

Inclusionary Zoning: Proposed Official Plan Amendment

SECTION 4.2.5 TO BE DELETED IN ENTIRETY AND REPLACED WITH THE FOLLOWING.

4.2.5 Inclusionary Zoning

1. The City will establish by-laws, requirements, guidance and processes for residential development near transit to contribute inclusionary units in support of an equitable and diverse supply of affordable housing consistent with the goals of section 4.2 of this Plan and with the housing objectives as described in the 10 Year Housing and Homelessness Plan.
2. For the purposes of inclusionary zoning, an inclusionary unit is a housing unit that aligns with the definition of “affordable residential unit” as set out in the *Development Charges Act*, as amended.
3. The range of household incomes and the minimum depth of affordability for an inclusionary unit shall be those established by the *Development Charges Act*, so that:
 - a. For rental housing, the rent is affordable to renter households at or below the 60th percentile of the household income distribution; and
 - b. For ownership housing, the purchase price is affordable to all households at or below the 60th percentile of the household income distribution.
4. Inclusionary units shall remain affordable for a period of no less than 25 years, measured from the date of first residential occupancy of the unit.
5. A residential development will be required to provide inclusionary units subject to the provisions of the Zoning By-law where the development is located within a Protected Hub as shown on Schedule C1 and the B-series Schedule of this Plan; and
 - a. The total number of units within the residential development, including all buildings and phases on the site is 80 units or more; or
 - b. The total residential gross floor area of the development on the site is 6,000 square metres or more.
6. Notwithstanding Section 4.2.5, Policy 5), a development is exempt from inclusionary zoning where:

- a. The development meets exemption criteria as set forth in the Planning Act and applicable Provincial regulation; or
 - b. The development provides affordable housing units that meet or exceed set-aside rates as described in Table 5 of Section 4.2.5, Policy (7), meet or exceed the affordability term established in Section 4.2.5, Policy (4), and where such units are bound by a registered agreement.
7. The number of inclusionary units or portion of the total residential gross floor area to be set-aside as inclusionary units shall be provided in accordance with Table 5 below:

Table 5: Inclusionary Zoning Set-Aside Rates

Metrics	Set-Aside Rates
Residential Units	Zero (0) percent of total residential units
Residential Gross Floor Area	Zero (0) percent of total residential gross floor area

8. The range of unit types and development standards for inclusionary units are as follows:
- a. Any unit type and unit size are permitted in accordance with the Zoning By-law;
 - b. The unit size and unit mix by number of bedrooms for required inclusionary units shall be proportional to units provided elsewhere in the building;
 - c. The quality of finish and integration into the building shall be the same as the non-inclusionary units to ensure no differentiation; and,
 - d. Inclusionary units shall be distributed across multiple floors of a building.
9. The City may establish incentives and measures to support the delivery of inclusionary units.
10. The City shall receive 50% of the net proceeds from the first sale of the unit following the end date of the affordability term for reinvestment in affordability programs. Net Proceeds shall mean the difference between the sale price of the inclusionary ownership unit at the time of the first transaction following the expiry of the affordability term and the original purchase price, adjusted for transactional costs as deemed appropriate by the City, and as detailed in the Inclusionary Zoning Guidelines.
11. The City will only consider off-site delivery or consolidation of required inclusionary units where:

- a. An improved housing outcome will result, including but not limited to an increase in the number of affordable units provided, or deeper levels of affordability;
 - b. The location of the receiving development is within the same Protected Hub as shown on Schedule C1 and the B-series Schedule of this Plan;
 - c. Off-site units are ready for occupancy within two years of the date of occupancy for the originating development; and
 - d. A Zoning By-law Amendment or binding and secured agreement has transferred the obligation to provide inclusionary units from an originating development to the receiving development; and
 - e. The units provided off-site are additional to, and do not satisfy, the inclusionary zoning or other affordable housing requirements that otherwise apply to the receiving development.
12. The City will develop Inclusionary Zoning Guidelines to provide details and guidance on the implementation, execution, and ongoing administration of inclusionary units, including compliance, reporting and monitoring of agreements.
13. The City will require a development to have a registered agreement on title for the inclusionary unit(s) which will include:
- a. The start and end dates for the term of affordability;
 - b. Requirements to maintain defined affordability thresholds for any lease, sublease, purchase or re-sale throughout the term of affordability;
 - c. Requirements to distribute the net proceeds from the first sale of the unit following the end-date of the affordability term to the City for reinvestment in affordability programs;
 - d. Requirements for the provision of off-site units, where applicable; and
 - e. Any other matters as deemed appropriate by the City.
14. Monitoring, reporting and future amendments will be subject to the following:
- a. The City will commission a full update to the Inclusionary Zoning Assessment Report within five years beginning from the coming into force of these policies;
 - b. Amendments to the set-aside rate and sub-categorization of those rates to specific geographies will be supported by the findings of the Inclusionary Zoning Assessment Report as updated from time-to-time, and the findings of a Housing Needs Assessment or similar study with focus on the trajectory of housing supply, diversity and equity near transit;
 - c. The City will provide a biennial monitoring report to Council on the implementation of inclusionary zoning and will report on:
 - i. The number, type, and location of affordable housing units;

- ii. The range of household incomes for which affordable housing units were provided;
 - iii. The number of affordable housing units that were converted to market units at market value; and
 - iv. The proceeds that were received by the municipality from the sale of affordable housing units.
- d. Biennial monitoring as outlined in subsection (c) will also include indicators to assess the health of the housing market and state of housing supply, diversity and equity near transit;
- e. Where an amendment to the set-aside rates occurs following the update of the Inclusionary Zoning Assessment Report, a transition period of up to two years will be provided prior to the new rate taking effect, starting from date of enactment of the amendment; and
- f. Notwithstanding 4.2.5, Policy 14(e), where an applicant has applied for site plan approval, draft plan of subdivision approval, condominium approval, building permit or development permit, the set-aside rate will be frozen at the level on the date of application.