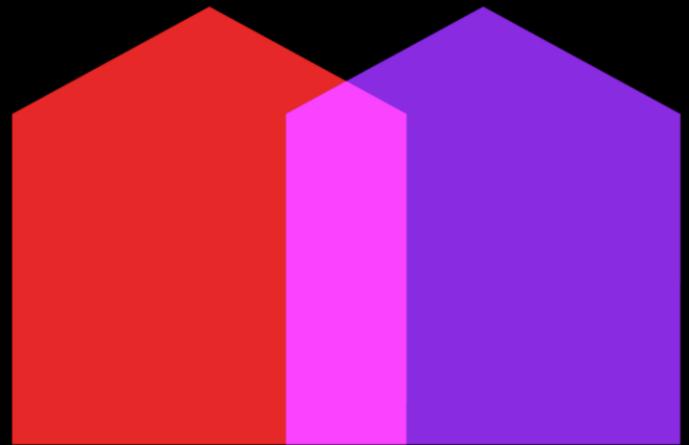


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Inclusionary Zoning

Implementation Guidelines



Inclusionary Zoning

Implementation Guidelines

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For questions about these guidelines, please contact [name, email].

City Planning Division
Strategic Initiatives, Policy & Analysis

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1. Background

In 2018, the Province of Ontario amended the *Planning Act* to enable municipalities to implement inclusionary zoning (IZ), a land use planning tool that can be used to require the provision of affordable housing in new multi-residential developments. Toronto City Council adopted IZ policies in [date] through amendments to the City's Official Plan and City-wide Zoning By-law 569-2013. The new IZ policies and by-law apply to complete planning applications filed after September 18, 2022.

The purpose of these guidelines is to establish general principles and provide guidance on matters related to the implementation of IZ that are not set out in the *Planning Act* or the City's IZ Official Plan policies and by-law. Although the City's policies and by-law jointly establish the locations and scale of development to which IZ applies, how affordability is defined, and what percentage of new residential units in a development must be affordable, they do not address more specific but highly important details concerning the delivery of IZ affordable housing, including: unit mix and size; accessibility; access to building amenities and parking; household eligibility; and marketing of affordable housing units.

These guidelines are to be read in conjunction with Policy 13 of Section 3.2.1 (Housing) of the Official Plan, Policy 8 of Section 5.1 (Managing Growth and Change) of the Official Plan, and By-law No. [By-law Number]-2021. The Official Plan IZ policies and by-law shall take precedence over the guidelines in the event of any conflict. The guidelines may be revised through City Council direction or through Council's adoption of a report from the Chief Planner and Executive Director, City Planning Division. It is anticipated that regular updates may be necessary in order to align the guidelines with the City's housing policies and plans, ensure effective and efficient City-wide administration of affordable housing, and adequately respond to the evolving nature of Toronto's housing market and the housing needs of residents.



2. Implementation Principles

The following principles are to be followed by all parties during the application and implementation of IZ through the planning and development review process:

- **The proposed development represents good planning.**

The Owner shall not expect the City to grant inappropriate increases in height and/or density for a proposed development, or exempt a proposed development from other planning policy requirements, in return for the provision of affordable housing. Likewise, the City shall not approve a proposed development that does not represent good planning simply to deliver new affordable housing.

IZ requirements are important for creating equitable and livable communities, and City Council shall require an Official Plan Amendment and Zoning By-law Amendment to exempt an application from IZ affordable housing requirements.

- **IZ affordable housing requirements will be gradually phased in.**

The City's IZ affordable housing requirements shall be gradually phased in order to help mitigate the impact of IZ on planned and pre-financed residential/mixed-use developments while allowing housing providers to incorporate and plan for more stringent requirements in future developments.

- **IZ affordable housing will provide for permanent affordability.**

The City's IZ policies and by-law require the provision of affordable housing secured for a period of 99 years, which is generally the useful life of a building. In no event shall a shorter affordability period for IZ affordable housing units be accepted without an Official Plan Amendment and a Zoning By-law Amendment.

- **IZ affordable housing will be provided as physical housing units.**

IZ requires a percentage of the *residential units* in a proposed development to be affordable; cash-in-lieu of the provision of affordable housing is not permitted, as per Section 35.2 (6) of the *Planning Act*.



- **IZ affordable housing will be indistinguishable from market housing.**

For mixed buildings, developments with IZ affordable housing units will have shared access to the building (i.e. no separate entrance for the affordable housing units), and tenants of the affordable housing units shall have access to building services and amenities on the same terms and conditions as residents of the market units.

- **IZ affordable housing will be secured on the subject site wherever possible.**

Proposals to provide offsite IZ affordable housing will only be approved where the offsite housing provides for an improved housing outcome and is in proximity to the proposed development.

- **IZ affordable housing will not include affordable replacement rental housing or publicly-subsidized housing.**

All IZ affordable housing shall be *net new* affordable housing and shall not include any affordable replacement rental units or dwelling rooms required by the City through Toronto Official Plan housing policies or Chapter 667 of the Toronto Municipal Code. Likewise, affordable housing delivered through IZ will not be eligible for affordable housing programs, such as the City's Open Door Affordable Housing Program, unless the affordable housing provisions exceed the IZ requirements.

- **IZ implementation matters will be secured in an agreement registered on title to the development lands.**

The City will secure matters to support the implementation of IZ, including matters set out in these guidelines (e.g. affordable unit mix and sizes, access and amenities, restrictions on rent increases), through an agreement with the Owner pursuant to Section 35.2 (2)(i) of the *Planning Act*, which shall be registered against the lands that are proposed to be (re)developed.

- **IZ will not impede the production of purpose-built rental housing.**

The City's IZ policies and by-law recognize the differential impact of imposing affordable housing requirements on the financial viability of both market condominium and purpose-built rental developments. The City will monitor the impact of IZ on new rental production in Toronto and update IZ requirements for rental developments as necessary to ensure their continued viability.



- **IZ is a market-based mechanism of affordable housing delivery, and one tool among many to address the City's affordable housing needs.**

IZ is a land use planning tool that is intended to support the production of affordable housing for individuals and families with moderate to moderately low incomes without hindering the financial feasibility of private residential development. As the City's Official Plan states, "the private sector cannot meet the housing needs of our most vulnerable populations or those in need of rent-g geared-to-income housing." IZ shall complement, rather than replace, existing and future inter-governmental investment in affordable housing.



3. Financial Incentives

- 3.1. Any development application that is subject to IZ affordable housing requirements shall not be eligible for City financial incentives and subsidies for affordable housing unless the application is proposing to provide additional affordable housing units (above-and-beyond IZ set-aside requirements) and/or units with deeper levels of affordability. Applications for incentives will be considered on a case by case basis.

4. Exclusions

- 4.1. IZ affordable housing must be *net new* affordable housing; it shall not include affordable replacement rental dwelling units or dwelling rooms required by the City pursuant to Policies 6 or 11 of Section 3.2.1 of the Official Plan and/or [Chapter 667 of the Toronto Municipal Code](#), or affordable housing that is subsidized by any legacy or existing municipal, provincial, and/or federal government program.
- 4.2. If the proposed development includes replacement rental dwelling units or dwelling rooms, such replacement rental units and/or dwelling rooms shall not count toward the unit/floor area thresholds that trigger IZ affordable housing requirements (i.e. 100 units or 8,000 square metres).

5. Building Access, Amenities, and Design

- 5.1. IZ affordable housing units shall be fully integrated into a building, such that residents of the IZ affordable housing units share common entrances and exits, elevators, stairwells, and any other means of ingress and egress with residents of the market units. A separate entrance for residents of the IZ affordable housing units will be discouraged, except for cases where the IZ units are provided as a separate stand-alone building.
- 5.2. Stand-alone IZ affordable housing buildings (ie. buildings with separate entrances and amenities) may be considered where the IZ affordable housing units will be leased to or a long-term referral agreement will entered into with a non-profit housing provider to address the housing needs of lower income households or equity deserving groups.
- 5.3. There will be no minimum residential vehicular parking requirements for IZ affordable housing units.



- 5.4. Bicycle and visitor vehicular parking for the proposed development must be provided in accordance with the zoning by-law(s) and shall be made available to residents of the IZ affordable housing units on the same terms and conditions as residents of the market units.
- 5.5. Storage lockers for the proposed development shall be provided and made available to residents of the IZ affordable housing units on the same terms and conditions as residents of the market units.
- 5.6. Indoor and outdoor amenity space must be provided in accordance with the zoning by-law(s) and shall be made available for casual and everyday use by residents of the IZ affordable housing units on the same terms and conditions as residents of the market units. Residents of IZ affordable housing units may be charged reasonable and customary charges for the private booking of a party room, guest suite, or other similar services and amenities, but only if such charges do not exceed the amounts charged to residents of the market units.
- 5.7. If the proposed development will contain one or more condominium dwelling units and the IZ affordable rental units are proposed, the Owner shall, at the time of registering a description under the *Condominium Act*, convey easements of indefinite term and at nominal cost to the owner of the IZ affordable rental units, to the satisfaction of the Chief Planner and Executive Director, City Planning Division, to secure access to, and enjoyment of, all common areas, utility and mechanical areas, areas required for ingress and egress, vehicle and bicycle parking areas (visitor and resident), and indoor and outdoor amenity areas on behalf of residents of the IZ affordable rental units.
- 5.8. IZ affordable housing units shall include as many universal design features as possible to create housing that is suitable for individuals and families of all ages, abilities, sizes, and stages of life.
- 5.9. Reasonable efforts shall be made to provide at least twenty percent (20%) of IZ affordable housing units within a proposed development as fully accessible housing units. A fully accessible housing unit shall comply with Section 4 (Fully Accessible Units) of the City's [Affordable Rental Housing Design Guidelines](#) and Sections 2.5.18 through 2.5.21 of the City's [Accessibility Design Guidelines](#).



- 5.10. No less than five percent (5%) of IZ affordable housing units within a proposed development shall be fully accessible housing units.

Universal Design and Accessible Housing

Universal design aims to create accessible housing that allows residents to live independently regardless of their age, size, and physical and/or cognitive ability. Ontario became the first province in Canada to develop and enforce mandatory accessibility standards for private and public spaces with the enactment of [Accessibility for Ontarians with Disabilities Act](#) (AODA). However, there are currently no AODA standards that require a housing unit to be accessible.

Canada Mortgage and Housing Corporation (CMHC) has developed [principles and practical tips](#) for making each area of a new housing unit accessible to residents. These include general principles for design throughout the home and more specific tips for entryways, living and dining rooms, kitchens, bedrooms, bathrooms, storage spaces, laundry rooms, and patios and balconies. CMHC has also developed detailed [Accessible by Design guides](#) for different areas of the home and specific unit/building features.

The [City of Toronto Accessibility Design Guidelines](#) contain specific guidelines for seniors housing and residential spaces (see Sections 2.5.18 through 2.5.21 for accessibility guidelines for seniors housing, residential kitchens, residential bathrooms, and residential bedrooms).

6. Affordable Unit Design, Mix, and Sizes

Unit Mix and Sizes

- 6.1. Reasonable efforts shall be made to satisfy Section 3.0 (Unit Guidelines) of the City's [Growing Up urban design guidelines](#) with respect to the unit mix and sizes of IZ affordable housing units in order to accommodate a broad range of households, including families with children, within the affordable component of a proposed development. In the context of IZ, these guidelines shall be satisfied if:
- 6.1.1. Twenty-five percent (25%) of IZ affordable housing units within a proposed development are two-bedroom or three-bedroom units, and at least ten percent (10%) of IZ affordable housing units within a proposed development are three-bedroom units.



- 6.1.2. The average IZ affordable housing unit size is 90 square metres for two-bedroom units and 106 square metres for three-bedroom units, and the minimum IZ affordable housing unit size is 87 square metres for two-bedroom units and 100 square metres for three-bedroom units.
- 6.2. The unit mix of IZ affordable housing units shall, at a minimum, be proportional to the unit mix of the market units within a proposed development (e.g. if ten percent of the market units are three-bedroom units, at least ten percent of the affordable housing units shall be three-bedroom units).
- 6.3. Notwithstanding Guideline 6.2 above, one-bedroom IZ affordable housing units shall always be preferred by the City over studio IZ affordable housing units, such that one-bedroom units may replace studio units in order to satisfy Guideline 6.2.
- 6.4. The minimum and average unit sizes by bedroom type for IZ affordable housing units shall be proportional to, or larger than, the minimum and average unit sizes by bedroom type of the market units (e.g. if the minimum market three-bedroom unit size is 100 square metres, the minimum IZ affordable three-bedroom unit size shall be at least 100 square metres; if the average market three-bedroom unit size is 106 square metres, the average affordable three-bedroom unit size shall be at least 106 square metres).
- 6.5. Notwithstanding Guideline 6.4 above, in no event shall the minimum and average unit sizes of IZ affordable housing units be smaller than the recommended minimum and average unit sizes of affordable housing units set out in the City's [Affordable Rental Housing Design Guidelines](#), as follows:
 - 6.5.1. The minimum unit size by bedroom type for IZ affordable housing units shall be:
 - a. 30 square metres for studios;
 - b. 48 square metres for one-bedroom units;
 - c. 60 square metres for two-bedroom units;
 - d. 84 square metres for three-bedroom units; and
 - e. 102 square metres for four-bedroom units.



6.5.2. The average unit size by bedroom type for IZ affordable housing units shall be no less than:

- a. 37 square metres for studios;
- b. 55 square metres for studio and one-bedroom units;
- c. 67.4 square metres for two-bedroom units;
- d. 92.9 square metres for three-bedroom; and
- e. 109 square metres for four-bedroom units.

Unit Design

6.6. IZ affordable housing units shall be indistinguishable – in appearance, access, quality, and functionality – from market units within a proposed development, both externally and internally.

6.7. Each IZ affordable housing unit within a proposed development shall have central heating and cooling with individual controls.

6.8. The number of IZ affordable housing units within a proposed development with a balcony, patio, and/or terrace shall be proportional to the number of market units within the development having a balcony, patio, and/or terrace.

6.9. Residents of IZ affordable housing units shall have access to laundry facilities on the same terms and conditions as residents of the market units within a proposed development, and such laundry facilities shall be provided in the form of either:

6.9.1. Ensuite laundry facilities; or

6.9.2. A common laundry room that is provided and available to residents of the IZ affordable housing units at the same fee per use charged to residents of the market units.

6.10. IZ affordable housing units shall have equivalent finishes, fixtures, and features (e.g. kitchen cabinets, countertops, dishwashers, closets, etc.) to those that are included in market units within a proposed development. The finishes and fixtures do not need to be identical (e.g. laminate instead of granite countertops or a different make and model dishwasher could be



acceptable), provided they are new and of good quality in terms of performance, durability, and appearance.

7. Guidelines for Offsite Affordable Housing

[O. Reg. 232/18 \(Inclusionary Zoning\)](#) under the [Planning Act](#) prevents the provision of IZ affordable housing units offsite unless a municipality sets out the conditions under which offsite units would be permitted in their Official Plan. O. Reg 232/18 also requires that, where offsite IZ affordable housing units are permitted by a municipality, they shall be located within proximity to the proposed development and shall not satisfy the IZ affordable housing requirements for the offsite development.

Policy 5.1.8.4 of the Official Plan provides that offsite IZ affordable housing units may be permitted at the discretion of the City, provided that the offsite units are located within a Protected Major Transit Station Area (PMTSA) or an area where a development permit system has been established, and form part of the same IZ Market Area (i.e. Market Area 1, 2, or 3) as the proposed development.

General Requirements

- 7.1. The general intent of the City's IZ policies and by-law is to deliver IZ affordable housing units on the subject site wherever possible, and to permit offsite IZ affordable housing units only in exceptional circumstances.
- 7.2. A Zoning By-law Amendment shall be required for any application proposing to deliver offsite IZ affordable housing units.
- 7.3. In order for City Council to consider an application proposing to provide IZ affordable housing units offsite, the application shall:
 - 7.3.1. Demonstrate how the IZ affordable housing units cannot be reasonably accommodated on the site of the proposed development and/or why there is a public benefit or interest in locating the IZ affordable housing units offsite; and
 - 7.3.2. Advance an affordable housing proposal that exceeds or improves upon the City's IZ affordable housing requirements for the proposed development (e.g. propose more and/or larger affordable housing units than provided by the City's IZ set-aside requirements, and/or provide IZ affordable housing units at deeper levels of affordability).



Timing

- 7.4. The Owner shall submit a complete building permit application requesting the above-grade building permit(s) for the proposed offsite IZ affordable housing units either before or concurrently with the submission of a building permit application requesting above-grade building permit(s) for the market units of the proposed development. The owner must notify Toronto Building in writing of this requirement at the time of application for the above-grade building permit(s) for the market units of the proposed development.
- 7.5. Any offsite IZ affordable housing units permitted by the City shall be available and ready for occupancy prior to the date by which seventy percent (70%) of the market units within the development are available and ready for occupancy.
- 7.6. Offsite IZ affordable housing units must be delivered within a newly constructed residential or mixed-used building and cannot be residential units within an existing occupied rental or condominium building.

Agreement Required

- 7.7. If offsite IZ affordable housing units are proposed to be located on lands that are not owned by the Owner of the proposed development, a three-party agreement between the City, the owner of the proposed development, and the owner of the offsite development shall be entered into and registered on title to the lands of both the proposed development and the offsite development, to the satisfaction of the City Solicitor and Chief Planner and Executive Director, City Planning Division, in order to secure any conditions that, in the opinion of the City Solicitor and Chief Planner, may be necessary to implement the IZ requirements applying to the proposed development.

8. Administration of IZ Affordable Rental Units

Access Plan Requirements

- 8.1. At least six months prior to first occupancy of any IZ affordable rental unit, a Tenant Access Plan shall be submitted to the City for review and approval using a template pre-approved by the City. The Tenant Access Plan shall, at a minimum, identify the following:



- 8.1.1. The number affordable rental units by bedroom type, including the number of fully accessible IZ affordable rental units, and the estimated date of first occupancy of each IZ affordable rental unit;
- 8.1.2. The estimated initial rent of each IZ affordable rental unit, including any adjustments for utilities that would otherwise be included in rent, and any additional optional charges (e.g. for vehicular parking, storage lockers) available to residents of the IZ affordable rental units;
- 8.1.3. The process by which the Owner shall work with City of Toronto staff to market and allocate IZ affordable rental units using the City's centralized housing access system;
- 8.1.4. The City of Toronto staff with whom the Owner anticipates working to facilitate the tenant selection process for the IZ affordable rental units in accordance with the City's standard practices at the time of submission of the Tenant Access Plan; and
- 8.1.5. Any unique project considerations concerning tenant access, including any proposed partnerships with one or more non-profit housing providers.

Household Eligibility

In order to be eligible for an IZ affordable rental unit, a household shall, at the time of application to lease an IZ affordable rental unit, satisfy the following requirements:

- 8.2. At least one member of the household shall be at least 18 years of age, or 16 or 17 years of age and no longer living with a parent.
- 8.3. Each member of the household shall be either:
 - 8.3.1. A Canadian citizen;
 - 8.3.2. A permanent resident of Canada or a temporary resident who has applied for permanent resident status; or
 - 8.3.3. A refugee claimant or Convention refugee.



- 8.4. The IZ affordable rental unit shall be suitable for the household and the following occupancy standards must be met:
 - 8.4.1. A minimum of one and a maximum of two persons per bedroom; and
 - 8.4.2. A maximum of one bedroom for spouses.
- 8.5. The household's gross annual income shall be no more than four times (4X) the annual rent of the IZ affordable rental unit.
- 8.6. Income eligibility will be reviewed by the City in accordance with the [Affordable Rental Housing - Eligibility and Income Verification Guide 2020](#).

Marketing of IZ Affordable Rental Units

- 8.7. The Owner shall advertise and market IZ affordable rental units using the City's centralized housing access system. The Owner shall provide all necessary information to the City in order to publicly list the available IZ affordable rental units to eligible households, including the:
 - 8.7.1. Building location (e.g. address and nearest intersection);
 - 8.7.2. Building amenities (e.g. storage lockers, amenity areas, vehicular and bicycle parking);
 - 8.7.3. Accessibility considerations (e.g. accessibility features of the building and IZ affordable rental unit);
 - 8.7.4. Floor plans for the IZ affordable rental units, depicting for each unit: doors, windows, kitchen facilities, common areas, bedrooms, and the unit's total floor area (square metres or square feet); and
 - 8.7.5. Description of unit amenities (e.g. appliances, laundry).

Expression of Interest and Random Selection Process

- 8.8. Eligible households shall have at least four calendar weeks to express interest in IZ affordable rental units. Households shall have the opportunity to apply for all units for which they are eligible, although the household may only submit one application per IZ affordable rental unit.



- 8.9. All eligible households who apply for an IZ affordable rental unit shall be entered into a random selection process conducted by the City. The random selection process shall ensure eligible households have equal opportunity to access an IZ affordable rental unit for which they are eligible.
- 8.10. Upon completion of the City's random selection process for IZ affordable rental units, the highest ranking household(s) shall be notified of:
- 8.10.1. The process and deadline for submitting a rental housing application;
 - 8.10.2. The required supporting documentation (e.g. application form, references, income verification); and
 - 8.10.3. That they may be removed from the list of eligible households if they do not complete all application requirements by the provided deadline.
- 8.11. The City shall provide the Owner with the list of randomly selected eligible households who submitted rental housing applications for final screening.

Protocols for Screening Tenants

- 8.12. The Owner shall include information in their Tenant Access Plan for selecting and refusing tenants. Tenants may only be screened according to criteria that is pre-approved by the City through the review of the Tenant Access Plan.
- 8.13. Any eligibility practices established by the landlord must adhere to the [Ontario Human Rights Code, Regulation 290/98](#), which lists the following review and selection practices as acceptable:
- 8.13.1. Rental history, credit references, and/or credit checks may be requested. A lack of rental or credit history shall not be viewed negatively.
 - 8.13.2. A landlord can ask for income information, but they must also ask for, and consider together, any available information on rental history, credit references, and credit checks (such as through Equifax Canada).



- 8.13.3. Income information shall be limited to confirming that the person has enough income to cover rent (it is illegal for housing providers to apply a rent-to-income ratio, such as a 30% cut-off rule).
- 8.14. A landlord may request a “guarantor” to sign a tenancy agreement on behalf of a prospective eligible household, but only if the landlord has the same requirements for all tenants (market and affordable rental units) and for people who are *not* identified by a prohibited ground of discrimination under the Ontario *Human Rights Code*.
- 8.15. Tenancy agreements shall include City-approved tenancy agreement clauses outlining limits to rent increases, any optional extra charges for parking or storage, and restrictions for sub-letting.



Right to Equal Treatment without Discrimination and Freedom from Harassment in Housing

Everyone has the right to equal treatment in housing without discrimination and the right to freedom from harassment from a landlord under the Ontario [Human Rights Code](#).

Households applying for an IZ affordable rental unit cannot be refused an apartment, harassed by a housing provider or other tenants, or otherwise treated unfairly because of one or more of the following Ontario *Human Rights Code* grounds:

- race, colour, or ethnic background;
- creed (religious beliefs or practices);
- ancestry, including Indigenous ancestry;
- place of origin;
- citizenship, including refugee status;
- sex (including pregnancy);
- sexual orientation;
- gender identity and expression;
- age, including individuals who are 16 or 17 years old and no longer living with parents or guardians;
- marital status, including single status and those with a same-sex partner;
- family status;
- disability; and
- receipt of public assistance.

Rent Increases

8.16. The rent charged to a household occupying an IZ affordable rental unit may be increased on an annual basis by not more than the provincial guideline, as set out in Section 120 (2) of the [Residential Tenancies Act](#), for the duration of such household's tenancy, irrespective of whether the rental unit is exempt from rules relating to rent pursuant to Section 6.1 (2) of the *Residential Tenancies Act*.



- 8.17. If an IZ affordable rental unit becomes vacant and is re-rented to a new tenant during the 99-year affordability period, the rent for the new tenant shall be no higher than the City's applicable affordable rent threshold applying to the IZ affordable rental unit based on its bedroom type.

9. Administration of IZ Affordable Ownership Units

Third Party Administration

- 9.1. IZ affordable ownership units shall be administered over the 99-year affordability period by one or more third-party administrators ("Administrator") selected by the City. The third-party administrator shall be responsible for providing information to prospective homebuyers, including homebuyer education resources.
- 9.2. Prior to the issuance of first building permit for the development, the Owner and Administrator will enter into an Agreement of Purchase and Sale for the IZ affordable ownership unit that is assignable at no cost.

Access Plan Requirements

- 9.3. The Administrator shall be responsible for submitting an Affordable Ownership Access Plan to the City for review and approval using a template pre-approved by the City. The Affordable Ownership Access Plan shall, at a minimum, cover the first sale process and any resales over an established period of time and identify the following:
 - 9.3.1. The process by which the Administrator shall work with City of Toronto staff to market and allocate IZ affordable ownership units to eligible households, including any target household groups;
 - 9.3.2. The City of Toronto staff with whom the Administrator anticipates working to facilitate the household eligibility and selection processes for the IZ affordable ownership units;
 - 9.3.3. Processes and procedures for maintaining a list of eligible households;
 - 9.3.4. Processes and procedures for notifying the City of any resales; and



- 9.3.5. Any unique project considerations concerning access by prospective purchasers, including any proposed partnerships with one or more non-profit housing providers.

Household Eligibility

In order to be eligible for an IZ affordable ownership unit, a household shall, at the time of application to purchase an affordable ownership unit, satisfy the following requirements:

- 9.4. At least one member of the household shall be at least 18 years of age, or 16 or 17 years of age and no longer living with a parent.
- 9.5. Each member of the household shall be either:
 - 9.5.1. A Canadian citizen;
 - 9.5.2. A permanent resident of Canada or a temporary resident who has applied for permanent resident status; or
 - 9.5.3. A refugee claimant or Convention refugee.
- 9.6. The IZ affordable ownership unit shall be suitable for the household and the following occupancy standards must be met:
 - 9.6.1. A minimum of one and a maximum of two persons per bedroom; and
 - 9.6.2. A maximum of one bedroom for spouses.
- 9.7. The household's gross annual income shall be no more than four times (4X) the annual shelter cost of the IZ affordable ownership unit.

The household must currently be renting their housing and no individual in the household shall own, in whole or in part, any form of residential real estate in Canada or abroad.

- 9.8. Restrictions on assets will be identified as part of the eligibility criteria.



Marketing of IZ Affordable Ownership Units

- 9.9. At least 6 months prior to the IZ affordable ownership units being ready for occupancy, the Administrator shall advertise and market IZ affordable ownership units to households in need of affordable ownership housing through the City's website and social media channels along with any other public lists. Information that will be included in the advertising and marketing of the units includes:
 - 9.9.1. Building location (e.g. address and nearest intersection);
 - 9.9.2. Building amenities (e.g. storage lockers, amenity areas, vehicular and bicycle parking);
 - 9.9.3. Accessibility considerations (e.g. accessibility features of the building and IZ affordable ownership unit);
 - 9.9.4. Floor plans for the IZ affordable ownership units, depicting for each unit: doors, windows, kitchen facilities, common areas, bedrooms, and the unit's total floor area (square metres or square feet);
 - 9.9.5. Description of unit amenities (e.g. appliances, laundry); and
 - 9.9.6. Sale prices, condominium fees, and any other applicable charges.

Expression of Interest and Random Selection Process

- 9.10. Eligible households shall have at least four calendar weeks to express interest in IZ affordable ownership units. Households shall have the opportunity to apply for all units for which they are eligible, although the household may only submit one application per unit.
- 9.11. All eligible households who apply for an IZ affordable ownership unit shall be entered into a random selection process conducted by the administrator. The random selection process shall ensure eligible households have equal opportunity to access an IZ affordable ownership unit for which they are eligible.
- 9.12. Upon completion of the random selection process conducted by the Administrator, the highest ranking household(s) shall be notified of:



- 9.12.1. The opportunity to enter into a purchase and sale agreement for an IZ affordable ownership unit;
- 9.12.2. The deadline by which they shall be required to complete all paperwork, secure financing, submit the applicable deposit, and resolve any other administrative matters that are legally and/or financially necessary to facilitate the purchase and sale agreement for the IZ affordable ownership unit; and
- 9.12.3. That they may lose the opportunity to purchase an IZ affordable ownership unit if they do not complete all paperwork, secure financing, submit the applicable deposit, and/or resolve any other administrative matters that are legally and/or financially necessary to facilitate the purchase and sale agreement for the IZ affordable ownership unit by the provided deadline.

Resale Process and Price Increases

- 9.13. IZ affordable ownership units may be sold to eligible purchasers or title transferred to the unit to one or more immediate family members, spouses, or partners during the 99-year affordability period. Should an IZ affordable ownership unit owner, or their executor(s), wish to sell such IZ affordable ownership unit and/or transfer title during the 99-year affordability period, they shall first inform the Administrator of their desire to sell/transfer title to the unit.
- 9.14. The Administrator of an IZ affordable ownership unit shall be responsible for implementing the resale and/or title transfer provisions in the City-approved Affordable Ownership Access Plan, including processes and procedures for advertising and offering the IZ affordable ownership unit to eligible purchasers in the event of a sale. The Administrator shall identify the minimum amount of notice that the IZ affordable ownership unit owner(s) must provide prior to commencing the resale or title transfer process.
- 9.15. The Administrator of an IZ affordable ownership unit shall be responsible for determining the maximum resale price of the IZ affordable ownership unit. The resale price shall be based on the original purchase price, as set out in the purchase and sale Agreement, adjusted for inflation using the monthly Consumer Price Index (CPI) for the Toronto Census Metropolitan Area (CMA) published by Statistics Canada and taking into consideration



applicable condominium maintenance fees, plus any applicable administration fees. Any upward adjustment to the resale price of an IZ affordable ownership unit that exceed(s) the adjustment permitted by the CPI for the Toronto CMA shall be reviewed and approved by the Chief Planner and Executive Director, City Planning Division and/or the Executive Director, Housing Secretariat.

9.16. An IZ affordable ownership unit owner will be entitled to receive the full Net Proceeds, less any administration fees, from the sale of the unit to a future purchaser.

9.17. In the event the title to an IZ affordable ownership unit is proposed to be transferred, the Administrator shall ensure the transferee satisfies any household eligibility requirements in accordance with Sections 9.1-9.5 and 9.13 above.

10. Annual Reporting

10.1. For IZ affordable rental units, the Owner shall submit an annual report to the City verifying that all IZ affordable rental units under their ownership are in compliance with the City's IZ requirements. Annual reports and rent rolls shall be provided to the City to confirm the total occupancy cost by bedroom type of each IZ affordable rental unit. Rent rolls shall include a detailed report of turnover and occupancy dates for each IZ affordable rental unit. The City shall review rent rolls to ensure rent increases comply with the applicable agreement(s) between the Owner and City.

10.2. For IZ affordable ownership units, the administrator shall submit an annual report to the City confirming that all units are occupied by their respective owners, and whether any units have been resold or title transferred to an immediate family member. If any of the affordable ownership units have been resold or transferred title, the report shall indicate the resale price and the household income of the purchaser or transferee.



Appendix A. Definitions

"Administrator" means the third-party administrator responsible for oversight and annual reporting of the IZ Affordable Ownership Units. The administrator will be selected by the City and receive administration fees in accordance with fees collected by the City.

"Bedroom Type" means the type of IZ Affordable Housing Unit based on the number of bedrooms within the unit.

"Fully Accessible Housing Unit" means a dwelling unit that satisfies all of the guidelines set out in Section 4 (Fully Accessible Units) of the City's Affordable Rental Housing Design Guidelines and Sections 2.5.18 through 2.5.21 of the City's Accessibility Design Guidelines.

"IZ Affordable Housing Unit" means an Affordable Housing Unit as required by, and defined in, By-law XXX-2021.

"IZ Affordable Rental Unit" means an Affordable Rental Housing Unit as required by, and defined in, By-law XXX-2021.

"IZ Affordable Ownership Unit" means an Affordable Ownership Housing Unit as required by, and defined in, By-law XXX-2021.

"IZ Market Area" means one of the three IZ Market Areas identified in Policy 13 of Section 3.2.1 and Map 37 of the Official Plan.

"Market Unit" means a market dwelling unit in the proposed development that is not an IZ Affordable Housing Unit.

"Net Proceeds" means the amount a seller of an IZ Affordable Ownership Unit receives after selling a unit. Net Proceeds will be calculated as the difference between the sale price and the resale price, plus an administration fee. Net Proceeds do not include legal fees or other required closing costs.

"Owner" means the registered owner(s) of the lands containing the proposed development that is subject to IZ affordable housing requirements.

"Proposed Development" means a development or redevelopment giving rise to an IZ by-law requirement for affordable housing units.

