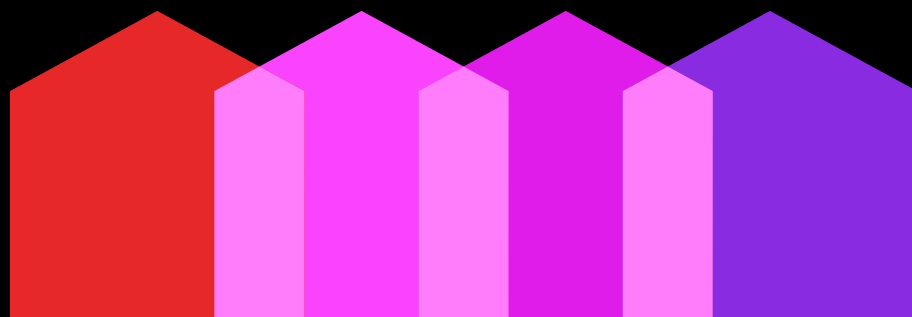


City of Toronto Inclusionary Zoning and Affordable Housing Definition

Phase 2 City-wide Consultation and Communication Summary



**Spring
2021**

Appendix A

Stakeholder Meeting Summaries

Stakeholder Meeting Summary

Meeting #4a – September 15, 2020

Meeting Overview

On Tuesday, September 15, 2020, the City of Toronto (City) hosted a fourth Stakeholder meeting for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held virtually over Webex and the agenda was as follows:

- 10:00 – 10:15 am** Welcome and Introductions
- 10:15 – 11:10 am** IZ Project Updates and Q&A
- 11:10 – 11:15 am** Break
- 11:15 – 11:50 am** Affordable Rental Housing Definition and Q&A
- 11:50 – 12:00 pm** Wrap-up and Next Steps

The purpose of this meeting was to inform stakeholders of the draft Official Plan and Zoning By-law amendments for IZ and the proposed affordable rental housing definition and to provide the opportunity for development industry advocates to ask questions and share their perspectives.

Attendees

Organization	Contact Name
Artscape	Tristina Sinopoli
Altus	Daryl Keleher
BILD	Paula Tenuta
BILD	Carmina Tupe
Diamante Developments	Simon McKenzie
DiamondCorp	Laurie Payne
Daniels	Remo Agostino
Habitat for Humanity	Ene Underwood
Habitat for Humanity	Arthur Ho-Wong
Hullmark	Leona Savoie
Kehilla	Nancy Singer
Kingsett	Tom Giancos
Options for Homes	Jeff Evenson
RioCan	Isaac Shirokoff
Rockport Group	Michael Tucci
St. Clare's	Andrea Adams
ULI	Richard Joy

City Staff and Consultants

Organization	Name
City of Toronto	Christine Ono
City of Toronto	Deanna Chorney
City of Toronto	Sharon Hill
City of Toronto	Narmadha Rajakumar
Dillon Consulting Limited	Karla Kolli
Dillon Consulting Limited	Ryan Siersma
Dillon Consulting Limited	Miriam Bart

Welcome, IZ Project Updates, Q&A

Dillon Consulting Limited (Dillon) welcomed stakeholders, acknowledged the Indigenous history of the land and provided an overview of the virtual meeting noting there would be time for a break and formal question and answer discussion. City staff provided a brief update on what was heard during the last round of consultation and how that feedback has been incorporated into the draft IZ Official Plan and Zoning By-law amendments. Key elements of the policies include:

- extending the affordability period to 99 years;
- depth of affordability is based on the proposed affordable definitions, with a portion secured at deeper levels of affordability;
- unit set aside is 5-10% of the total residential gross floor area of a condominium development, with lower requirements for purpose-built rental development; and
- inclusionary zoning applies to development in protected major transit station areas (PMTSAs) located within a strong or moderate market area.

Additional information related to the updated N. Barry Lyon Consultants' (NBLC) report was shared, as this analysis informed the development of the draft policies.

In summary, a key concern for development industry stakeholders was that the May 2020 NBLC analysis did not take into account the economic impacts of COVID-19. Many noted the market has changed since the beginning of the pandemic including a change in where people want to live, how they commute and what they can afford. Stakeholders flagged the need for incentives to support the IZ policies, as has been done in other jurisdictions. The group also thought that the 99 year affordability period is too long.

The discussion captured throughout the Q&A period is summarized below. Questions are noted with a "Q", comments with a "C" and answers with an "A".

Q. The pandemic has impacted where people want to live and it will take time to see those impacts in full. I think the May 2019 assessment report should be reinitiated to reflect COVID-19. A 3-year review period makes sense and is appropriate as the market will change especially in light of COVID-19. There is going to be a major shift in how

people choose to live: people won't want to be in dense populations or buildings where some are not able to afford rent.

A. We are trying to consider how COVID-19 will change the housing market. We want to report on early housing market results before the final recommended policies. We are closely monitoring that. Your observations are helpful. Regarding the PMTSAs and phased approach – this was based on the strong market check we did last year.

C. The strong areas appear to be in the downtown core; but it doesn't appear that phase 1 implementation of PMTSAs matched that. I think we should take advantage of PMTSAs in strong areas like downtown.

C. We just launched a new affordable housing equity fund. One thing we found in all our analysis is counter to what you've presented: the locations that allow for affordable housing are not in the core because of land value. We found that periphery areas around Scarborough and Etobicoke provide a more economically viable model.

C. I'd also like to echo the sentiment to consider a focus beyond the downtown core. We know those areas are undergoing rapid change and this is an opportunity to secure affordable housing in these communities where the financials are more viable.

Q. Is the NBLC report a public document?

A. Yes, we will be posting it on the website later today.

Action: City to send the NBLC report to the stakeholders so that assumptions can be reviewed.

Q. I think you need to provide more flexibility or allow developers to provide affordable housing offsite.

A. The policy would allow for offsite as long as they are within another PMTSA where Inclusionary Zoning applies.

Q. Given the restrictive areas in which IZ can be applied, has a projection been done on how many units will actually be realized?

A. That's been a challenge given we are still landing on policy parameters and the PMTSAs haven't actually been delineated yet.

Q. In condos, will IZ units be affordable rental or affordable ownership?

A. The *Planning Act* doesn't allow the City to require a certain tenure; so we can't require that affordable rental or affordable ownership housing is provided in a specific development. That's up to the developer.

Affordable Rental Housing Definition and Q&A

The City explained the importance of the affordable rental housing definition as a key piece for implementing IZ and the HousingTO Action Plan. City staff outlined the proposed new definition of affordable housing, which incorporates an income-based

approach and would better respond to the housing needs of low- and moderate-income households. The proposed definition would set rents on an annual basis where the total monthly shelter cost is the least expensive of:

- 100 percent of Average Market Rent (AMR) by unit type (as published annually by Canada Mortgage and Housing Corporation), or
- Rent affordable to set income percentiles for different household sizes paying no more than 30 percent of income towards shelter costs (inclusive of utilities).

During the discussion, stakeholders were interested in understanding how the affordable rental housing definition will interact with other housing policies, housing programs and provincial regulations.

Q. How were the minimum and maximum incomes by bedroom type calculated?

A. The 20th to 50th percentiles were calculated for bachelor units and 30th to 60th percentiles for one-, two-, and three-bedroom units.

C. 80 percent AMR won't work as the new definition of affordable housing. We're having difficulties renting our most affordable units because incomes are too low. These rents need to be tied to the housing benefits program.

Q. Is there a plan to look at revising the affordable ownership definition in the OP too?

A. Yes, the proposed affordable ownership definition is currently on the City's webpage.

Q. Why is the City taking the stance that it is the development industry's responsibility to provide affordable housing? Why not increase taxes so that every citizen/residents shares that responsibility?

A. We are looking at all ways and methods to increase supply of affordable housing. We are utilizing city land and the open door program; IZ is just one tool of many to create more affordable housing options in the City.

Q. Is IZ going to be discounted from section 37?

A. No, IZ would be required separate from Section 37 community benefits. Section 37 benefits would continue to be negotiated in development applications.

Q. We've launched funds to provide affordable housing. Are you offering development charge credits or tax rebates for developers who are already providing affordable housing?

A. The key assumption in the NBLC report is that there would be no incentives and that land values will need to adjust to meet affordability requirements.

C. Any time the industry has been faced with an increase in cost, management fees, or municipal cost, developers have been told that land values will have to adjust. From experience, land value continues to rise. The City needs to address this.

C. All US models include extensive tax waiver and other subsidies. A Toronto-specific study looking at impacts would be appreciated.

Q. How are you looking at non-profit developers and providers? Providing incentives for partnering with non-profits would create many exciting opportunities and new models.

A. The province exempts non-profits from IZ. As part of consultations, we are looking for input on the role of non-profits in the IZ framework.

C. I think the City should start a program that matches non-profits with developers. Most developers find it really difficult to match with a NFP that operates in any given area. The city should facilitate that relationship/networking.

Q. Have you thought about how many units IZ could create if this is applied by 2022? Has the City done an analysis on what this will translate into?

A. As part of the HousingTO Action Plan we have targets for creating new affordable homes. There is difficulty in projecting the number of IZ units that could be secured, especially given PMTSAs have yet to be delineated.

C. A 99 year affordability period is an extraordinary burden on the developer and is a disincentive to investment in capital repairs.

Wrap-up and Next Steps

The meeting concluded early at 11:30am. The City acknowledged the next report would be going to Planning and Housing Committee on September 22nd with more consultation taking place in Fall 2020 and early 2021.

Stakeholder Meeting Summary

Meeting #4b – September 15, 2020

Meeting Overview

On Tuesday, September 15, 2020, the City of Toronto (City) hosted a fourth Stakeholder meeting for the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held virtually over Webex and the agenda was as follows:

2:00 – 2:15 pm	Welcome and Introductions
2:15 – 3:10 pm	IZ Project Updates and Q&A
3:10 – 3:15 pm	Break
3:15 – 3:50 pm	Affordable Rental Housing Definition and Q&A
3:50 – 4:00 pm	Wrap-up and Next Steps

The purpose of this meeting was to inform stakeholders of the draft Official Plan and Zoning By-law amendments for IZ and to provide the opportunity for housing advocate stakeholders to ask questions and share their perspectives.

Attendees

Organization	Contact Name
ACORN	Andrew Marciniak
ACTO	Magda Barrera
ALFDC	Sarah-Mae Rahal
Birchmount Community Action Council	Laura Hammond
CERA	Jonathan Robart
CHF Toronto	Simone Swail
Daily Bread Food Bank	Talia Bronstein
Dream Team	Carol Thames
FMTA	Geordie Dent
Maytree	Effie Vlachoyannacos
Ontario MMAH	Julianna Zhou
Toronto Alliance to End Homelessness	Richard Drla
Toronto Alliance to End Homelessness	Emily Paradis
Wellesley Institute	Scott Leon
Woodgreen	Mwarigha

City Staff and Consultants

Organization	Name
City of Toronto	Christine Ono
City of Toronto	Deanna Chorney
City of Toronto	Sharon Hill
City of Toronto	Narmadha Rajakumar
Dillon Consulting Limited	Karla Kolli
Dillon Consulting Limited	Ryan Siersma
Dillon Consulting Limited	Miriam Bart

Welcome, IZ Project Updates, Q&A

Dillon Consulting Limited (Dillon) welcomed stakeholders, acknowledged the Indigenous history of the land and provided an overview of the virtual meeting noting there would be time for a break and formal question and answer discussion. City staff provided a brief update on what was heard during the last round of consultation and how that feedback has been incorporated into the draft IZ Official Plan and Zoning By-law amendments.

Key elements of the policies include:

- extending the affordability period to 99 years;
- depth of affordability is based on proposed rental and ownership definitions with a portion secured at deeper levels of affordability;
- unit set aside is 5-10% of the total residential gross floor area of a condominium development, with lower requirements for purpose-built rental development; and
- inclusionary zoning applies to development in protected major transit station areas (PMTSAs) located within a strong or moderate market area.

Additional information related to the updated N. Barry Lyon Consultants' (NBLC) report was shared, as this analysis informed the development of the draft policies.

In summary, housing advocate stakeholders wanted to see higher requirements for affordable housing but were supportive of the shift to a 99-year affordability period. The group wanted to know more about the NBLC analysis assumptions and how development viability was determined.

The discussion captured throughout the Q&A period is summarized below. Questions are noted with a "Q", comments with a "C" and answers with an "A".

Q. An analysis prepared by Steve Pomeroy for Maytree indicated that some strong market areas could accommodate up to 30% set-aside. Why did you settle on 10% across all strong areas?

A. NBLC tested a 10% set aside and a 20% set aside. At 20% some of the market areas showed that they would be challenged to meet housing requirements while meeting development viability. We also saw greater impacts to land values. There is also the ongoing uncertainty around what impacts COVID-19 will have on the housing market. The Pomeroy and NBLC analyses were both conducted before the pandemic.

Q. Would the City consider requiring affordable rental in condo developments?

A. The Planning Act framework does not allow the City to require tenure through IZ but we've had success through our existing rental replacement policies and Section 37 in creating affordable rental housing units in condo buildings.

Q. How will Open Door and other programs interact with the IZ framework? Will Section 37 benefits be layered on top of IZ requirements?

A. Regulatory or financial incentives would only be considered for IZ units if the development is providing additional units or looking at securing deeper levels of affordability. Section 37 would be used as a top up to achieve broader City priorities. NBLC's analysis included community benefits as a cost but assumed they would remain separate from IZ requirements. As a reminder, IZ would be required and Section 37 benefits would be negotiated in development applications.

Q. Why not use a variable set-aside, with up to 20% in the strong market areas where it was found to be viable?

A. There will be a variable set-aside with 10% required in strong market areas and 5% required in moderate market areas.

Q. Has the IZ work undertaken a rights review given that the City's 10 year housing plan has committed to a rights-based approach to housing? And with this in mind, are developers' profit margins up for discussion?

A. We heard through the last round of consultation that the key to a rights-based approach to IZ would be to secure the affordable units for 99 years. NBLC's approach assumes that developer profits stay constant with IZ and without IZ requirements. The impact of IZ is instead reflected in land values. This approach goes back to the three primary goals of IZ: 1. Help support creation of more affordable housing units, 2. Encourage more equitable communities, 3. Ensure development viability.

Q. The Provincial consultations did a jurisdictional scan and found that IZ would not have an impact on rate of development. How did the consultation come to the conclusion that development would be challenged?

A. Many other jurisdictions craft their IZ policy based off of a residual land value analysis. The NBLC analysis showed that there would be challenges to development viability in some market areas.

Q. ACORN members will want to know how you define "viable". Is there a profit margin guarantee baked into the viability question?

A. The NBLC analysis assumed a static profit for the developer. Viability was determined based on whether the land values for a development with IZ requirements would be at least 10% greater than existing land values.

Q. Will the IZ policies go to Council after Planning and Housing Committee (PHC)?

A. After PHC, we will seek direction to go back to the public and consult. Following that, we will return to PHC with final recommendations. We intend that these policies get presented to Council in the first half of 2021.

Q. Will the set-aside be applied to the whole development including as-of-right, or only the increased density?

A. The set-aside will apply to the entire development.

Q. Why does IZ not apply to TTC station areas across the city? For example Victoria Park or Wilson Street.

A. That is based on IZ viability. The land values aren't strong enough in some areas to support affordable housing. If land values are impacted too greatly, landowners won't be motivated to sell their land for residential redevelopment and no new housing will be built in that area.

Q. How much do development areas overlap with proposed MTSA's and PMTSA's?

A. One of the checks for a strong market area is looking at the development pipeline. We don't have that information for specific PMTSAs because we still have to delineate those areas.

Q. When will the draft OPA and ZBL be ready for review?

A. The draft OPA and ZBL will be made available later today.

Affordable Rental Housing Definition and Q&A

The City explained the importance of the affordable rental housing definition as a key piece for implementing IZ and the HousingTO Action Plan. City staff outlined the proposed new definition of affordable housing, which incorporates an income-based approach and would better respond to the housing needs of low- and moderate-income households. The proposed definition would set rents on an annual basis where the total monthly shelter cost is the least expensive of:

- 100 percent of Average Market Rent (AMR) by unit type (as published annually by Canada Mortgage and Housing Corporation), or
- Rent affordable to set income percentiles for different household sizes paying no more than 30 percent of income towards shelter costs (inclusive of utilities).

Housing advocates encouraged the City to consider the range of family types that might need various accommodations (e.g. single parent families may require multiple bedrooms if they have multiple children or other living arrangements). Additionally, the group asked questions about average renter household incomes and geographic application of the new definition. Stakeholders felt the new definition reflected a rights-based approach to housing. The City noted there would be further consultation on the definition and that the final recommended definition would ultimately go to Council for approval.

Q. When would the new definition be applied?

A. It is anticipated that the final recommended definition would go to Council for approval in the first half of 2021. Implementation would depend on whether the definition is approved by the Minister or appealed to the Local Planning Appeal Tribunal.

Q. Will the IZ implementation plan detail the process by which units will be allocated? Also, I think it will be important when thinking about 2 bedrooms not to assume a two-income household. Please ensure larger units are available for single-parent families.

A. Implementation guidelines will be key to making sure we are getting those in need of affordable housing into IZ units.

Q. How many affordable rental units will the IZ policies generate on an annual basis?

A. As this work continues we will be able to provide more clarity around targets but we don't have that information at this point.

C. I really appreciate that the new affordability definition reflects a rights-based approach to policy.

Q. Is there any consideration for varying income levels in different geographies across the City?

A. We looked at city-wide average renter household incomes.

Q. Is average income for City of Toronto or Toronto CMA?

A. We use average incomes for renters in the City of Toronto, based on census income data.

Q. Have we done scenario analysis or thought of how the new rents will work with the viability of building affordable housing in IZ areas?

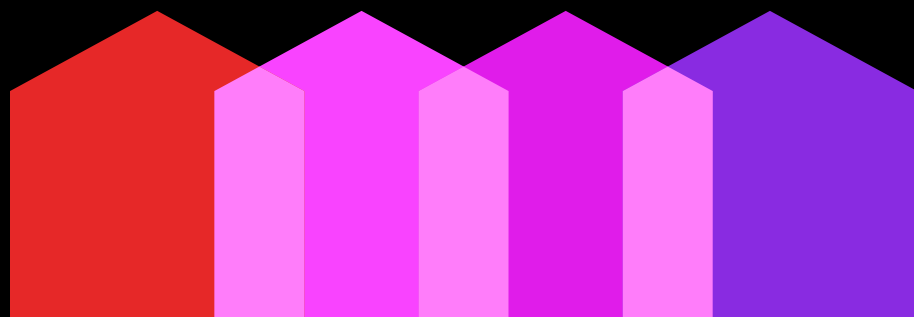
A. NBLC tested rents at 80% of Average Market Rent as a proxy for the proposed affordable definition.

Wrap-up and Next Steps

The meeting concluded early at 3:30 pm. The City acknowledged the next report would be going to Planning and Housing Committee on September 22nd with more consultation taking place in Fall 2020 and early 2021.

City of Toronto Inclusionary Zoning and Affordable Housing Definition

Phase 2 City-wide Consultation and Communication Summary



**Spring
2021**

Appendix B

Public Meeting Summaries

Inclusionary Zoning Public Meeting Summary

Second Round of Consultation - Virtual Public Meeting #1

Meeting Summary

Date/Time: Thursday October 29, 2020 from 6:00 pm to 8:00 pm

Location: Virtual Public meeting held online using WebEx

Staff: Deanna Chorney (City of Toronto - Planning)
Christine Ono (City of Toronto - Planning)
Narmadha Rajakumar (City of Toronto - Planning)
Abigail Bond (City of Toronto - Housing Secretariat)
Mercedeh Madani (City of Toronto - Housing Secretariat)
Karla Kolli (Dillon Consulting Limited)
Ryan Siersma (Dillon Consulting Limited)
Miriam Bart (Dillon Consulting Limited)

Meeting Overview

On Thursday, October 29, 2020 the City of Toronto (City) hosted the first of three virtual public meetings for the second round of the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held online using Webex.

6:00 – 6:35 pm	Introduction and presentation on Inclusionary Zoning updates and Affordable Housing Definitions
6:35 – 6:45 pm	Q&A
6:45 – 7:05 pm	Presentation on Inclusionary Zoning Draft Policies
7:05 – 7:20 pm	Q&A
7:20 – 7:35 pm	Presentation on the Financial Impact Analysis
7:35 – 7:55 pm	Q&A
7:55 – 8:00 pm	Wrap up and next steps

The primary objective of this meeting was to provide an update on the draft Inclusionary Zoning Policies and Affordable Rental Housing Definition. The event was widely promoted through social media, 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 over 1,000 subscribers on the City of Toronto's Inclusionary Zoning and Housing Plan E-Update lists and shared with City Councillors who distributed meeting notices to their residents. Approximately 107 participants attended the meeting.

Meeting Notes

Presentation

At 6:00 pm, Dillon Consulting Limited (Dillon) began the presentation providing opening remarks, welcoming members of the public, and reviewing the agenda and purpose of the meeting. Following that, the City delivered a presentation describing the affordable housing definitions, draft inclusionary Zoning Policy and the Financial Impact Analysis. At various points throughout the presentation, Dillon facilitated question and answer periods.

Key Themes from Meeting Discussions

Several questions and comments were submitted throughout the presentation through the Q&A and hand raising functions available on Webex. A wide variety of questions were posed to the panel and are detailed in the following section. Questions that could not be answered during the meeting due to time constraints were recorded and will be consolidated with other sessions in an FAQ on the project website.

The key themes that emerged during the Q&A include:

Implementation and Monitoring

Given the impacts that COVID-19 has already had on the market, participants wanted to know if IZ policies would be flexible enough to adjust to rapidly changing circumstances as needed. While some individuals felt that the IZ feasibility study should be redone in light of the pandemic, others were more interested in moving forward as long as potential impacts to land values are understood and monitored. Additional implementation questions were raised and opportunities to leverage non-profit housing partnerships were encouraged.

Unit Set Aside

Unit Set Aside is the proportion of square footage or units that the IZ policy requires to be set aside for affordable housing within new developments. While the policy proposes a set aside rate of 5-10% on new condominiums, many participants advocated for a higher level expressing that they would prefer to see 20% or greater in strong market areas. Another common remark was that the City should consider a variable set aside based on geography.

Affordability Period

Participants were chiefly concerned with the long-term affordability of the inclusionary zoning units including a general curiosity around the process of securing units and ensuring they stay affordable over time. Some individuals expressed a desire for a permanent affordability period (not 99 years as presented) while others advocated for delaying a decision based on the rapidly changing environment presented by COVID-19. Consistent with what we heard during Round 1 of consultation in summer 2019, the public remains interested in understanding details around how affordable ownership units remain affordable after they are sold.

Depth of Affordability

Several individuals expressed the need for deeper affordability in the City and that the affordable rental housing definition should better address the needs of lower income households. City staff

explained there are other programs at the City that target deeper affordability and the intention of IZ policies is to help with mid-level affordability. Inclusionary zoning as a policy tool typically addresses the needs of those in the \$30,000 to \$70,000 income range. It is challenging to provide deeper affordability without program funding.

Questions and Answer Period

The questions and comments raised during the Q&A periods 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 those raised during the presentation through submitted questions and over the phone. Questions are noted with a “Q”, comments with a “C” and answers with an “A”.

- Q:** How can affordable housing be protected from going quickly to market prices?
- A:** We ensure there is ongoing affordability for both rental units and ownership units. The City, through various programs, can ensure long term affordability such as Housing Now, which ensures 99 year affordability. For example with this program, when there is turnover of a rental unit, that unit would be rented at affordable rent.
- Q:** Is there a map of the current affordable housing situation in Toronto?
- A:** As part of our research, we looked at housing demands and affordability. We looked at which areas have higher affordability challenges, and which areas have constrained rental supply. This Housing Need and Demand Analysis is available here:
<https://www.toronto.ca/wp-content/uploads/2020/09/9730-CityPlanning-IZ-Assessment-Report-Need-and-Demand-2020-update.pdf>
- Q:** To clarify, will updating this definition through the IZ consultations require other City housing policies and programs to update their policies and programs (i.e. s. 37, Open Door, HousingNow, the OP, etc.) should it be approved by Council?
- A:** The definition of affordable housing is in the City’s Official Plan. There needs to be consideration for how this definition is implemented in other policies and programs, so yes, there needs to be consideration for how these programs are considering the affordable housing definition.
- Q:** Regarding the meaning of affordable, you said it was around \$1,500 per month. This is high for affordable housing. How did you come to this number, when that is similar to the current market rental numbers?
- A:** With the current definition that the City relies on, affordable rent is around \$1591 for a two bedroom unit. The proposed definition will set affordable rents based on the lower of average market rent or no more than 30% of what a household in the 60th income percentile is earning. For a two-bedroom unit, the lower of those two is average market rent, which is \$1,591 per month. We know some people won't fit into this program and would benefit from other housing policies that address deeper affordability needs, such as housing allowances.
- C:** I wanted to point out that rental housing prices started to go up with the implementation of the Tenant Protection Act. When this policy was implemented, unaffordable rates started to

go up. I wanted to remind everyone that policies can have negative effects; for example, in New York and San Francisco where affordable housing policies failed. This will hurt low income people, and low income people of colour. Toronto has other racist housing policies, such as no boarding rooms in Scarborough. These policies need to go away alongside IZ, so we can go for more affordable housing policies.

- A:** The HousingTO Action Plan includes an action for improving zoning permissions for rooming houses, we look forward to more completing of this work in the future. As part of our work on IZ, we are doing the background analysis to ensure the policies are set in a way that doesn't negatively impact overall housing production or market rate prices.
- Q:** During the pandemic we see that internet access is vital. Has internet been considered as a cost to be included in the range of affordability within the program, to make sure internet is affordable and to enable internet access to be provided as a basic service?
- A:** The definition of affordable is inclusive of utilities, such as hydro, gas and water, but not optional charges, such as parking and internet. These are not included as these are optional. The inclusion of additional costs is something to look at in the future.
- Q:** Will you ensure that the buildings with off-site affordable units have to maintain those units for 99 years, even if the building is redeveloped?
- A:** Yes. The land owner would be required to enter into an agreement with the City to ensure the housing is affordable for the 99 year period.
- Q:** Can the province veto a City decision re affordable housing?
- A:** This depends on what the decision is. When it comes to IZ, we don't have to get the policy approved by the province, but they can appeal it, and we would have to go through the appeal process.
- Q:** How many PMTSA's are in Phase 1, and how long will each individual PMTSA planning and approval take? When would all of the Phase 1 PMTSA processes be completed and approved by the Province?
- A:** There is a work program for the City's Municipal Comprehensive Review, which outlines our work plan for the MTSA's and PMTSA's. We don't know how many transit stations are to be included in Phase 1 and will share the report on the City's website. The intention is that the MTSA's will be brought forward between now and 2022. Timing depends on the province and how long it takes for them to approve the PMTSA's. Note: the work program can be found here:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH14.4>
- Q:** Will different zoning requirements apply to affordable housing...for example, less/no need for parking allowances.
- A:** This is not yet set out in the policy. Right now the city-wide zoning bylaw has a different parking rate for affordable housing to secure lower rates for affordable housing projects. We still need to finalize and confirm this aspect. We expect that the affordable housing units will look and feel like the market rate housing.

- Q:** Steve Pomeroy and Maytree conducted an IZ study for Toronto recently. This group found that Toronto could implement much stronger IZ policies. What do you say to their findings?
- A:** We are aware of the Maytree report and have read it. Some of the high-level recommendations in the Maytree report have been incorporated in our draft policy. For example, securing a 99 year affordability period, setting IZ at variable rates depending on the geography, and phasing in the IZ policy over time. Both the Maytree report and the City's analysis undertaken to date has not looked at the short and long-term effects of the pandemic on housing in the city and what the long term impacts may be. This is something we would like to incorporate in our updated analysis.
- Q:** Why are low income (ODSP recipients) excluded for inclusionary zoning access?
- A:** IZ is used as a tool to address low and moderate income households. People with lower income need more assistance to address their housing needs. The City has been implementing programs that provide housing support for those with deep affordability needs and there could be opportunities to layer on other programs like rent supplements with IZ units to achieve more deeply affordable rents.
- Q:** How does the City plan on overseeing the development and delivery of the affordable units?
- A:** We are developing IZ implementing guidelines that will include an implementation and monitoring plan. We will be consulting on these as we continue to refine the policies.
- Q:** Regarding the threshold of units, what about using non-profits to see if they would want to manage small scattered units?
- A:** The experience from other jurisdictions have found this challenging; but yes, absolutely we have been consulting with not-for-profit sectors on the IZ policy. We have gotten different opinions, where some want to manage larger blocks of units and others have the capacity to manage a small number of units in each building.
- Q:** From the viability study, the core is good for 20% IZ, so why not have variable IZ requirements depending on the market?
- A:** This is something we have proposed in the draft policy, where we've established strong and moderate market areas, with a higher requirement applying to strong areas. However, as we talked about in the presentation another option we are considering is creating a third category for "very strong markets" for the strongest market areas where even higher requirements could apply.
- Q:** Montreal is moving from 30% IZ to 40% IZ as of 2021. Why is Toronto so timid by proposing a maximum of only 10 percent? Vancouver is 20 percent.
- A:** We have looked to past experiences from other cities that have IZ or some form of IZ. It can be hard to compare cities with an apples to apples comparison as each city has unique requirements, such as involvement from the province, financial and market conditions. For example Montreal, has greater provincial support.
- Q:** Seeing as the feasibility study showed that typical condo developments in 8/11 of the market areas could feasibly support AT LEAST 20% affordable set-asides, why did you not ask how much higher set-aside rates each area would be able to support?

- A:** This is something we can consider as we update the analysis into the future, one of the considerations raised by the consultant is that we can get there eventually, but if we come out too strong with this, it could impact the land values, and we need time for the land values to adjust over time.
- Q:** How do you ensure the developer does not just recover the lost profits from affordable units from other regular units, which will drive the market price up?
- A:** Developers currently charge housing prices based on what the market can support. They can't increase the price outside of this, otherwise we would see housing prices increasing more rapidly. Because of this, leading studies of IZ policies in other jurisdictions found that affordable housing does not increase the prices of market rate units.
- Q:** Why did we decide to be shy of impacting land prices negatively? Surely the land values in Toronto are out of sync with incomes, so any reasonable policies that deteriorate land value are good policies.
- A:** One of the considerations that the consultants have cautioned is that, if land value is impacted too negatively, developers may choose to build other types of developments such as offices or in other areas of the city, or land owners choose to not sell their land for redevelopment, and we don't get new housing built at all.
- Q:** Why 99 years and not permanent? Nobody alive and developing today will benefit from the return-to-market rates after 99 years. Seems like taking from future generations for no benefit today.
- A:** This is a technical legal answer. The Land Titles Act allows restrictions to be put on titles, but requires an end date. The titles can't be in perpetuity.
- Q:** How will the policy address COVID and the impact on housing prices? One of the effects that was stated about negative impacts to land value, for example the landowner would decide to build an office, or build outside of the IZ areas, aren't bad outcomes, as offices create jobs and development in the outer areas are positive and are needed. I don't understand how why it's a bad thing to push land values down, we want land values to go down in Toronto, they are too high.
- A:** We will monitor housing trends and address the housing and financial analysis and the research that is available on the market analysis from this year. It is also important to note that we consult extensively with the development industry. We are listening to them and their key concerns on the market. We also look at the number of development applications received, and we see these are increasing. We will continue to monitor the policies to course correct and reflect the current environment.
- C:** One of the effects that was stated about negative impacts to land value, for example the landowner would decide to build an office, or build outside of the IZ areas, aren't bad outcomes, as offices create jobs and development in the outer areas are positive and are needed. I don't understand how why it's a bad thing to push land values down, we want land values to go down in Toronto, they are too high.
- A:** This goes back to 3 primary goals for IZ:
1. Increase supply of Affordable Housing

2. Encourage equitable and complete communities
3. Continue to support market housing by increasing housing supply

Q: What proportion of households in the targeted income brackets will be helped by this and other housing policies? And how can we get to 100% housing affordability?

A: IZ is typically a tool to address the housing needs of low-to-moderate income households. We know that IZ on its own will not address all of Toronto's housing needs. It is one tool among a range of actions identified in the HousingTO 2020-2030 Action Plan. The Housing Plan's target over the next 10 years is to create / approve 40,000 units through IZ and other policies. The IZ policy is being developed alongside other City housing initiatives, such as Housing Now, modular housing and Open Door to build more affordable housing for everyone. We know IZ will be an important tool to help with affordable housing. The full HousingTO Action Plan can be found here: toronto.ca/housingplan

Q: Has it been decided if the IZ policy is mandatory or incentive based?

A: It would be mandatory for development in the areas that we spoke about. We will consider providing incentives where a development is proposing to exceed the minimum number of housing units to encourage more affordable housing units.

Q: What is the criteria to determine "viability"?

A: This is outlined in the consultant report. They looked whether the land value for a development with IZ would be at least 10% greater than existing land value for it to be valuable enough for the owner to sell their land for redevelopment.

Q: It was discussed that the goals for IZ include that you want to continue market-based solutions to housing, but a lot of people would agree that the market has failed as basically any household making \$70,000 can't afford to live in Toronto. Why are we pursuing market solutions when the market has failed? Why are we trusting the market when the market has failed?

A: We have been examining other tools to help develop more affordable housing units already. For example, we try to use City-owned land, capital funding, development charge exemption, and other financial tools that the City has to build affordable housing City-owned and private owned land. With the increasing need of affordable housing, we know this isn't enough. Through HousingTO, the City has a more aggressive plan to build affordable housing. IZ will be a new tool to the toolbox to build affordable housing as well.

Q: If we don't expect to be able to make affordable units available until 5-6 years from now (if we start looking at the moderate development areas until 3 years out) does that mean, by the time the City looks at it, change will not happen for up to 9 years?

A: As development applications come forward, it takes time to move from policy to approvals to units being built, however it would be a more immediate change once IZ is implemented.

Closing

The meeting concluded at 8:00 pm.

Please contact Christine Ono regarding any errors or omissions at Christine.Ono@toronto.ca.

Inclusionary Zoning Public Meeting Summary

Second Round of Consultation - Virtual Public Meeting #2

Meeting Summary

Date/Time: Thursday November 5, 2020
12:00 – 2:00 pm

Location: Virtual Public meeting held online using WebEx

Staff: Deanna Chorney (City of Toronto - Planning)
Christine Ono (City of Toronto - Planning)
Narmadha Rajakumar (City of Toronto - Planning)
Abigail Bond (City of Toronto - Housing Secretariat)
Mercedeh Madani (City of Toronto - Housing Secretariat)
Karla Kolli (Dillon Consulting Limited)
Ryan Siersma (Dillon Consulting Limited)
Miriam Bart (Dillon Consulting Limited)

Meeting Overview

On Thursday, November 5, 2020 the City of Toronto (City) hosted the second of three virtual public meetings for the second round of the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held online using Webex.

12:00 - 12:35 pm	Introduction and presentation on Inclusionary Zoning Updates and Affordable Housing Definitions
12:35 - 12:50 pm	Q&A
12:50 - 1:05 pm	Presentation on Inclusionary Zoning Draft Policies
1:05 - 1:25 pm	Q&A
1:25 - 1:40 pm	Presentation on the Financial Impact Analysis
1:40 - 1:55 pm	Q&A
1:55 - 2:00 pm	Wrap up and next steps

The primary objective of this meeting was to provide an update on the draft Inclusionary Zoning Policies and Affordable Rental Housing Definition. The event was widely promoted through social media, 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 over 1,000 subscribers on the City of Toronto's Inclusionary Zoning and Housing Plan E-Update lists and shared with City Councillors who

distributed meeting notices to their residents. Approximately 148 participants attended the meeting.

Meeting Notes

Presentation

At 12:00 pm, Dillon Consulting began the presentation providing opening remarks, welcoming members of the public, and reviewing the agenda and purpose of the meeting. Following that, a presentation describing the affordable housing definitions, draft Inclusionary Zoning Policy and the Financial Impact Analysis was given by City of Toronto staff. At various points throughout the presentation, Dillon Consulting facilitated question and answer periods.

Key Themes from Meeting Discussions

Several questions and comments were submitted throughout the presentation through the Q&A and hand raising functions available on Webex. A wide variety of questions were posed to the panel and are detailed in the following section. Questions that could not be answered during the meeting due to time constraints were recorded and will be consolidated with other sessions in an FAQ on the project website.

The key themes that emerged during the Q&A include:

Depth of affordability

Some participants expressed concern that those in need of deeper affordability are not eligible for IZ units and continue to be left behind by programs and policies. Participants were curious about what other programs were available in addition to IZ for those that need more support. City staff explained there are other programs at the City that target deeper affordability, such as the [Modular Housing Initiative](#), and the intention of IZ policies is to help with mid-level affordability. Inclusionary zoning as a policy tool typically addresses the needs of those in the \$30,000 to \$70,000 income range. It is challenging to provide deeper affordability without program funding.

Methodology

A number of participants had questions about the methodology used to develop the draft IZ policies. Some participants advocated that the City look into other jurisdictions and what worked well there and indicated that other cities have implemented stronger policies with higher requirements. Some participants also advocated for the methodology to include changes in the market due to COVID-19. Some participants also asked if the city could require the majority of units to be rental noting that there is a higher need for rental units in the city.

Unit Set Aside

Unit Set Aside is the proportion of square footage or units that the IZ policy requires be set aside for affordable housing within new developments. While the policy proposes a set aside rate of 5-10% on new condominiums, many participants advocated for a higher level expressing that they would prefer to see 20% or greater in strong market areas. Another common remark was that the City should consider a variable set aside based on geography.

Implementation and Monitoring

Participants wanted to know how IZ would be implemented and monitored over time to ensure affordability was maintained in the long term. Other participants wanted to know if the IZ policies would be flexible enough to adjust to rapidly changing circumstances as needed, given the impacts that COVID-19 has already has on the market. Some individuals felt that the IZ feasibility study should be redone in light of the pandemic. Additional suggestions for leveraging partnerships with non-profit housing organizations were encouraged.

Affordability period

Participants were curious about how long IZ units would remain affordable, and what mechanisms would be in place to secure long term affordability. Some individuals were concerned with the long-term affordability of the inclusionary zoning units including an interest in around securing units and ensuring they remain affordable over time. Some individuals expressed a desire for a permanent affordability period (not 99 years as presented) while others advocated for delaying a decision on IZ based on the rapidly changing environment presented by COVID-19.

Role of the province

Participants had questions about the role of the province in shaping IZ policies and other housing related initiatives such as the foreign buyer tax, and if the province might make changes to IZ in light of the changes due to COVID-19.

Design

Several individuals had questions about the design of the IZ units, expressing a desire for the IZ units to be as livable and high quality of the market rate units. Concerns over accessibility was also raised, with individuals expressing the desire for a certain percentage of units to be accessible for occupants and visitors.

Questions and Answer Period

The questions and comments during the Q&A periods are 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”.

C: IZ policies don’t address the needs of low income households.

A: IZ is a tool that is intended to focus on low to moderate income households, and is not typically used to target those with deep affordable housing needs without layering on other housing programs. IZ is one tool in the tool box that contributes to the broader system for affordable housing. The City is working on other initiatives as part of the [HousingTO 2020-2030 Action Plan](#) for those that need more support and more affordable rents. For example, the [Modular Housing Initiative](#) that provides housing and other social supports for those transitioning out of homelessness.

Q: Is the City looking into working with the Province to implement foreign buyer legislation similar to B.C.?

- A:** The City has done some work around this and has examined the issue of vacant units. This work looked at vacant units as part of the housing system to ensure that units are being used as housing. This study is not directly related to IZ policies, though the question acknowledges the effect that speculation has on the housing market, and the City has looked at bringing in a vacant home tax. This will go to Council for consideration later this year, or early next year. The speculation tax is implemented by the provincial government in BC, where ours would be a municipal tax. There has been a request to the Province to do something like this in Ontario.
- C:** If we are all aware that Toronto is in need of rentals more than ownership units, and we all know that far more condos are built than purpose-built rentals, should we not stipulate that the majority of IZ units be rental, wherever they are built?
- A:** The Provincial legislation under the Planning Act does not allow us to require a certain tenure for housing. The type of housing created would be up to the developer. We do have the tools and experience of securing affordable rental housing in condo developments through Section 37 to get a mix of tenure in one development.
- Q:** How will the City control affordability once an affordable unit is sold? Will there be any policies to restrict the owner on selling the affordable unit?
- A:** With IZ, the landowner is required to register an agreement with the City to ensure that the housing stays affordable for 99 years. This agreement runs with the land, so would apply to future landowners. We are also looking at securing partnerships with non-profits that would help us to secure affordable ownership units for the long term. IZ affordable ownership units would need to remain affordable for the full 99 years, meaning there would be restrictions on the resale price of the unit after the first owner and for every owner within the 99 years to ensure affordability is maintained and the unit is not resold at a price higher than the affordable ownership definition. When an owner of an affordable ownership unit sells their home, they would benefit from any equity they accrued, as well as potentially a portion of the increase from the affordable ownership price the unit was originally sold at and the current affordable ownership price.
- Q:** How is IZ applied to existing communities and neighbourhoods?
- A:** For existing applications, if the developer submitted their application before Jan 2022, we won't be applying IZ to those projects that are already under review or under construction.
- Q:** Has this study looked at existing housing needs at a neighbourhood level?
- A:** We have a number of non-profit and organizations that run affordable housing, and as these operating agreements close, we are aware that we might lose these units. We are monitoring this to ensure that the existing supply of purpose-built rental and affordable housing is maintained, and we continue to look at this. The project team did an in-depth study on which areas have affordable housing needs. This has helped us to understand where the need for affordable housing exists. The Housing Need and Demand Analysis is available here:

<https://www.toronto.ca/wp-content/uploads/2020/09/9730-CityPlanning-IZ-Assessment-Report-Need-and-Demand-2020-update.pdf>

- Q:** Could the IZ policy include a requirement that developers welcome the addition of Rent Supplement in order to broaden the range of people that can be served?
- A:** We are doing this as part of our other affordable housing programs. For example, in some cases we have a requirement that approximately 20-25 % of the development is affordable housing. In addition, we have a modular housing program where 100% of the units go to those with affordable housing needs. IZ will be another tool to help people access affordable housing.
- Q:** If Provincial regulations only allow IZ in PMTSAs, what authority does the City have to require it in strong and moderate market areas? Is a strong market area the only criteria for implementing IZ?
- A:** In the [Housing Need and Demand Analysis](#), we outline the criteria we used to determine IZ strong and moderate market areas. This included:
- if the prices are higher than city-wide average; and,
 - the financial viability analysis shows that the area could continue to support development viability with IZ requirements.

We welcome comments on this aspect of the policy, please send us comments on this.

- Q:** What happens in municipalities when there are no PMTSAs?
- A:** Other municipalities in Ontario, such as Kitchener, Waterloo, Cambridge, Markham, and Ottawa are also looking at IZ. Toronto has most PMTSAs in the GTA. If a municipality doesn't have a PMTSA, they can't implement IZ unless they have Development Permit Areas that have been ordered by the Minister of Municipal Affairs and Housing. We have been continuously asking the Minister for the authority implement IZ outside of PMTSAs, but have not been successful in our requests to date.
- C:** I'm hearing a contradiction between IZ and affordable housing and the different criteria to define what affordable is. Affordable to who really? And does someone with a \$70,000 income need help from someone from the City to find affordable housing? Low income communities continue to be left behind, such as those earning less than \$15,000 to \$20,000 in Parkdale or South Mimico. These people are losing their homes because the landlords are renovating. People are living in fear. I'm glad to see that the affordable definition is changing. I hope that the definition is geared toward addressing the needs of the tenant, not the needs of the landlord. We should make sure people only pay 30% of their income. People would be able to afford housing then.
- A:** IZ is just one of the tools we can use to create more affordable housing. We recognize that everyone needs an affordable home. IZ is a longer-term solution to address affordable housing in the City. Shorter term actions are in the HousingTO Action Plan. We continue to advocate to the federal and provincial governments to provide more subsidies to help people

afford housing under the Ontario Housing Benefit. This would give people monthly financial assistance to help them pay their rent.

Q: I am looking for more clarification on the affordable ownership units. I'm hearing that these would be monitored by a not-for-profit organization, and when a person goes to sell these, would they be limited in how much they could sell it for?

A: Yes, how you described it is correct. When a person who owns an affordable unit goes to sell the unit within that 99 year affordability period, they would be required to sell it at a lower rate so it remains affordable.

Q: Is there an indication that the province will repeal the policy due to COVID-19?

A: We haven't heard anything, and it is hard to guess what the province might do. We want to bring forward a policy we know will be successful; that's why we are updating the financial impact analysis to consider the current situation.

Q: Of the 2000+ units that would have been affordable annually in the past 5 years, what would have been the split of owner vs renter?

A: It is difficult to look back and see how many units could have been secured as affordable rental units because we don't have the legal ability to require a certain tenure. We've only been able to use IZ since 2018, but the past trends give us an indication of how much could have been built.

Q: If a development application is approved by way of Zoning By-law Amendment prior to January 1, 2022 but then later requires a minor variance due to a desired minor change to the building and this is submitted post January 1, 2022, would the IZ policy apply?

A: We have proposed a draft transition policy. If an application is submitted and deemed complete before January 1, 2022, IZ wouldn't apply. If the zoning was in place before January 1, 2022 and an application is made for a minor variance later in 2022, IZ would apply if the application is located in a PMTSA and is proposing an additional 100 units and 8,000 square metres of GFA (if located within the downtown) or an additional 140 units and 10,000 square metres GFA (if located in other IZ areas).

Q: In regards to off-site affordable units, what protections exist to ensure the units are of similar quality, amenities and community access as the project?

A: We are proposing that the same requirements would apply to off-site units. We will be looking to include guidance in the implementation guidelines to ensure off-site and on-site units meet the same standards in terms of design, amenities, functional efficiency etc..

Q: If affordable units are provided for in condominiums, do the proposed IZ rental rates take into consideration the condo maintenance fees that will be required to be paid by the IZ rentals as well as the increases in condo maintenance fees over time?

- A:** Rental units would be carved out of the condominium, so they don't pay condo fees. Condo fees for ownership units could be factored into the affordable price. This has come up in other consultations, and we are looking at how to address this in the IZ framework.
- Q:** There wasn't any mention of accessibility for visitors or owners/renters. A quarter of the population has accessibility needs for housing. How does IZ account for this?
- A:** Affordable housing units created through IZ would need to meet the Building Code requirements, including the accessibility standards requirement. If you have comments about ensuring accessibility we would love to hear them.
- C:** The Building Code only requires that 15% of apartments be visitable, not accessible enough to live there.
- Q:** Will the program be monitored over time so the prices will adjust according to average income, even for IZ units already built?
- A:** The way that the implementation practice has worked to date is, when units turn over within the 99 year period, they are required to be re-rented or sold at affordable rents or prices. We will be reporting on the IZ units every two years to ensure they remain affordable over time. As part of our work on the implementation guidelines, we are looking at an access plan to ensure the units are offered to those in need of affordable housing.
- Q:** Regarding the transitional period, Montreal has proposed 15% affordable housing on a voluntary basis for their IZ policy. Has the city considered a more flexible approach?
- A:** We have looked at other cities like Montreal. In Ontario, we are looking at a mandatory approach, rather than a voluntary approach. We do use other tools like Section 37 to secure affordable housing in developments on a voluntary basis through site by site negotiations. The benefit of Inclusionary Zoning is getting clarity upfront about how much affordable housing we can secure in the future. We also have experience with an incentive-based approach through our Open Door program, which provides city financial incentives for building affordable rental housing.
- Q:** Does any part of this policy apply to co-ops, or do they fall under different legislation?
- A:** We will not be applying to IZ to co-ops or other forms of housing (e.g. non-profit housing) that the province has excluded.
- Q:** What prevents the developer from making units smaller and less livable than market rate units?
- A:** We have a policy that outlines that the unit mix of the affordable housing will reflect the market component of the development to achieve a balanced mix of unit types and sizes. For example, developments located in the Downtown Secondary Plan are required to provide at least 40% of the units as two- and three-bedroom units. For these developments we would like to see 40% of the affordable units also provided as two- and three-bedroom units. The implementation guidelines will provide guidance for the size, and layout to ensure the layouts are livable.

- C:** The map with PMTSAs may not reflect what the city looks like in 6 years from now. Given this length, how will the policy consider what the city will look in the future?
- A:** We are required to do an assessment report after 5 years, but we are recommending a 3 year review to make sure we are on track and to recognize that affordability and the housing market will change over time.
- Q:** Based on your study, 8 to 11 zones are viable for implementation. Why are you going for a 10% requirement rather than the full 20%?
- A:** The draft policy we put forward is intended to reflect our three goals for IZ of increasing the supply of affordable housing, creating more inclusive and equitable communities, and continuing to encourage market housing development by supporting a diverse range of housing supply. In developing the draft policy, we were considering shifts in the housing market due to COVID-19 and advice from our consultant that we should increase requirements over time to allow the land markets to adjust. We have looked at experience from other jurisdictions (such as New York), that start with an incentive-based approach and move to a mandatory requirement over time. One city we looked at in California started with high requirements early on and then lowered the requirements after a follow-up analysis demonstrated that lower requirements would result in a more successful policy.

Closing

The meeting concluded at 2:00 pm.

Please contact Christine Ono regarding any errors or omissions at Christine.Ono@toronto.ca.

Inclusionary Zoning Public Meeting Summary

Second Round of Consultation - Virtual Public Meeting #3

Meeting Summary

Date/Time: Tuesday November 10, 2020
7:00 – 9:00 pm

Location: Virtual Public meeting held online using WebEx

Staff: Deanna Chorney (City of Toronto - Planning)
Christine Ono (City of Toronto - Planning)
Narmadha Rajakumar (City of Toronto - Planning)
Abigail Bond (City of Toronto - Housing Secretariat)
Mercedeh Madani (City of Toronto - Housing Secretariat)
Karla Kolli (Dillon Consulting Limited)
Ryan Siersma (Dillon Consulting Limited)
Miriam Bart (Dillon Consulting Limited)

Meeting Overview

On Tuesday, November 10, 2020, the City of Toronto (City) hosted the final of three virtual public meetings for the second round of the Inclusionary Zoning (IZ) Engagement and Consultation program. The meeting was held online using Webex.

7:00 - 7:35 pm	Introduction and presentation on Inclusionary Zoning updates and Affordable Housing Definitions
7:35 - 7:50 pm	Q&A
7:50 - 8:05 pm	Presentation on Inclusionary Zoning Draft Policies
8:05 - 8:25 pm	Q&A
8:25 - 8:40 pm	Presentation on the Financial Impact Analysis
8:40 - 8:55 pm	Q&A
8:55 - 9:00 pm	Wrap up and next steps

The primary objective of this meeting was to provide an update on the draft Inclusionary Zoning Policies and Affordable Rental Housing Definition. The event was widely promoted through social media, 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 over 1,000 subscribers on the City of Toronto's Inclusionary Zoning and Housing Plan E-Update lists and shared with City Councillors who distributed meeting notices to their residents. Approximately 118 participants attended the meeting.

Meeting Notes

Presentation

At 7:00 pm, Dillon Consulting began the presentation providing opening remarks, welcoming members of the public, and reviewing the agenda and purpose of the meeting. Following that, a presentation describing the affordable housing definitions, draft inclusionary Zoning Policy and the Financial Impact Analysis was given by City of Toronto staff. At various points throughout the presentation, Dillon Consulting facilitated question and answer periods.

Key Themes from Meeting Discussions

Several questions and comments were submitted throughout the presentation through the Q&A and hand raising functions available on Webex. A wide variety of questions were posed to the panel and are detailed in the following section. Questions that could not be answered during the meeting due to time constraints were recorded and will be consolidated with other sessions in an FAQ on the project website.

The key themes that emerged during the Q&A include:

Unit Set Aside

Unit Set Aside was a significant topic of discussion among participants. Unit Set Aside is the proportion of square footage or units that the IZ policy requires be set aside for affordable housing within new developments. While the policy proposes a set aside rate of 5-10% on new condominiums, many participants advocated for a higher level expressing that they would prefer to see 30% to 40% in strong market areas. A number of participants suggested that the city consider an incentive-based approach for securing affordable housing units, such as density bonusing to secure affordable housing units over the mandatory approach being proposed in the draft IZ policy. Some participants also noted that rental units are needed over ownership units and inquired if tenure could be mandated in the policy.

Depth of Affordability

Some participants expressed concern that those in need of deeper affordability are not eligible for IZ units and continue to be left behind by programs and policies. Participants were curious about what other programs were available in addition to IZ for those that need more support. City staff explained there are other programs at the City that target deeper affordability, such as the [Modular Housing Initiative](#), and the intention of IZ policies is to help with mid-level affordability. Inclusionary zoning as a policy tool typically addresses the needs of those in the \$30,000 to \$70,000 income range. It is challenging to provide deeper affordability without program funding.

Implementation and Monitoring

A number of participants wanted to know how the City would ensure affordable units would be targeted towards families and individuals in need, and how IZ would be implemented and monitored over time to ensure affordability is maintained for the long term. Other participants

wanted to know if IZ policies would be flexible enough to adjust to rapidly changing circumstances as needed, given the impacts that COVID-19 has already had on the market. Additional suggestions for leveraging partnerships with non-profit housing organizations were encouraged.

Design

A number of participants inquired about the design of the IZ units, expressing a desire for the affordable units to be as livable and high quality as the market rate units. A number of participants also raised concerns over accessibility, expressing the desire for a certain percentage of units to be accessible for both occupants and visitors. Additionally, some participants inquired about the design of off-site units, noting that they should also be comparable to market units and include accessible units.

Role of the Province

Some participants expressed frustration with the limits that the province has placed on where IZ can be implemented in the city to only PMTSAs, and suggested that the City advocate for changes to the provincial government to permit IZ in more locations throughout the city. Other participants asked clarification questions regarding the process for provincial oversight on policy implementation.

Question and Answer Period

The questions and comments during the Q&A period are 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: Why doesn't the affordable definition include those that make under \$30,000?

A: We want to clarify that the City has other affordable housing programs for those making less than \$30,000. One example is the [Modular Housing Initiative](#) that helps people transition from homeless shelters to supportive housing. Through this program, housing costs are geared to income.

Q: I am wondering why IZ is only within Protected Major Transit Station Areas? Why is it only permitted in this radius?

A: The province has established that the City can implement IZ around transit stations and we have to follow that guideline. We assume this is because the province wants to see affordable housing around transit stations where growth is being targeted to support that infrastructure where significant public investments have been made.

Q: Seeing as you are proposing a wide range of definitions of affordability, how will the City ensure new affordable units are targeted towards communities with higher affordability needs? Will the City prepare a plan and targets in advance?

A: Through the [HousingTO 2020-2030 Action Plan](#), the City has a target of approving 40,000 affordable housing units. Approximately 18,000 of these units will be housing with support

services for those experiencing chronic homelessness. Under this, we have a further target of 6,000 supportive housing units for those not experiencing homelessness, but need support in addition to affordable housing - for example, a person with a disability, etc. The remaining approximately 22,000 affordable rental and ownership homes are targeted toward those with a wider range of affordable housing needs, such as students, essential workers, and those making up to \$70,000 per year. This range is captured through IZ.

- Q:** The definition of Affordable Housing uses both the terms “income” and “earnings” e.g. “...households earning between the x and y percentile income”. Why is that?
- A:** There is no particular reason why we use those two separate terms. The definition looks at what people earn to ensure that affordable housing can be provided for people within the \$30,000 to \$70,000 household income range.
- Q:** Will the affordable units be the same size and quality as market units?
- A:** We are proposing to develop implementation guidelines to address this. When we secure affordable rental units now through tools like Section 37, we make sure it’s functionally the same as the market units. We would do this for IZ through the implementation guidelines.
- C:** This comment is related to the affordability definition. There seems to be an assumption that what people earn and what they need in terms of unit sizes is the same. You could have a limited income household that needs a 3 bedroom unit. How do you account for this in the calculation of affordability? RGI seems the way to go because it takes into account the household income and earnings.
- A:** We recognize that there are a range of incomes and needs for affordable housing in the city. The definition is just a starting point. There are a lot of programs that can support deeper affordability. This definition would be the framework to set rents on an annual basis. We looked at three person renter households (one adult and two children) to identify the maximum and minimum rents and incomes. This doesn’t take into consideration individual circumstances. There are other tools like rent supplements or housing allowances that can bridge the gap in between rent and income, or other housing programs that can achieve deeper affordability.
- Q:** My question is about the process as it relates to addressing the province’s requirement to only allow IZ around PMTSAs. We know that we need affordable housing across the city, and I am getting the sense that the province says we can’t, so we can’t. What happens if the City decides to push back and put forward a bold IZ policy that allows for IZ in other areas outside of PMTSAs, such as neighbourhoods that are in high need?
- A:** City council has repeatedly been making requests to the province to implement IZ outside of PMTSAs. This is something that was recently imposed by the provincial government. We want to use IZ in more areas across the city. If the City were to go ahead to implement IZ across the city, there is a real risk that the policy would be challenged at the Local Planning Appeal Tribunal, and wouldn’t be able to implement affordable housing in those areas. We have taken the route to ask the province for permission to apply IZ in other areas of the city.
- Q:** I have been waiting for IZ to be implemented in Toronto for a while. I am aware that it is used in a number of other cities as a tool for affordable housing. I’m wondering what

consultation has been made with other cities where their IZ plans include 20 to 30% affordable units, which is more ambitious than what is being proposed here?

- A:** We consulted with other cities on IZ policies. We held a speakers event last year with City officials from New York and Boston to discuss and learn from their IZ policies. We have also consulted with the City of Montreal and some other IZ leaders in the United States. Generally, one of the biggest pieces of feedback that we heard from the housing commissioner in New York City was to develop an IZ framework that is based on a financial feasibility analysis and use that as a basis for setting those percentages in the policy.
- Q:** Does the Inclusionary Zoning policy also speak to built form and seek to create housing that meets care occupancy? We are promoting built forms that will not support those that are aging and in need of support.
- A:** One of the comments we heard in other consultations was about securing accessible affordable units through IZ. This is something we hope to include in our implementation guidelines, and that the IZ units would at least meet the Building Code requirements for accessible units.
- Q:** How does the off-site affordable housing option guard against "ghetto-ization", i.e. grouping all the affordable housing together and, therefore, not creating a diverse community of varied incomes?
- A:** One of the requirements for off-site development is that it has to be located in another market area where IZ is applied. If those affordable units are not included in the on-site building it will be included in other areas where IZ is required. Off-site units will be approved at the City's discretion, so this is something that we will look out for when approving the off-site units.
- Q:** The Federal National Housing Strategy targets 2,400 units for individuals with developmental disabilities. How does IZ address this mandate?
- A:** This is a good comment and good reminder for us to consider while we develop IZ guidelines. As part of the city's overall affordable housing target, people with developmental disabilities are included as a target for supportive housing, where they would be provided support services along with affordable housing to meet their needs. Along with IZ, we have other tools to address a wide range of needs.
- Q:** I saw the income range in your chart for given unit sizes. Does that mean the rent is set based on the income of a given tenant? Who selects the tenant? Is this from a city list or the landlord?
- A:** Rent is determined based on the affordable rental definition. Those rents are set and published by the City on a yearly basis and are not set by an individual's income. As part of the implementation guidelines, we are looking to develop an access plan for tenants to determine who will be eligible, what eligibility requirements will be in place, and how do we ensure these affordable housing units are going to individuals and families in need of affordable housing.

- Q:** As we know, City staff can't tell a developer what tenure of unit to build for IZ, but we also know that Toronto badly needs rentals more than ownership. What will you do to incentivize developers to build rental IZ units, or what do you plan to do to incentivize ownership units?
- A:** Correct, we do not have the legal ability to require a certain tenure from a developer. It's something we will be looking at as we refine the IZ policy and guidelines to ensure we are getting affordable rental units through IZ, because we know there is a strong need for affordable rental housing in the city, with one in four renter households currently paying more than 50% of their income towards rent, and we are looking at how we address that in the policy.
- Q:** There are a number of comments in the Q+A that the policy should consider a higher percentage such as 30 or 40%. Can there be a market feasibility analysis that considers higher requirements than what is being proposed currently, including up to 40%?
- A:** We are planning to update the financial feasibility analysis, taking into consideration what we hear in this round of consultation. We have looked to other jurisdictions that have used higher percentages, though it can be challenging to compare one IZ policy to another in an apples to apples comparison. Each IZ framework is developed to their local housing needs and market conditions. Montreal, for example, has a 30% requirement, but their policy is supported by the provincial government to make that 30% possible and they don't require affordability for 99 years. For example in other jurisdictions such as New York, they started with an incentive-based approach then moved to a mandatory IZ policy with higher requirements. For Toronto, we are considering a mandatory approach. It can be challenging to pull one piece of a policy that worked in another city and apply it here.
- Q:** In regards to incentives for building affordable housing, would there be a threshold set for how many additional units/deep affordable housing units are provided? How would incentives be regulated?
- A:** We anticipate incentives will be addressed in the IZ implementation guidelines. We do have other program incentives for affordable housing, where we offer fee waivers and/or property tax waivers. In regards to IZ we wouldn't want to layer in those incentives until after the IZ requirements have been met, but we could after that point consider layering in addition incentives to go beyond the IZ requirement.
- Q:** If we don't expect the effects to kick in for another 5 years, shouldn't we be doing more now since it's so far in the future and we need affordable housing now. Also, developers may rush to get their projects in before January 2022, and isn't this process by extending the deadline out favouring developers with the timeline and other limitations?
- A:** Regarding the first part of the question, we are proposing to review the policy and financial feasibility analysis after 3 years, so there's an opportunity to capture more areas of the city over time, and potentially increase the number of units we are requiring. We have also gotten advice from our consultants and, based on the experience we have seen in other jurisdictions, we are proposing to introduce IZ requirements incrementally over time, in order to ensure project viability is supported.

Regarding the second question on transition, whenever the City introduces a new land use policy, we recognize that there will be a rush of applications when a date is set. Our rationale

for using the January 1, 2022 date is that it is when we expect PMTSAs to be approved by the Province, and we need these areas to be approved before we can implement IZ. If we moved that transition date a bit earlier, we might still not be able to implement IZ because we likely wouldn't have the areas approved by the Minister.

Q: Can IZ include affordable community event space?

A: Our draft IZ policies do not include affordable event space; we are only focused on creating affordable housing units. This is limited through the provincial legislation which only allows the City to require affordable housing units through IZ.

Q: Regarding the new updated feasibility study in regards to how COVID has changed the market, would you consider including higher percentages to see how we could push higher affordability beyond 20%? Why not consider 30% or 40%?

A: We are looking to update that analysis with market data reflecting COVID as well as to reflect what we are hearing during consultation, so we will take this forward to the new feasibility study to see if we should test higher percentages.

Q: Rather than implementing a policy that will reduce land values for landowners, has there been thought given to creating affordable housing by incentivizing developers, by allowing them to build more units if the units are allocated to affordable housing?

A: This is an approach we have seen in other cities, where they offer density bonuses or density increases in exchange for affordable housing requirements through their IZ policy. We are not proposing any additional density bonus being offered beyond what is considered good planning, taking into account existing planning policies in the Official Plan. This also goes back to the PMTSA requirement, where IZ is only being implemented in areas around station areas, where there have been significant public investments and we have to establish a detailed planning framework in advance. We do use somewhat of an incentive based approach currently through the Section 37 policy where, in exchange for additional height density permissions, we implement community benefits such as affordable housing. Through IZ, we want to shift this framework to a mandatory approach where IZ affordable housing requirements are mandatory.

Q: I am a little lost in regard to density. Density bonusing has been working well. When did the City decide to change this and why? It is difficult without density bonusing to attract developers.

A: We are not proposing any density bonusing beyond what is proposed and permitted in the existing Official Plan policies. This is because IZ is only being included in the PTMSAs. We have to undergo a detailed planning framework before we implement IZ policies, so this work needs to be done up front before the IZ policies are implemented.

Q: I'm wondering why you are not proposing to start with the highest feasible set aside rates for each area, which we have seen are higher than 20% in many areas. The purpose of the feasibility study is to figure out what areas wouldn't shock the market and allow developers and landowners to proceed.

- A:** As part of the financial feasibility analysis, we did test the higher requirements, and our consultants advised that if we started with the higher targets, there could be potential negative impacts on the number of affordable housing units built. Our consultants have recommended an incremental approach where the rates would increase over time. We will take this comment into consideration.
- Q:** If multiple developers choose to build their affordable units separate from their building, can they work together to build affordable housing together? Do the affordable housing units have to be in buildings with market units?
- A:** Developers could pool multiple off-site affordable units together, but this would be at the discretion of the City. This could be an opportunity to work with a non-profit to leverage deeper affordable units, and target the affordable housing units to different groups. There are no requirements in the policy for the offsite affordable housing units to be mixed with market units.
- Q:** Does affordable ownership require the owner to sell their unit at the price they paid, should they want to sell their unit in the future?
- A:** With affordable ownership units, the units would have to remain affordable over the 99 year period, meaning there would be restrictions on the resale price of the unit. When an owner of an affordable ownership unit sells their home, they would benefit from any equity they accrued, as well as potentially a portion of the increase from the affordable ownership price the unit was originally sold at and the current affordable ownership price.
- Q:** What percentage of those in need of affordable housing are actually seeking ownership?
- A:** We can't speak to the percent per se, but when we talk about the housing system in the City of Toronto, we look at the housing continuum, so everything from shelter, to social and affordable housing, to affordable rental, market rental and market ownership, they all need to be present to make up a healthy housing environment for our residents. We believe there should be housing for people across the housing continuum regardless of their income. We understand that both affordable rental and ownership are important parts of the housing continuum.

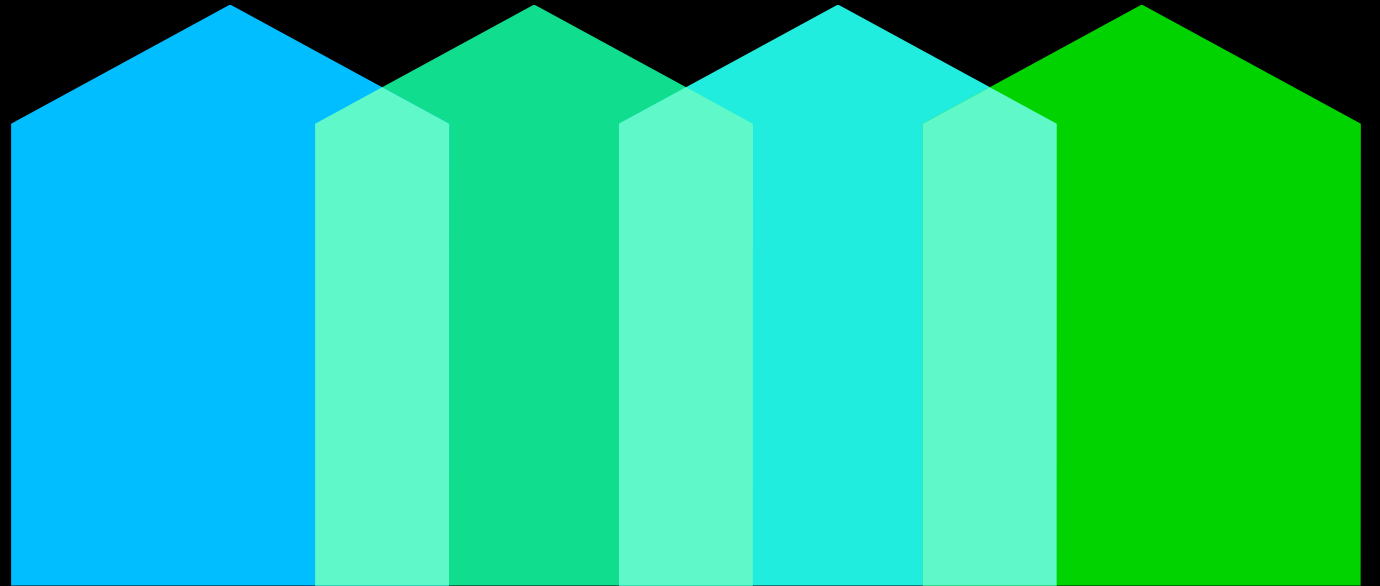
Closing

The meeting concluded at 9:00 pm.

Please contact Christine Ono regarding any errors or omissions at Christine.Ono@toronto.ca.

Inclusionary Zoning & Affordable Housing Definitions

Public Consultation Meeting



Having issues with audio?

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

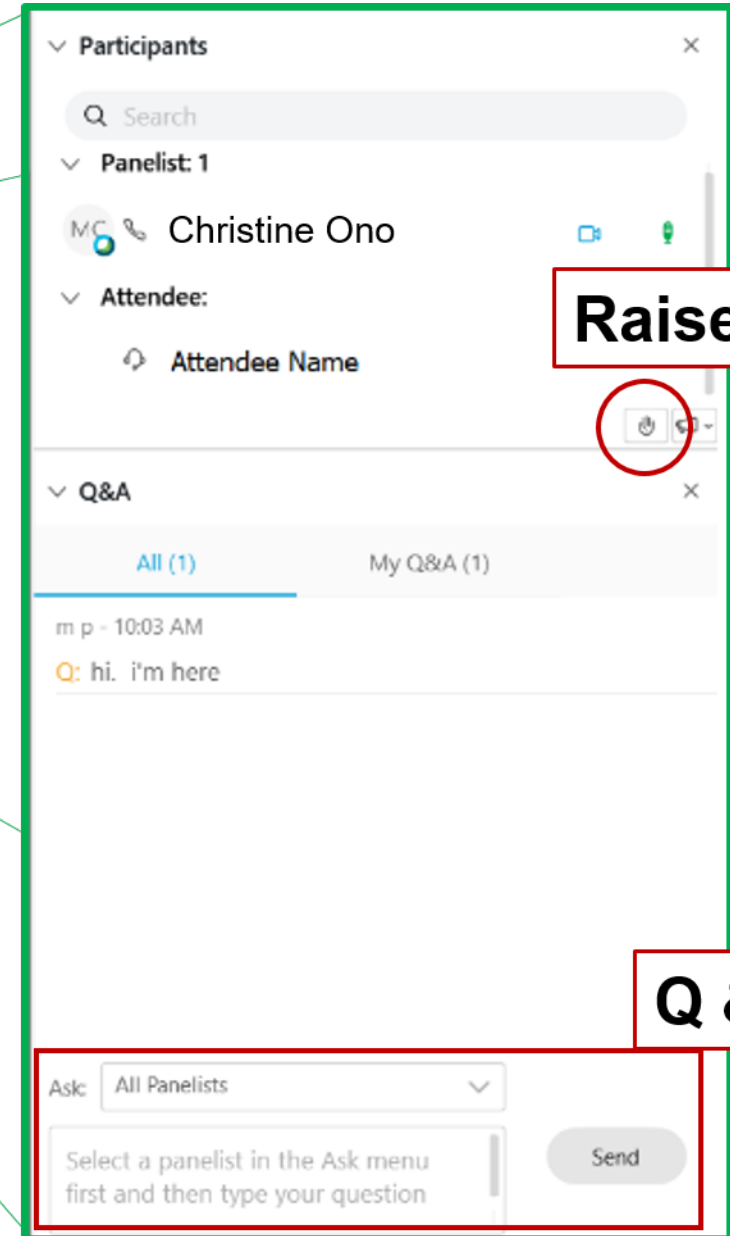
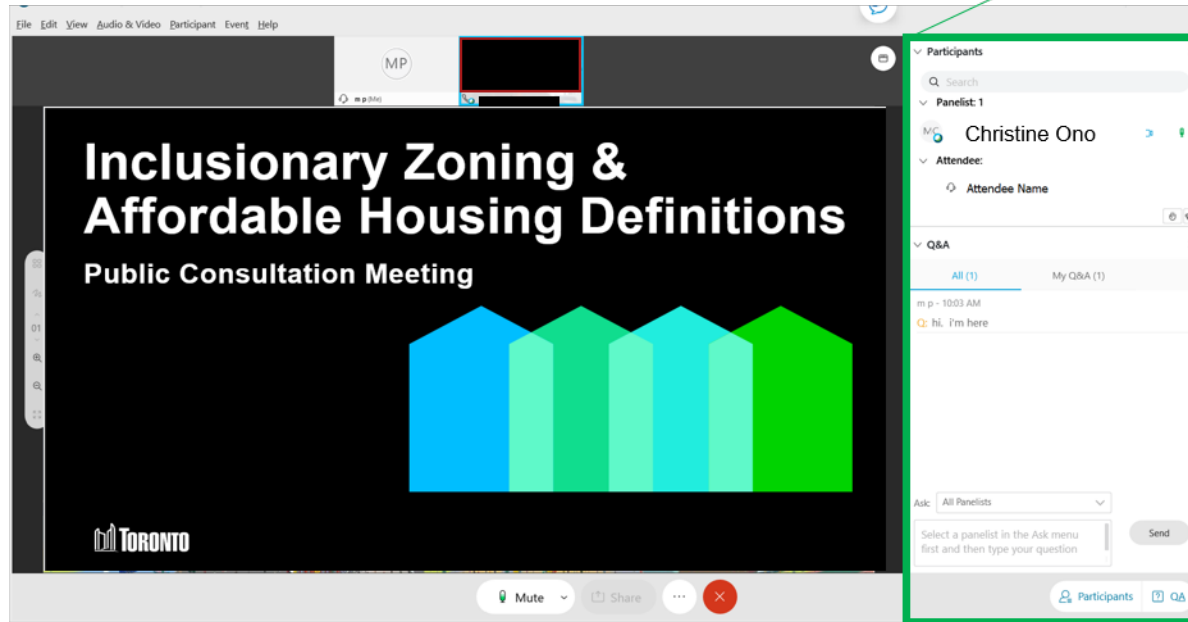
Option 2: Call in by phone:

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

Step 2: Enter the Meeting Access Code: **133 911 2796**

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 with a main screen and a side panel. The main screen displays a poll question: "Where are you joining us from?" with four options: a) Your home, b) Your work, c) Outside, and d) Other. The side panel shows the poll details, including the time elapsed (0:27) and the time limit (1:00). A red box highlights the poll question and options, with a red arrow pointing to the "C. Outside" option. Another red box highlights the "Submit" button at the bottom right of the side panel, with a red arrow pointing to it. The interface also includes a Q&A section and a "Submit" button at the bottom right of the main screen.

1. Select an answer

2. Click submit

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

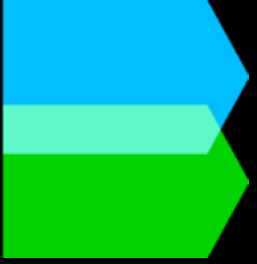
Mercedeh Madani

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

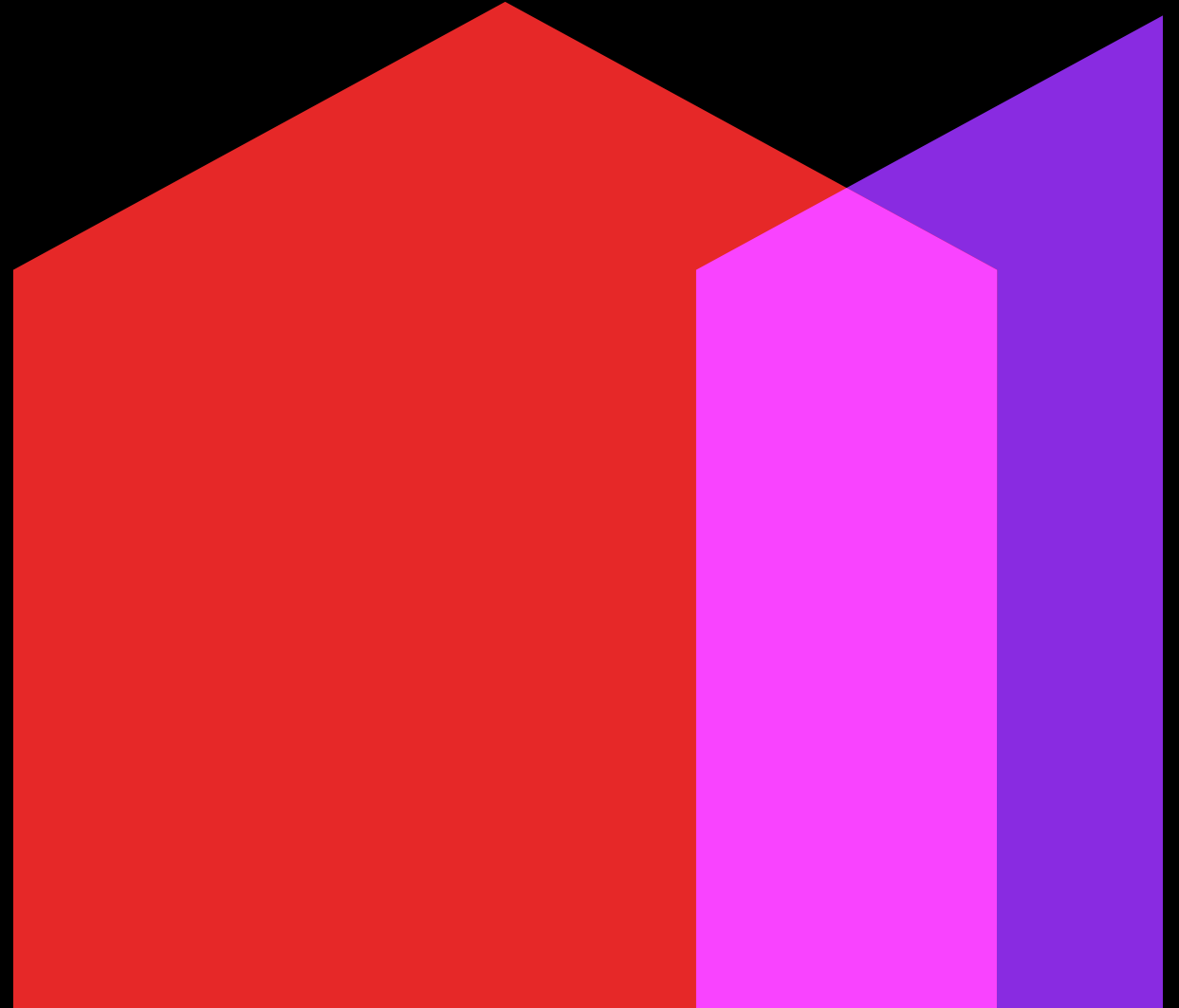


Where are you joining us from?

- 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

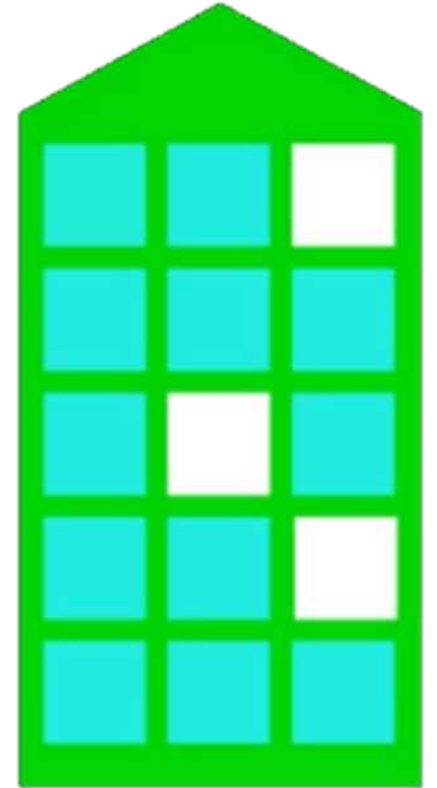
Modular Supportive Housing

Housing Now

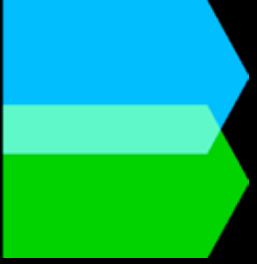
Open Door Affordable Housing Program

What is Inclusionary Zoning (IZ)?

Policy that will require affordable housing in new developments



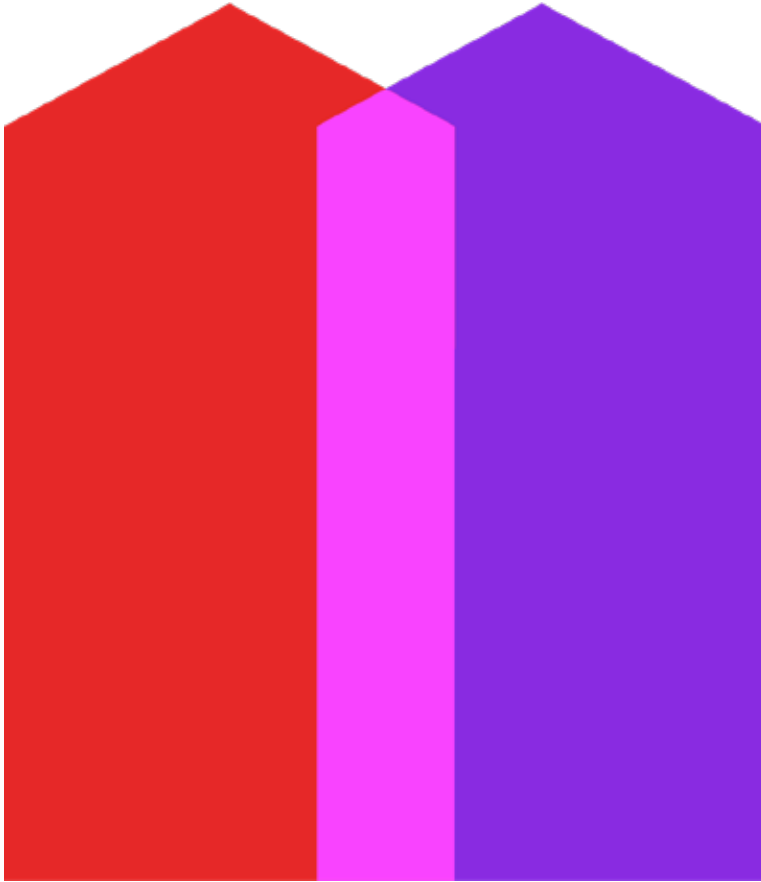
 affordable units



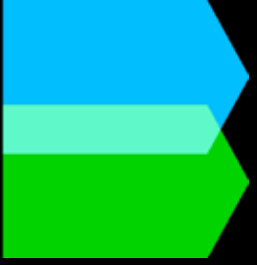
Why does the City want to implement inclusionary zoning?

- 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

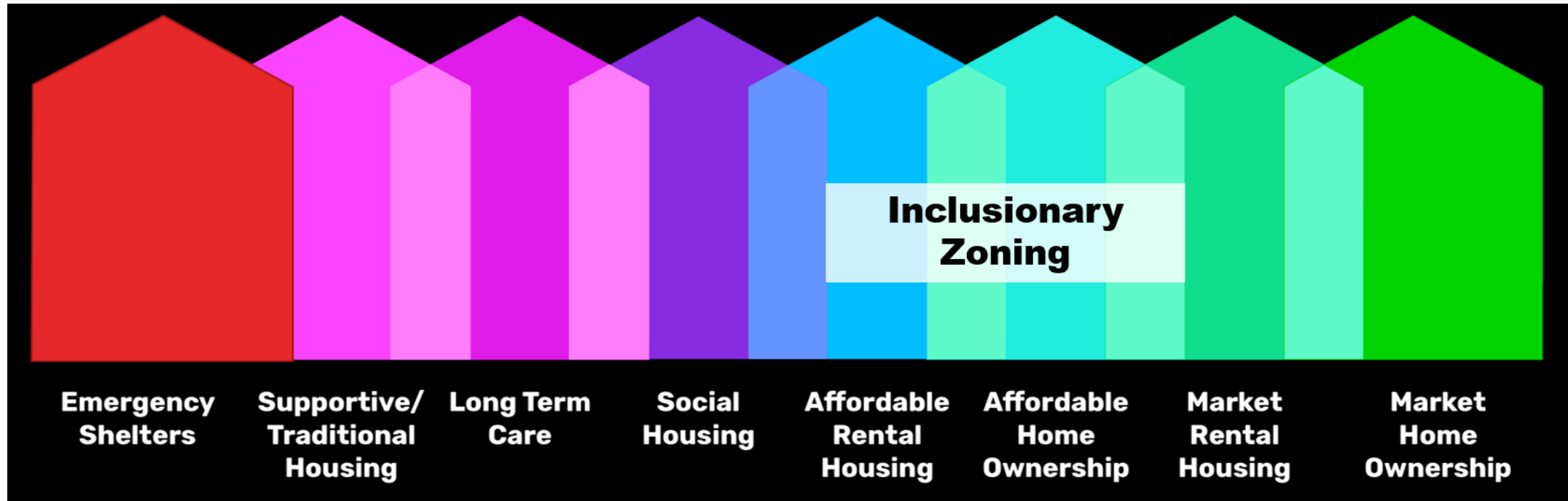


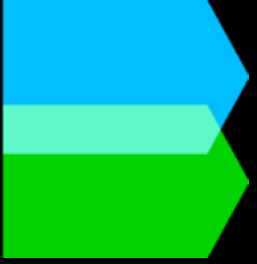
What household incomes are typically eligible for inclusionary zoning units?

- 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

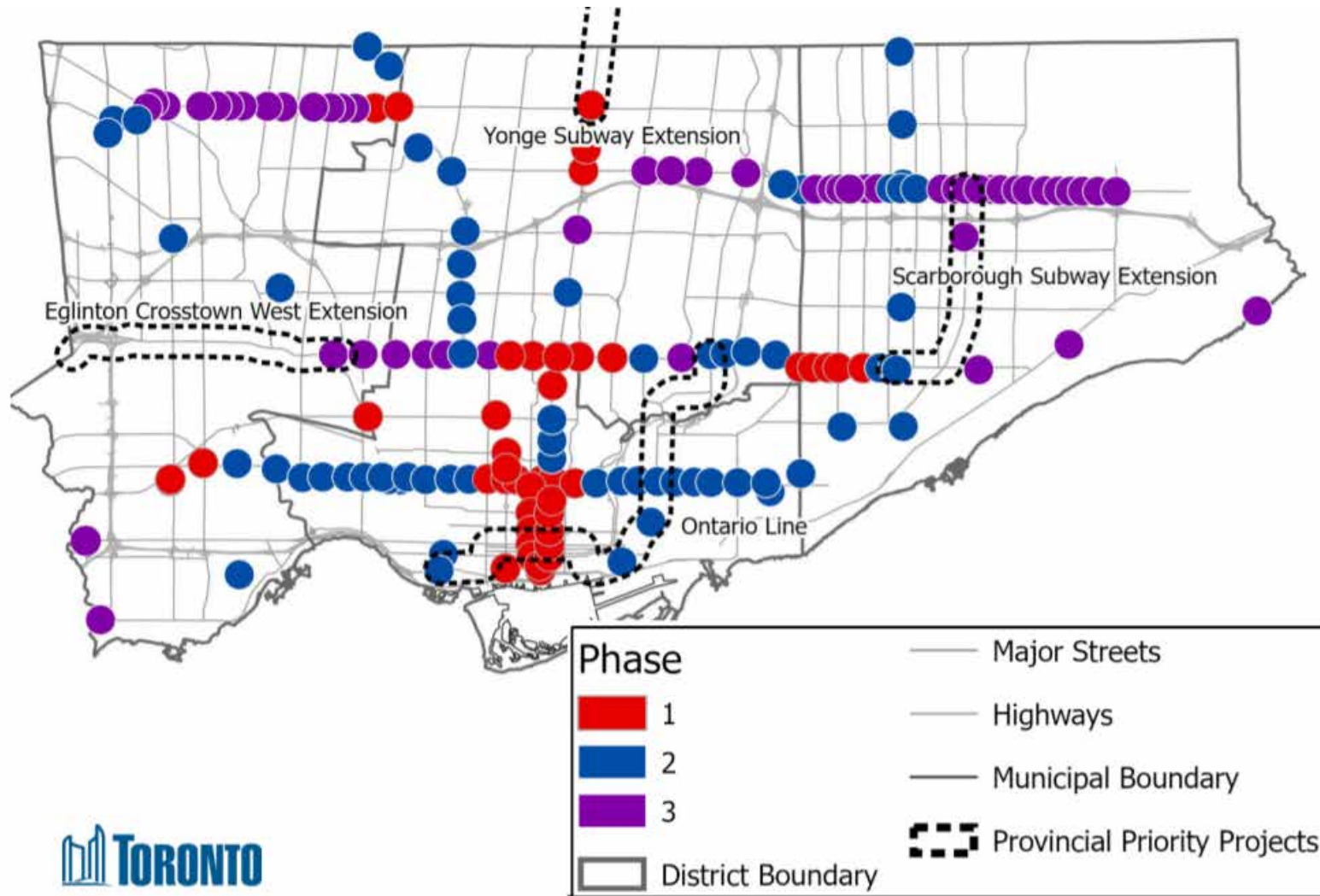




Where can Toronto implement inclusionary zoning?

- 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):

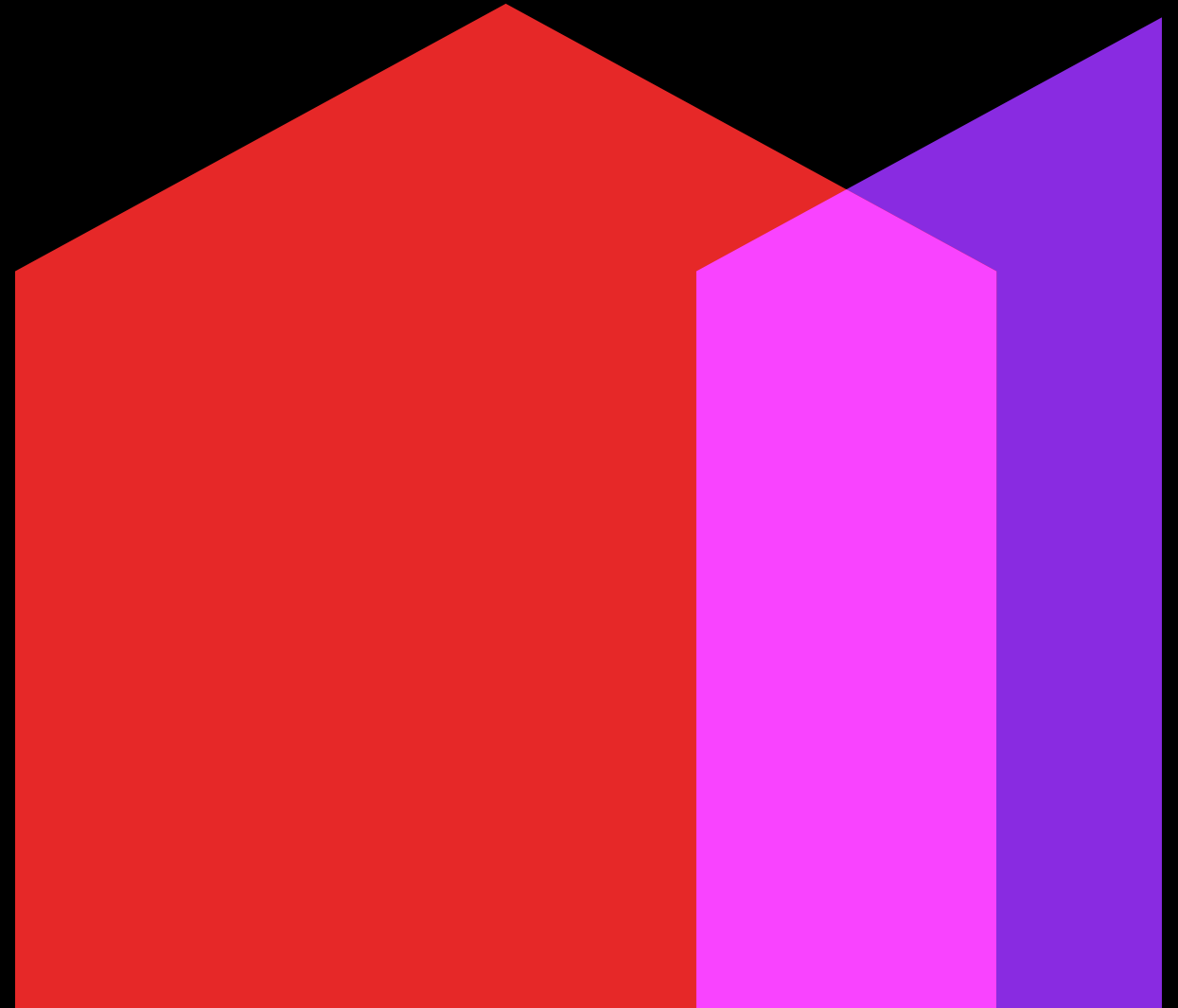
- Generally 500-800 metres around stations
- Detailed planning framework approved by Minister:
 - Planned minimum number of residents and jobs per hectare
 - Authorized uses of land
 - Minimum densities with respect to buildings and structures in the area

IZ requires balancing policy parameters

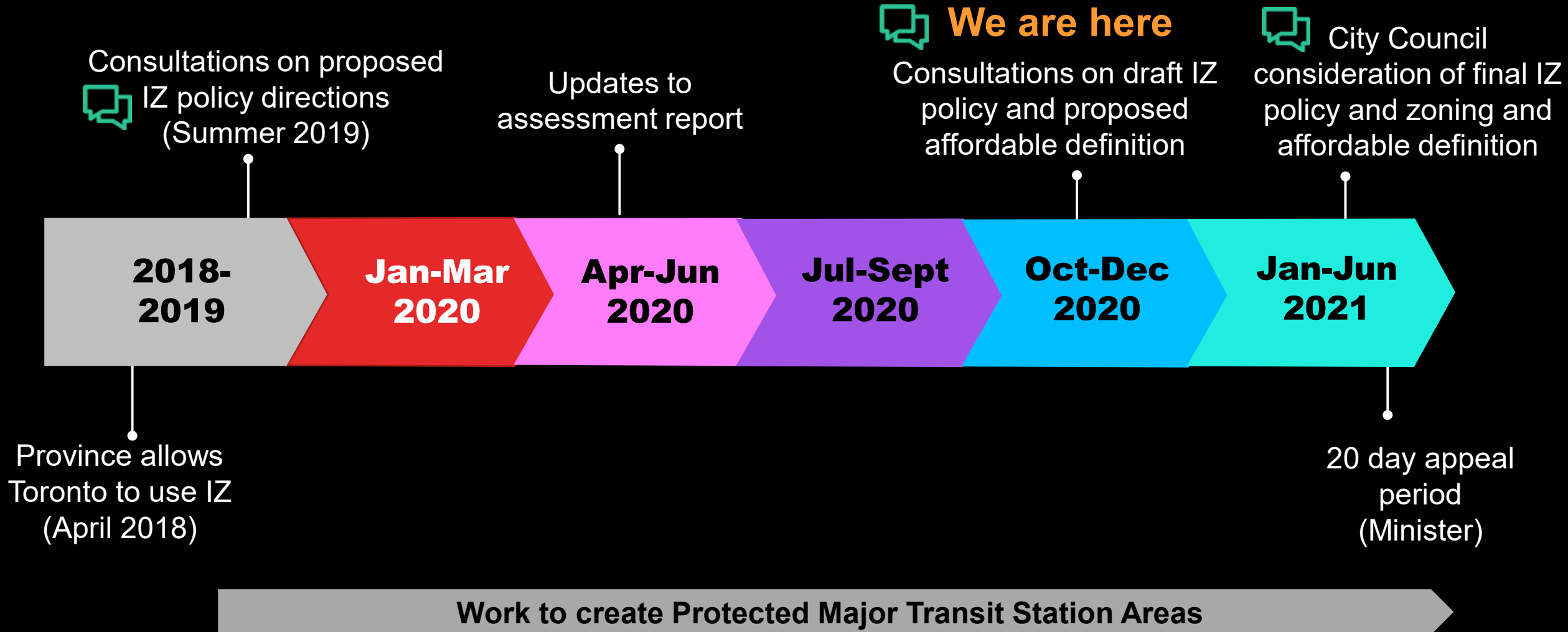
-  **Number of units:** the proportion/percentage of new units or residential gross floor area that will be secured as affordable housing
-  **Deeper/shallower affordability:** the income groups the units should serve
-  **Affordability period:** the length of time new units remain affordable
-  **Incentives:**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

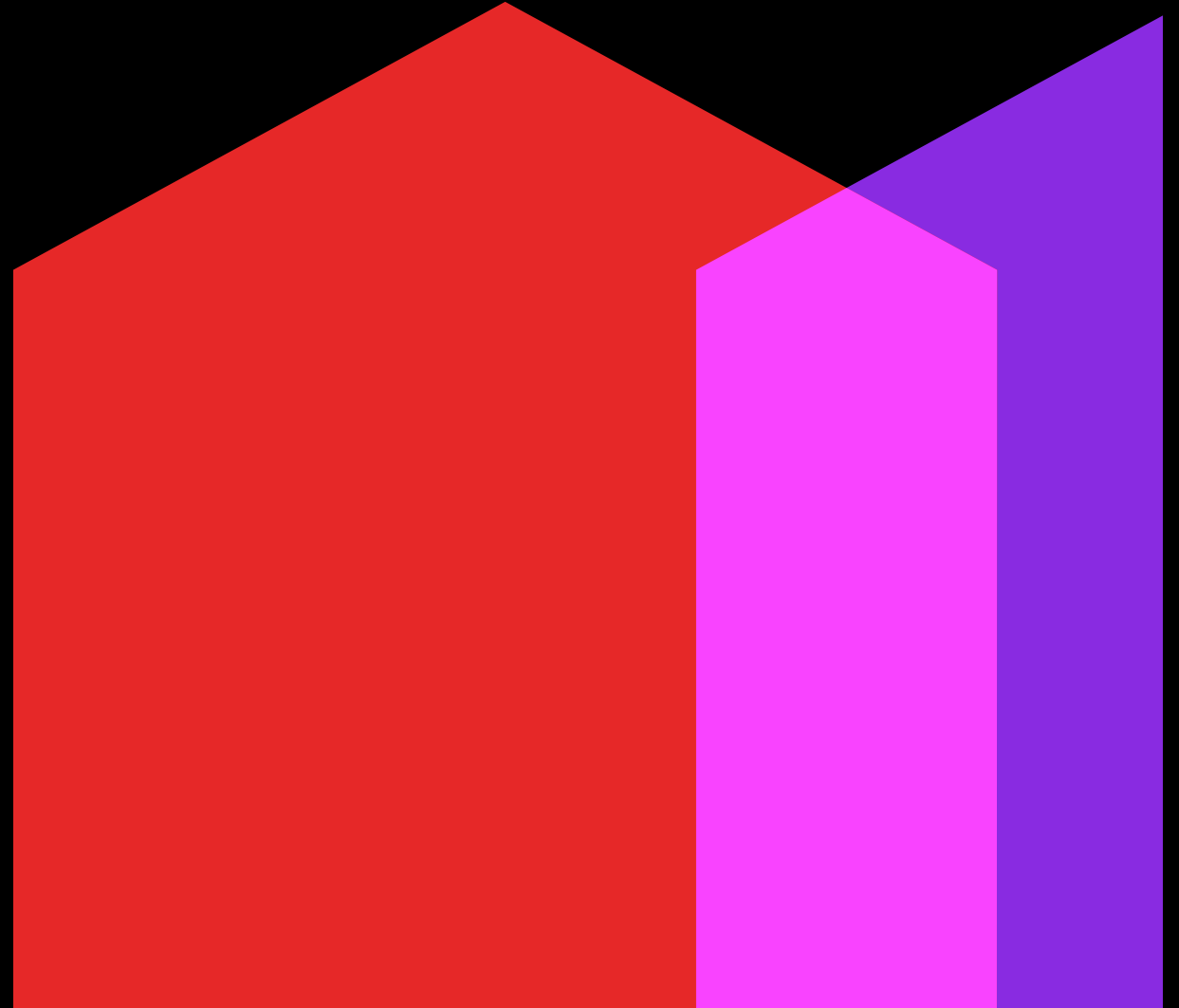
**15 stakeholder
meetings**

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

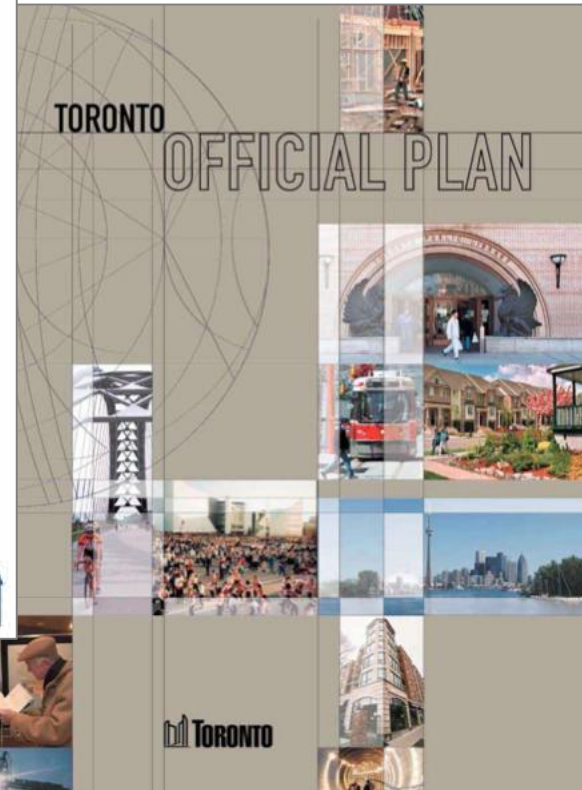


Current Official Plan Definition of Affordable Rental Housing

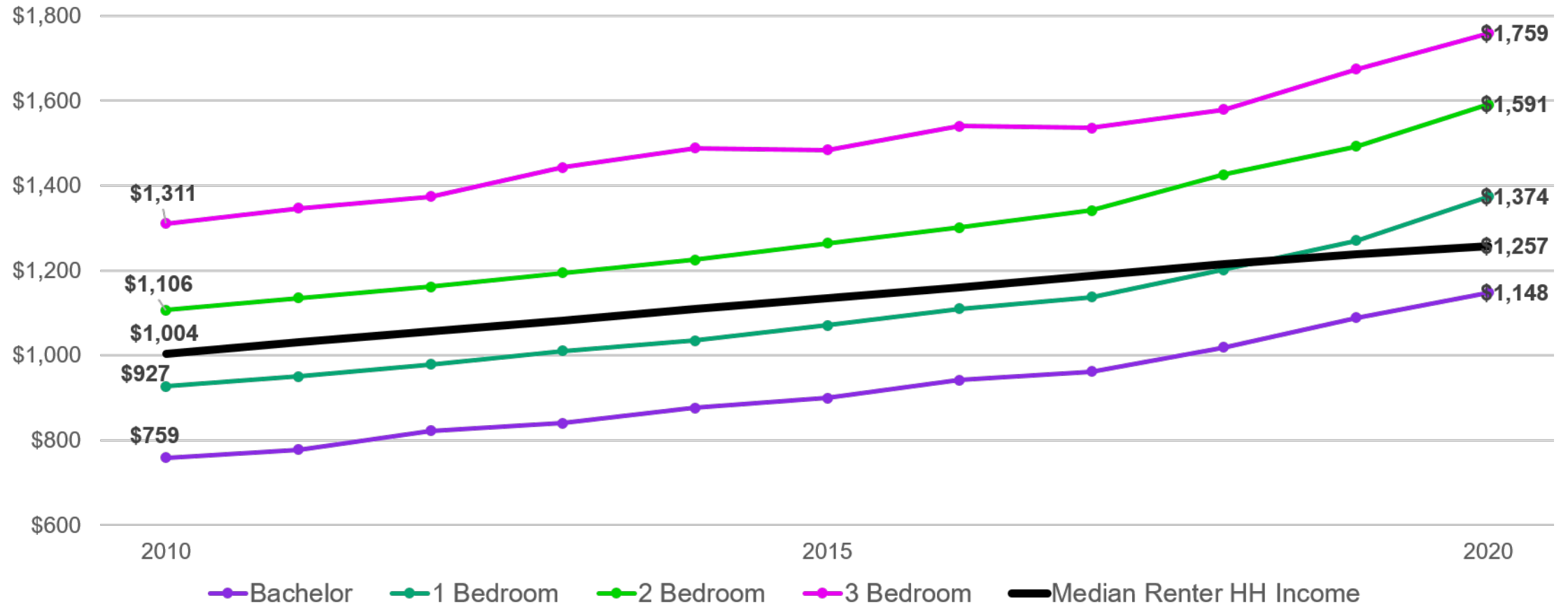
Affordable rental housing: means housing where the total monthly shelter cost is at or below one times the **average City of Toronto rent**, by unit type (number of bedrooms), as reported annually by the Canada Mortgage and Housing Corporation

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



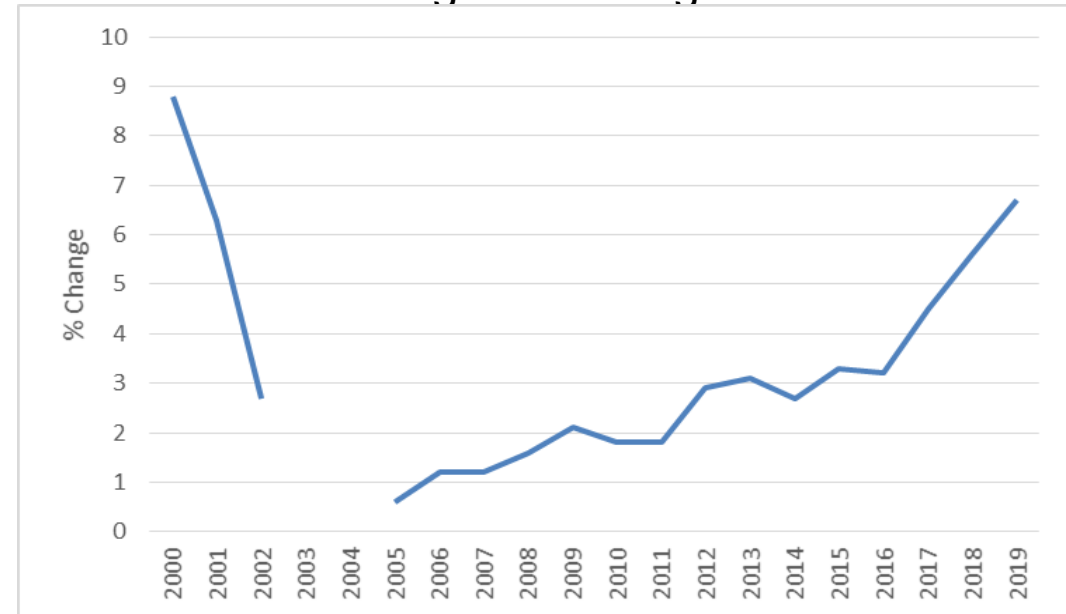
Rising market rents

- 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

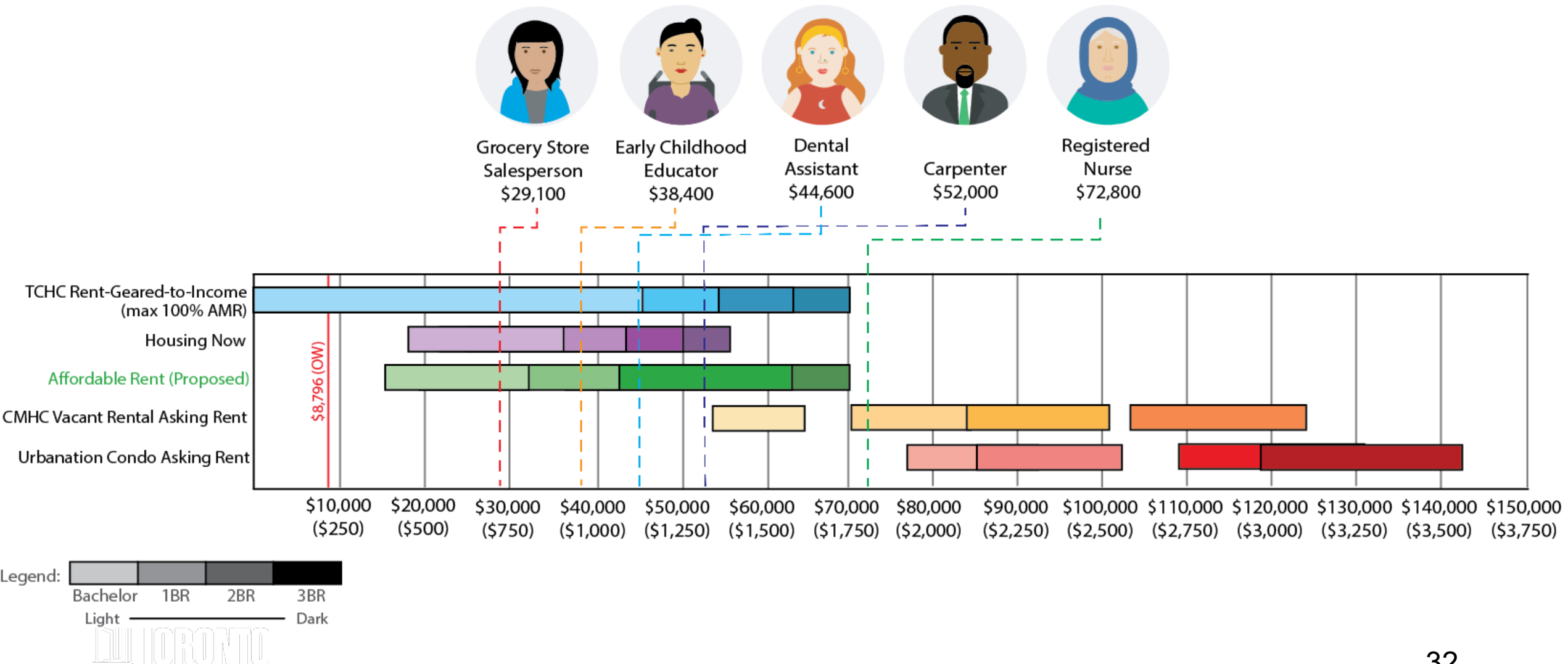
Affordable rental housing and affordable rents refers to housing that is intended to cost less than 30% of households' before-tax income in the City of Toronto, and where the total monthly shelter cost (inclusive of utilities) is the least expensive of 100% of Average Market Rent by unit type, and which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

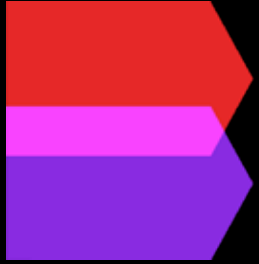
"Mid-range tier 1 rents are the total monthly shelter costs that exceed affordable rents but fall at or below 100% of the average City of Toronto rent, by unit type, as reported annually by Canada Mortgage and Housing Corporation.

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

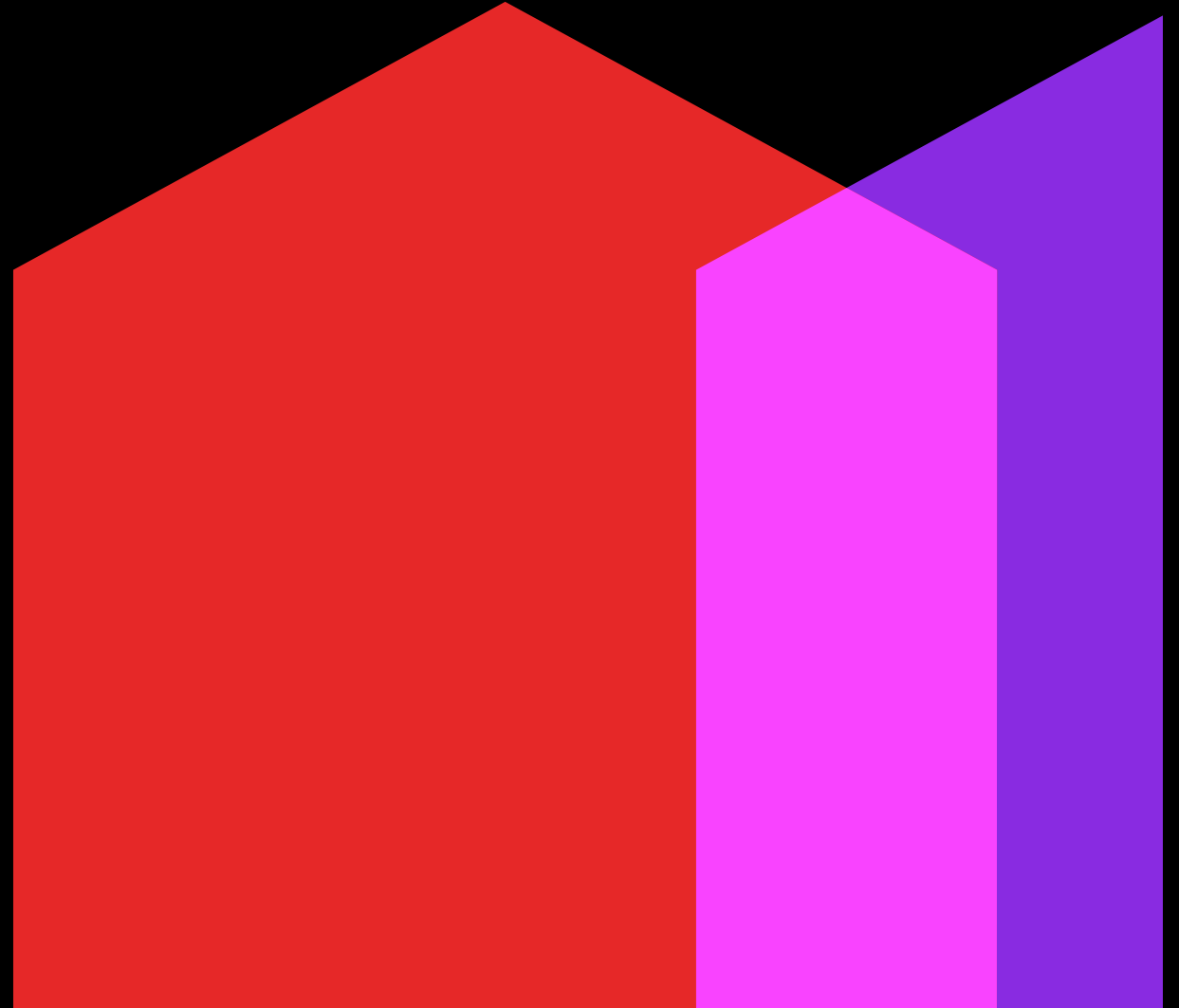
Is there anything missing from the proposed definition?

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

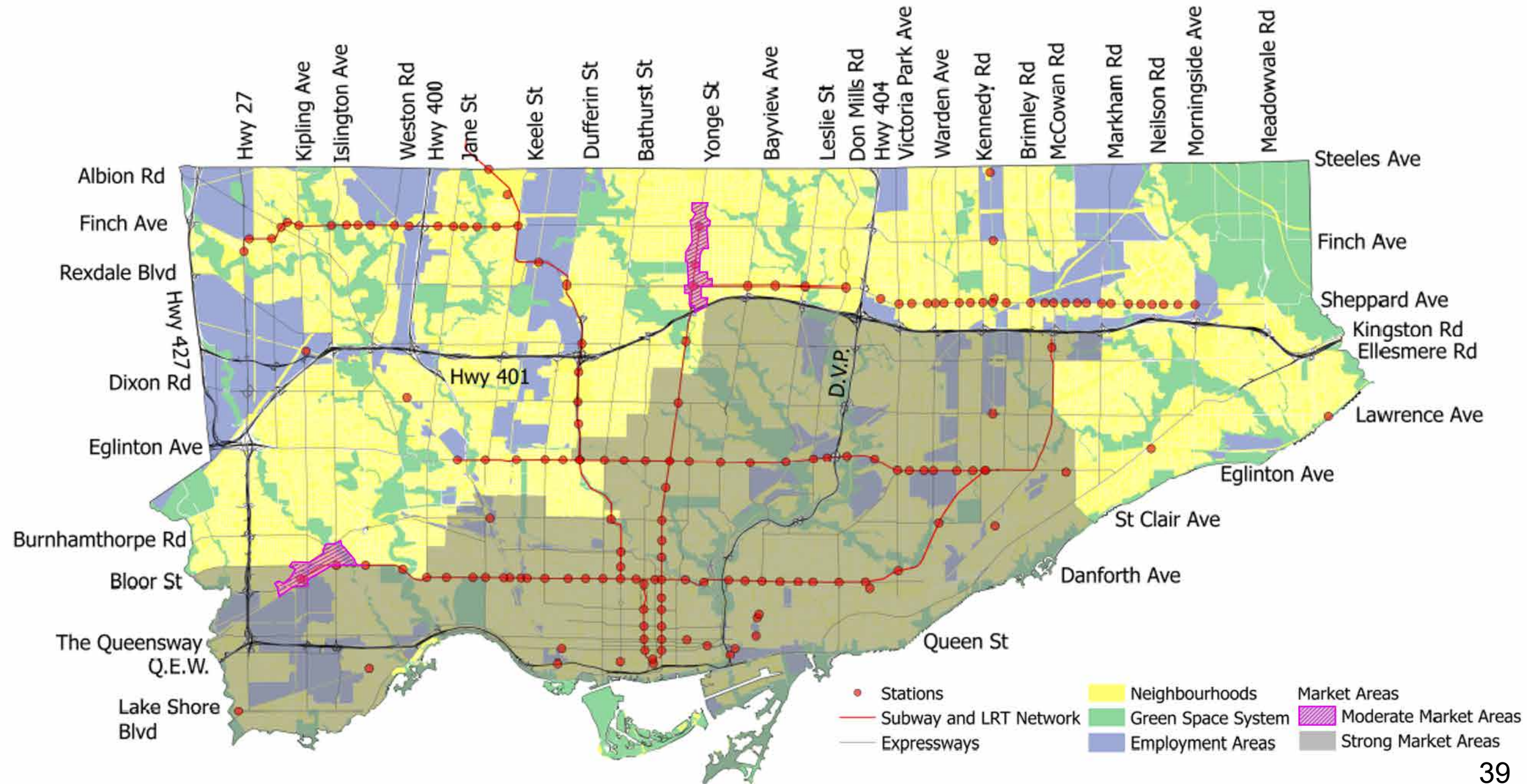
Scale of Development:

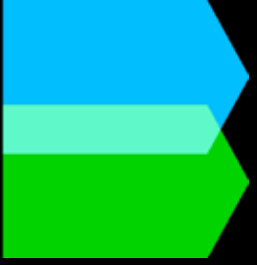
- IZ applies to development proposing 100+ units (8,000m²) in the downtown and 140+ units (10,000m²) in other areas of the city

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

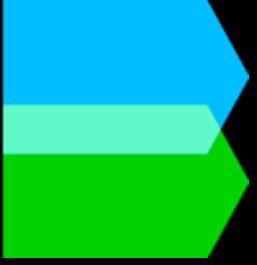
Proposed Strong and Moderate Market Areas





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	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

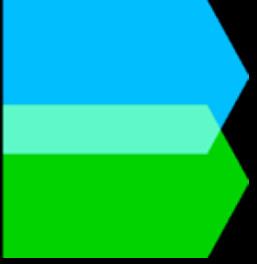
Draft Official Plan and Zoning Amendments

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

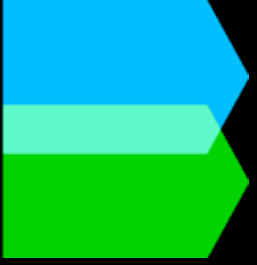
Additionally, implementation depends on the Province:

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



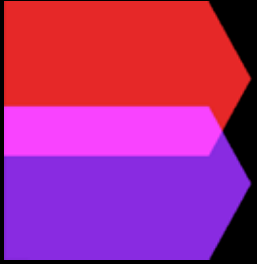
When do we expect the first IZ unit will be built and ready for someone to move in to?

- 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:

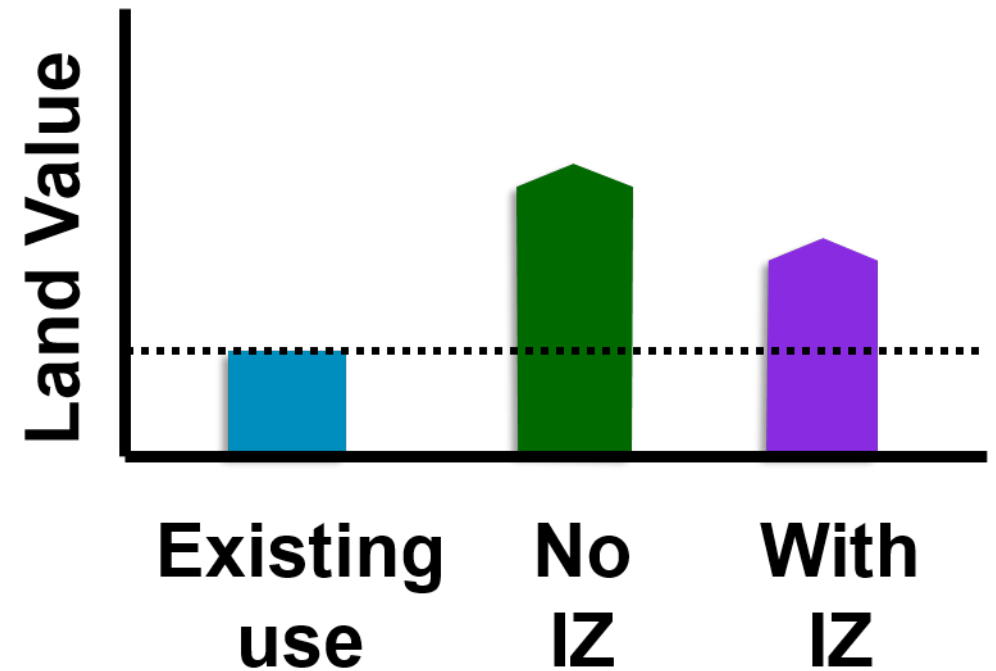
- Use the Q&A function to submit your questions and/or indicate you would like to speak
- If listening by phone only, dial *3 to raise your hand

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 :

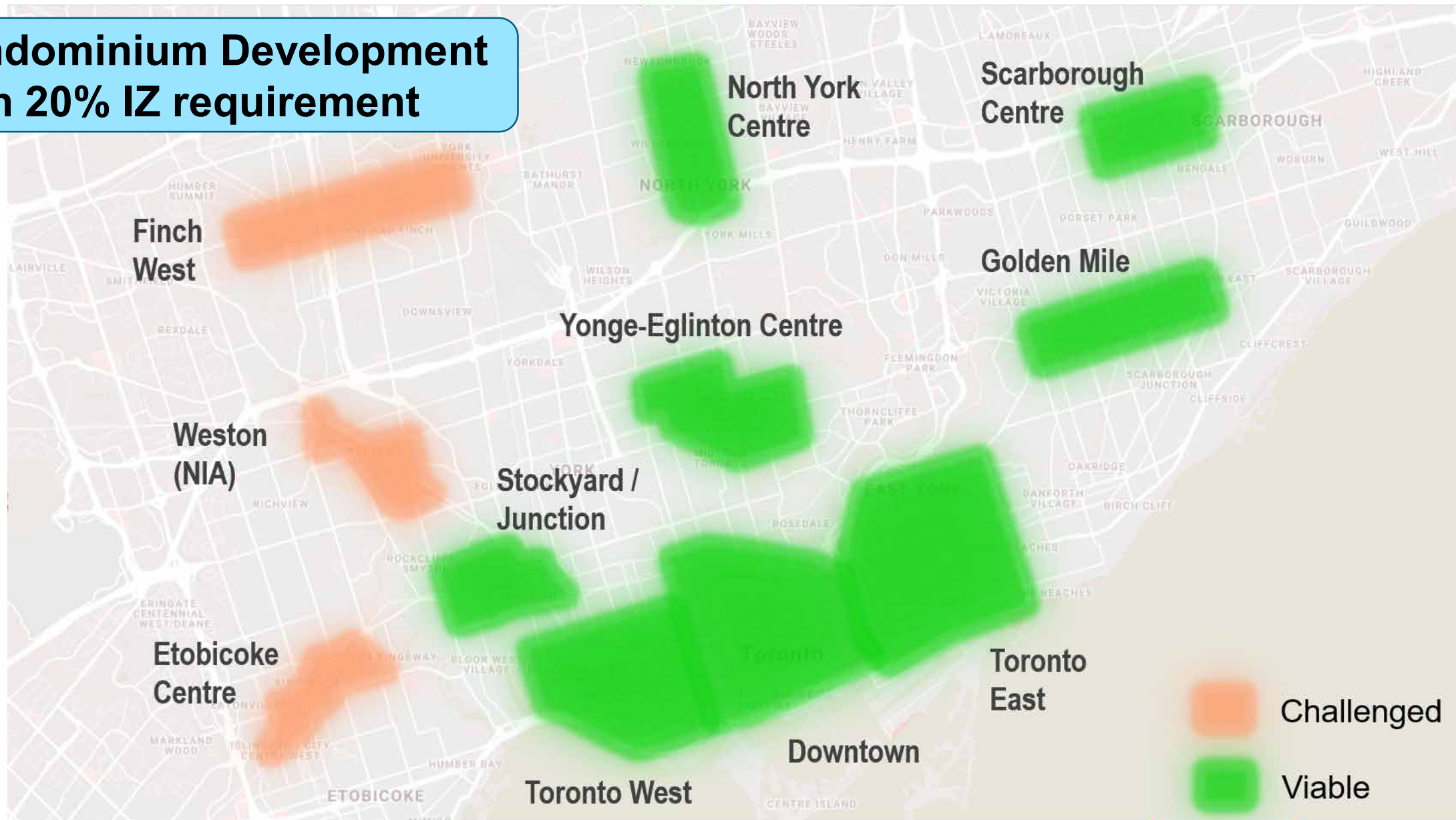
- 10% or 20% of the total development required to be affordable
- 99 year affordability period
- Affordable rents set at 80% of average market rent



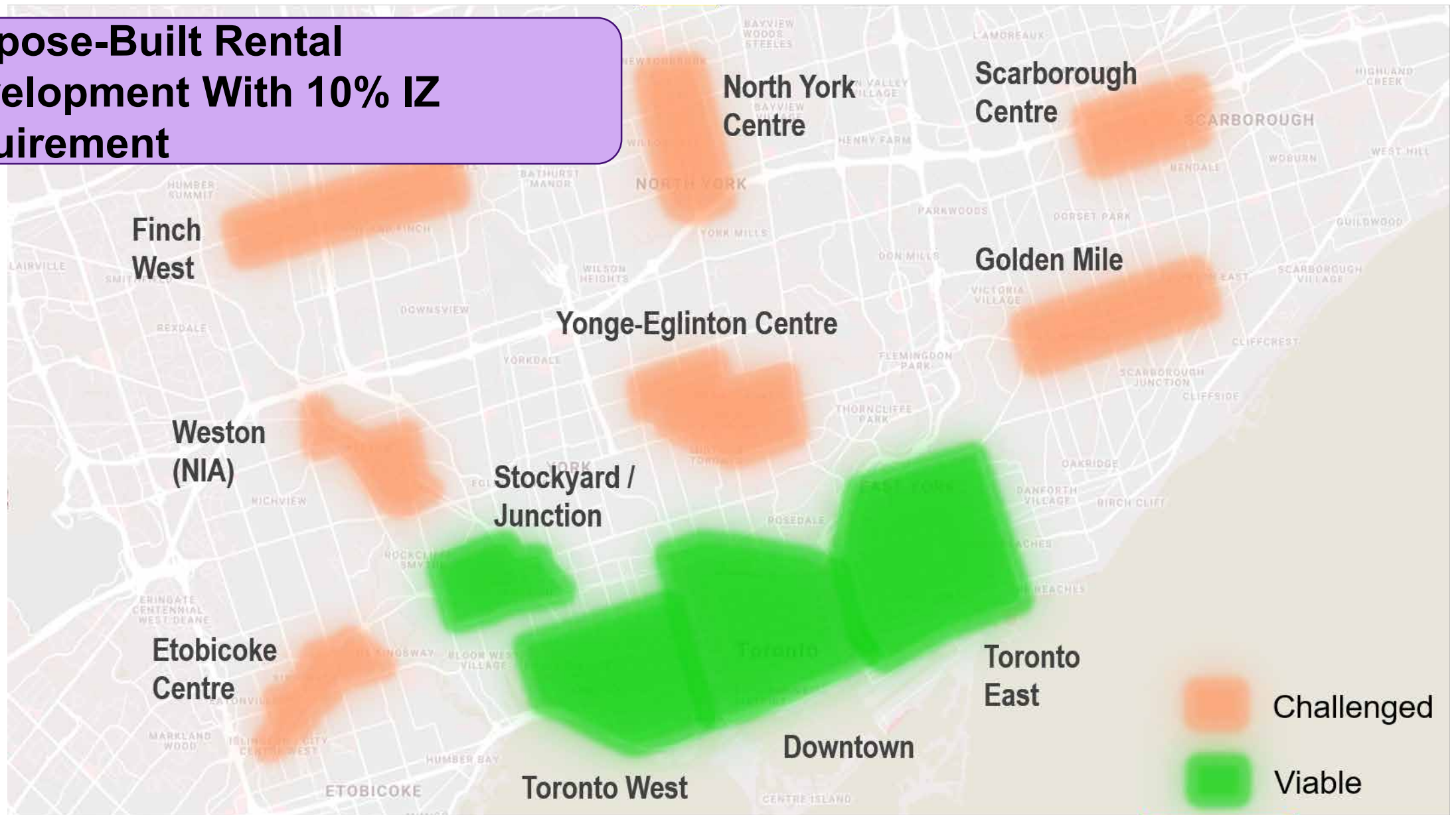
Condominium Development With 10% IZ requirement



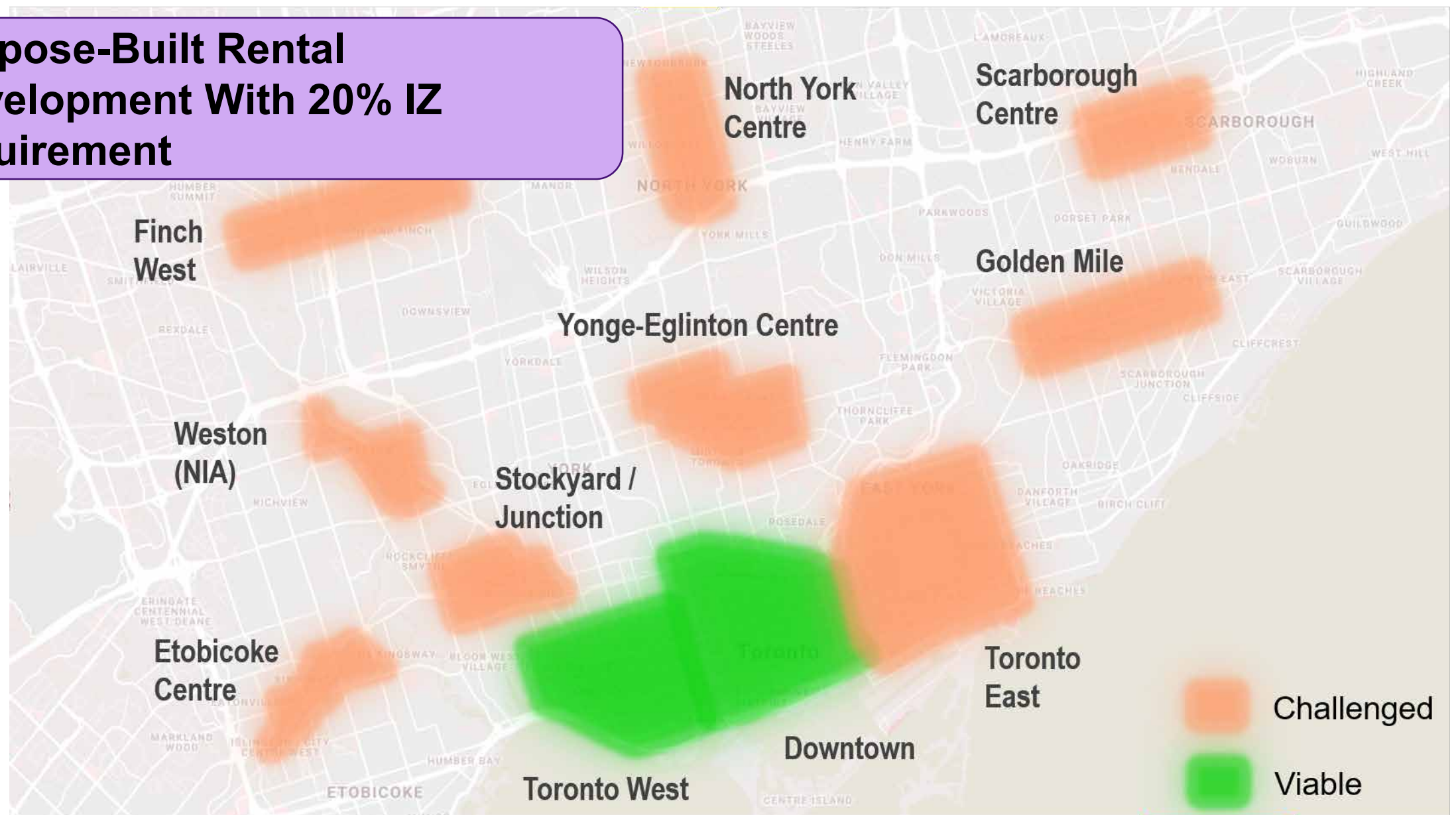
Condominium Development With 20% IZ requirement



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

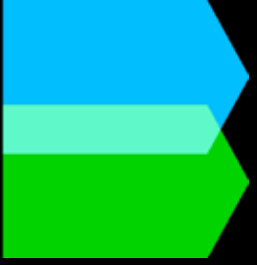
Current proposal:

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

Number of units

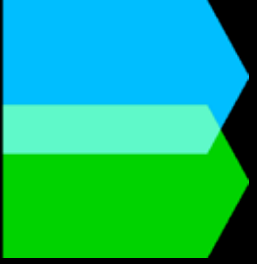
Options for achieving a higher percentage of affordable units:

- 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)



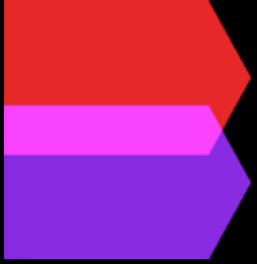
What is your preferred option for achieving a higher percentage of affordable units (top pick):

- 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



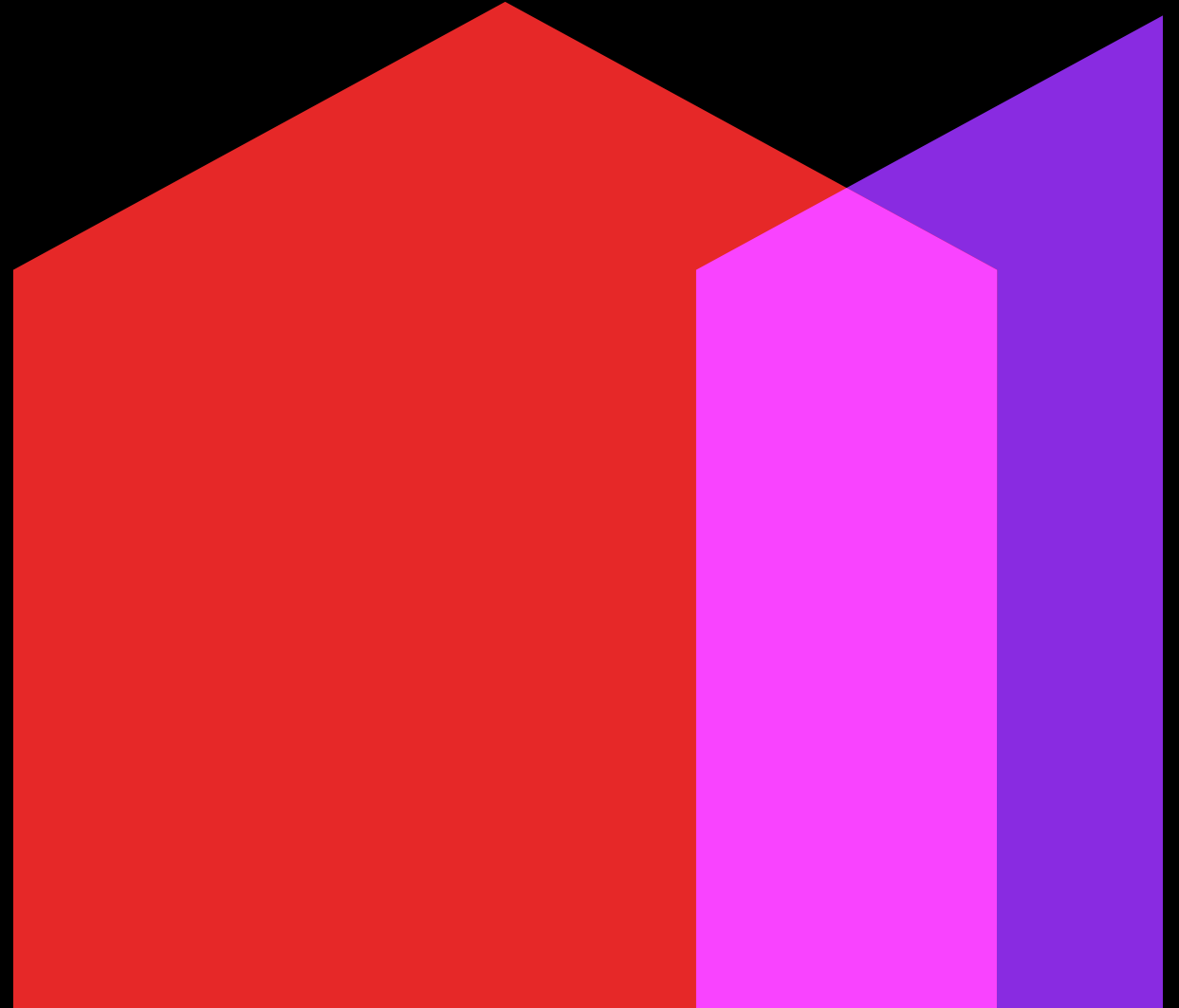
Discussion: inclusionary zoning

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!

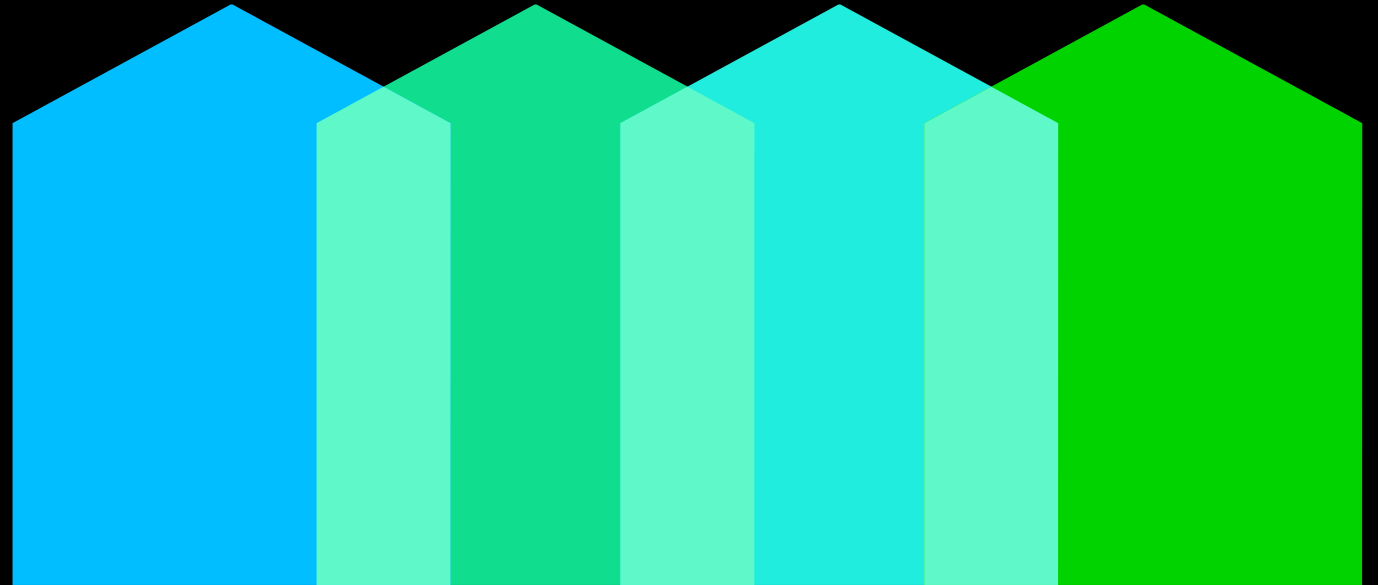
Contact Us

Christine Ono, Senior Planner

Email: Christine.Ono@toronto.ca

Call: 416-392-1255

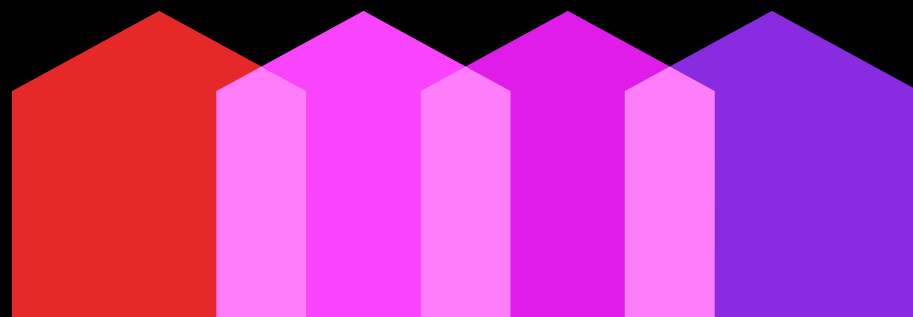
Follow: [@CityPlanTO](https://twitter.com/CityPlanTO)



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

City of Toronto Inclusionary Zoning and Affordable Housing Definition

Phase 2 City-wide Consultation and Communication Summary



**Spring
2021**

Appendix C

Expert Advisory Meeting summaries

External Advisory Table Meeting Summary

Meeting #3 – September 10, 2020

Meeting Overview

On Thursday September 10, 2020, the City of Toronto (City) hosted the third External Advisory Table meeting for the Inclusionary Zoning Engagement and Consultation Program. The meeting was held at virtually through Webex. The agenda was as follows:

1:30 – 1:50 pm	Welcome Remarks and Introductions
1:50 – 2:05 pm	Discussion: updated Financial Impact Analysis
2:05 – 2:30 pm	Discussion: draft IZ policy and zoning framework
2:30 – 2:50 pm	Discussion: draft affordable rental housing definition
2:50 – 3:00 pm	Wrap-Up and Next Steps

The primary objectives of the meeting were to:

- Update Expert Advisors on the project timeline and next steps;
- Share information on the updated NBLC Financial Impact Analysis;
- Seek initial feedback and strategic advice on the draft official plan and zoning amendments for inclusionary zoning;
- Share information and seek initial feedback on the proposed definition of affordable rental housing.

Attendees

Expert Advisors	Organization
Martin Blake	Partner, Daniels Corp
Michelle German	Program Director, Evergreen
Paul Bedford	Former Chief Planner; Chair of Waterfront Toronto
Peter Milczyn	PM Strategies Inc., BILD Member, Former Minister of Housing and Toronto Councillor
Ruth Crammond	VP of Community Investment & Development, United Way Greater Toronto
Shauna Brail	Associate Professor, Urban Studies Program; Director, Urban Studies Program; Associate Director, Outreach and Partnerships, School of Cities, University of Toronto
Jesse Rosenberg	Director of Policy, Wellesley Institute
Scott Leon	Researcher, Wellesley Institute

City Staff and Consultants

Organization	Name
City of Toronto Council	Deputy Mayor Ana Bailão
City of Toronto	Kerri Voumvakis
City of Toronto	Sharon Hill
City of Toronto	Deanna Chorney
City of Toronto	Christine Ono
City of Toronto	Narmadha Rajakumar
N. Barry Lyon Consultants	Mark Conway
N. Barry Lyon Consultants	Matthew Bennett
Dillon Consulting	Ryan Siersma

Regrets:

Alan Broadbent, Chairman and Founder of Maytree

David Hulchanski, Professor, University of Toronto, Housing and Community Development

David Amborksi, Professor, Ryerson Centre for Urban Research and Land Development

Benjamin Tal, Deputy Chief Economist, CIBC World Markets

Gregg Lintern, Chief Planner & Executive Director, City Planning

Welcome Remarks and Introduction

Kerri Voumvakis welcomed the Expert Advisors and set the context for the session, providing an overview of changes which have occurred since the previous meeting in December 2019. Deputy Mayor Bailao also provided opening remarks, noting that the draft inclusionary zoning official plan policy and zoning amendment would be going to the next Planning and Housing Committee meeting on September 22, 2020. There are a number of housing items on the agenda which speaks to the need for more housing options.

Kerri Voumvakis provided a thorough update on the work complete to-date. Although work started in 2019, there have been several provincial policy changes which have resulted in further refinement to the flexibility of inclusionary zoning policies. A draft provincial regulation on the community benefit charge framework was released for consultation in February 2020. Following this, the Financial Impact Analysis done by N. Barry Lyon Consultants was able to be updated. Most recently, Bill 197 received Royal Assent on July 21, 2020, making further changes to the community benefits charge framework.

N. Barry Lyon Consultants Updated Financial Feasibility Presentation

Matthew Bennett from N. Barry Lyon Consultants Limited provided an update on the Financial Impact Assessment. The revised study looked at 11 market areas with revised policy parameters, including a 99 year affordability period, rents set at 80% of Average Market Rent (AMR) and 10-20% of total residential GFA required to be affordable. The analysis incorporated a community benefits charge (CBC) into the pro forma, based on the draft provincial CBC regulation. The conclusions drawn were that a 10% inclusionary zoning requirement for condominium developments would be viable; however, alternative solutions were recommended for purpose built rental to remain feasible.

The presentation slide deck is attached as **Appendix A**.

Discussion on Feasibility Assessment

Following the presentation by N. Barry Lyon there was an open discussion on the Financial Feasibility Assessment. Questions were asked regarding whether a transition period was contemplated in the assessment. There were questions of clarification to confirm that the analysis assumed affordable rental units would be provided in condominium developments. Questions were specific to implementation (e.g. operation of the units, how would affordable units pay condo fees). Expert Advisors were also seeking clarity that inclusionary zoning would apply above and beyond the community benefits charge.

Draft Official Plan Policy and Zoning By-law Amendment

Christine Ono gave an overview of the draft Official Plan Policy and Zoning By-law Amendment. The changes from the previous iterations were identified. Most notably, the affordability period was changed from 25 years to 99 years in response to the comments received during the first round of consultations. The draft Inclusionary Zoning policies and zoning are attached as **Appendix B**.

Discussion on draft Official Plan and Zoning By-law Amendment

Following the presentation by Christine, there was an open discussion on the draft policies and amendments presented. It was suggested that there needs to be incentives built into the IZ bylaw, at least over the first few years and inclusionary zoning should not apply to as-of-right development. There were questions of clarification on the phasing for Major Transit Station Areas and requirements for PMTSAs to be delineated prior to the application of inclusionary zoning policies. Most of the conversation focused on implementation. There needs to be more clarity on who would qualify for the units, who would manage the units, how an affordable ownership model would work, and what will happen at the end of 99 years.

Presentation on draft Affordable Rent Definition

Deanna Chorney presented the draft affordable rent definition. There was some discussion on the proposed definition, mainly clarifying concepts presented. It was suggested that the affordable rent definition should be tested by N. Barry Lyon in the Financial Feasibility Assessment. More calculations were suggested to make sure it is feasible and that maximums may have to be adjusted. It was also suggested in the final reporting it would be good to calculate rough estimates or targets for the number of affordable housing units that will be achieved through the inclusionary zoning policies.

Wrap-up and Next Steps

The next steps include stakeholder meetings and a report to the City's Planning and Housing Committee meeting on September 22, 2020. Following the direction received from the Planning and Housing Committee, additional public and stakeholder engagement will likely occur in the fall. It is anticipated the final recommended Inclusionary Zoning Official Plan and Zoning By-law amendments will be presented to Council for approval in the first half of 2021.

The meeting concluded at 3:00 pm.