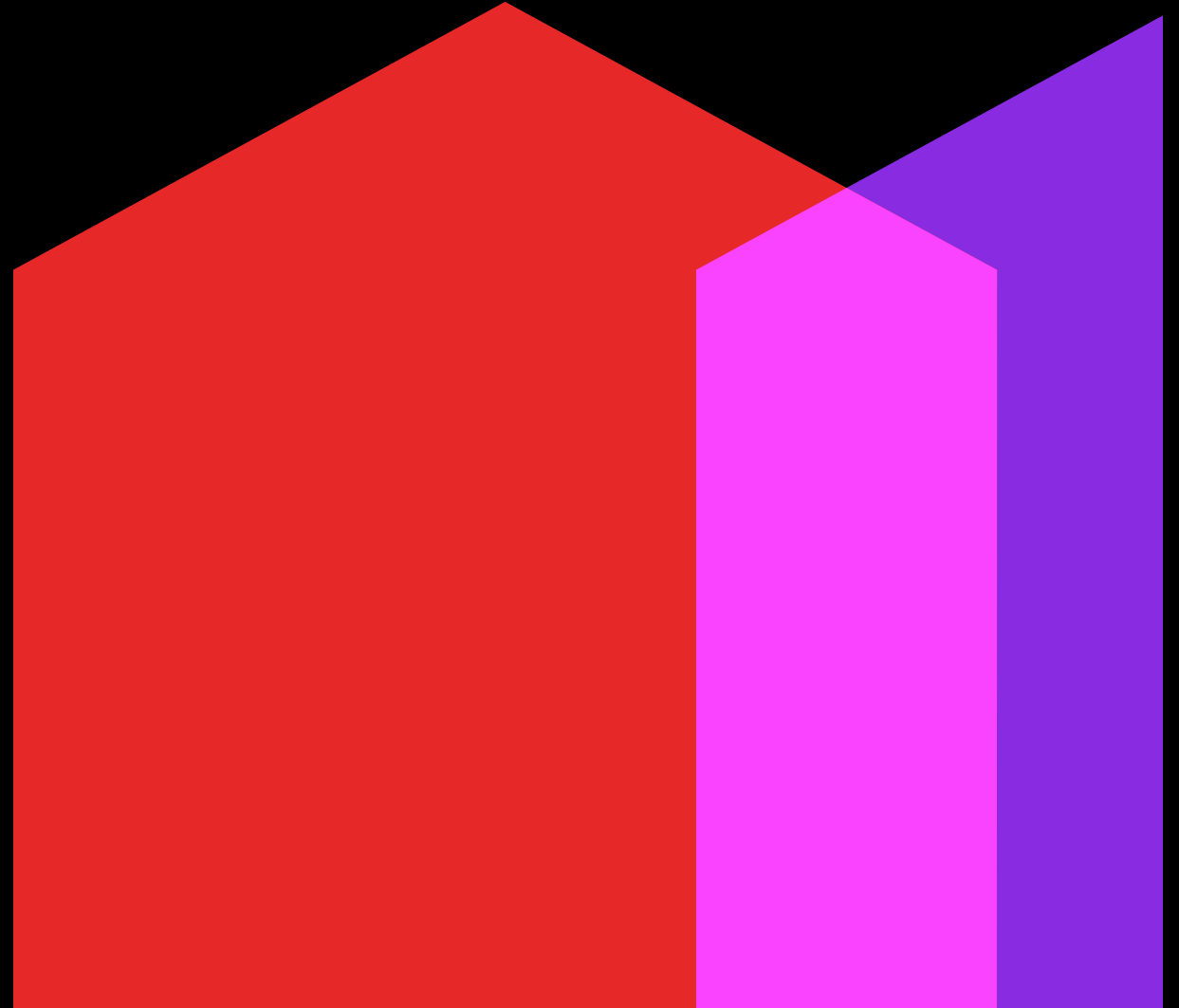
Discussion: inclusionary zoning

Instructions:

- Use the Q&A function to submit your questions and/or indicate you would like to speak
- If listening by phone only, dial *3 to raise your hand

Part 4

Wrap-up & Next Steps



Next Steps

- Update financial impact analysis
- Refine the draft IZ official plan and zoning by-law amendments
- Refine the proposed affordable housing definitions
- Develop implementation guidelines
- Continue work on Protected Major Transit Station Areas

First half of 2021 - report to Planning and Housing Committee and Council with:

- Final recommended IZ official plan amendment and zoning by-law
- Final recommended official plan amendment for the affordable definitions

Thank you for participating!

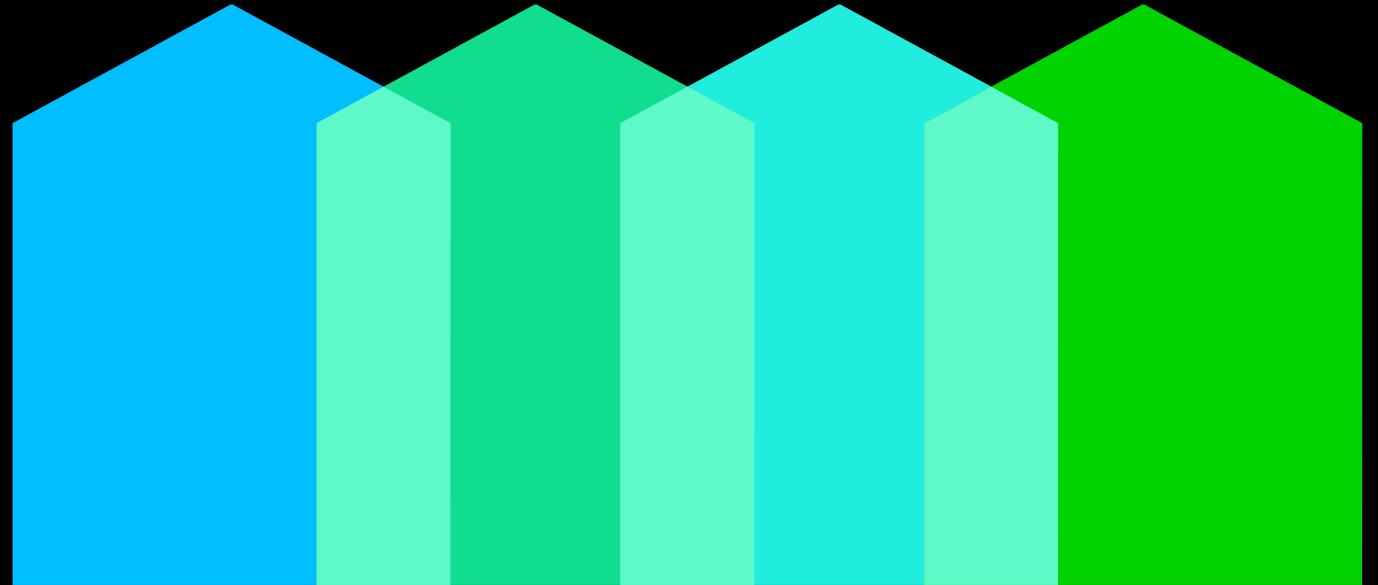
Contact Us

Christine Ono, Senior Planner

Email: Christine.Ono@toronto.ca

Call: 416-392-1255

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