

PH16.7 Attachment 1

Attachment 1: Draft Inclusionary Zoning Official Plan Amendment

City of Toronto By-law No. --20~

1. Section 3.2.1 Housing is amended by adding the following as a new Policy 13:

"13. To increase the supply of affordable housing for low to moderate income households, continue to support a diverse range of housing supply and support the development of more inclusive and equitable communities, new development containing residential units and subject to an inclusionary zoning by-law, outlined in Section 5.1.8 of this Plan, will not be approved unless:

- a) for development that is located in a strong market area identified on Map 37:
 - i. if a condominium development is proposed, a minimum of 10% of the total new residential gross floor area shall be secured as affordable ownership housing or affordable rental housing; or
 - ii. if a purpose-built rental development is proposed, a minimum of 5% of the total new residential gross floor area shall be secured as affordable rental housing;
- b) for development that is located in a moderate market area identified on Map 37:
 - i. if a condominium development is proposed, a minimum of 5% of the total new residential gross floor area shall be secured as affordable ownership housing or affordable rental housing; or
 - ii. if a purpose-built rental development is proposed, a minimum of 3% of the total new residential gross floor area shall be secured as affordable rental housing;
- c) the affordable housing shall be secured at affordable rents or affordable ownership prices, with at least 10% of the residential gross floor area required in Policy 3.2.1.13 a) and b) secured at 80% of affordable rents where affordable rental housing is provided, for a period of at least 99 years from the date of first residential occupancy of the unit; and
- d) the unit mix of the affordable housing reflects the market component of the development, as appropriate, to achieve a balanced mix of unit types and sizes and support the creation of affordable housing suitable for families."

Sidebar Explanatory text:

Strong and moderate market areas are determined based on the following indicators: resale prices and escalation, new condominium prices and escalation, new rental prices, residential development activity and financial impact viability. These areas will be reviewed at least every 5 years as part of the update to the Inclusionary Zoning Assessment Report.

2. Section 5.1 Managing Growth and Change: The Planning Tool Box is amended by adding the following policy as a new Policy 8:

"Inclusionary Zoning

Inclusionary zoning is a tool that allows the City to require affordable housing units to be provided in new developments. Policies for inclusionary zoning are required to ensure the provision of affordable housing keeps pace with the growth of new market housing, supporting neighbourhoods across the City to provide housing options for a full range of incomes and households.

1. Zoning by-laws for inclusionary zoning, pursuant to the *Planning Act* and in accordance with the policies of this Plan, may be enacted to require affordable housing to be included in development or redevelopment located within a:

- a) strong or moderate market area as shown on Map 37;
- b) Protected Major Transit Station Area, pursuant to the *Planning Act*; and
- c) An area where a development permit system is adopted or established.

2. Despite Policy 1, Zoning by-laws for Inclusionary Zoning will not apply to:

- a) development or redevelopment located within the Downtown Secondary Plan or Central Waterfront Secondary Plan boundary containing:
 - i. less than 100 residential units; and
 - ii. less than 8,000 square metres of residential gross floor area;
- b) development or redevelopment located outside the Downtown Secondary Plan or Central Waterfront Secondary Plan boundary containing:
 - i. less than 140 residential units; and
 - ii. less than 10,000 square metres of residential gross floor area;
- c) development or redevelopment proposed by a non-profit housing provider or proposed by a partnership where a non-profit housing provider has an interest that is greater than 51 per cent and where a minimum of 51 per cent of the units will be affordable rental housing units or affordable ownership housing units, excluding any offsite inclusionary zoning affordable housing units that would be located in the development; or
- d) the portions of a development or redevelopment containing residential care homes or institutional student residences.

3. At the discretion of the City, some or all of the affordable housing requirement may be provided on an alternate site subject to the following:

- a) the offsite affordable housing units shall be ready and available for occupancy prior to occupancy of the residential units in the proposed development or redevelopment; and
- b) the offsite affordable housing units shall be located in proximity to the proposed development or redevelopment. The requirements for proximity will be met if the offsite development is located within:
 - i. an area outlined in Policy 5.1.8.1; and
 - ii. the same market area category described in Map 37.

4. Any replacement affordable or mid-range rental units or dwelling rooms required under Policy 3.2.1.6 or Policy 3.2.1.11 of this Plan shall not contribute to the affordable housing requirements required in Policy 3.2.1.13 of this Plan.

5. Financial or regulatory incentives provided by the City will only be considered where a development or redevelopment proposes to exceed the requirements set out in Policy 3.2.1.13 of this Plan.

6. Development or redevelopment subject to the requirements of Policy 3.2.1.13 of this Plan will not be subject to the requirements of Policy 3.2.1.9 of this Plan.

7. For development or redevelopment subject to an Inclusionary Zoning By-law, one or more agreements that are registered on title to the lands shall be entered into with the City securing:

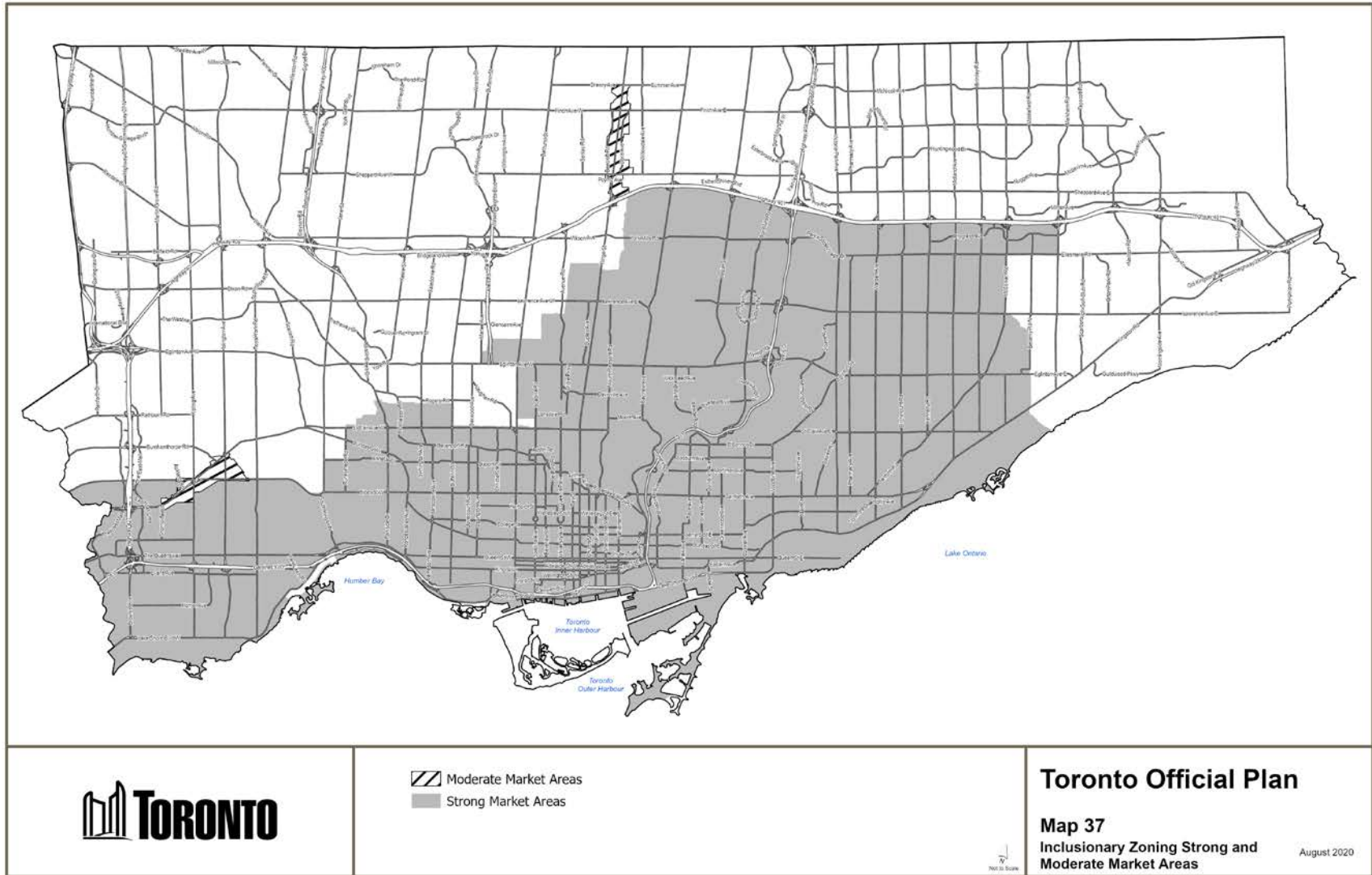
- a) the requirements of Policy 3.2.1.13 of this Plan and this Section;
- b) requirements for timely delivery of the affordable units, and if applicable, any phasing of such affordable units, in development or redevelopment;
- c) requirements for additional affordable housing to meet Policy 3.2.1.13 a) i. or b) i., should a proposed purpose-built rental development convert to condominium;
- d) requirements for ongoing reporting and monitoring of the affordable housing units; and
- e) that the owner of an affordable ownership unit would receive 100% of the net proceeds of that unit when it is sold after the 99 year affordability period."

Sidebar Explanatory text:

The provincial regulation for Inclusionary Zoning (O. Reg. 232/18) defines non-profit housing providers as:

- (a) a corporation to which the *Not-for-Profit Corporations Act, 2010* applies that is in good standing under that Act *and whose primary object is to provide housing,*
- (b) a corporation without share capital to which the Canada Business Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing,
- (c) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act, or
- (d) an organization that is a registered charity within the meaning of the Income Tax Act (Canada) or a non-profit organization exempt from tax under paragraph 149 (1) (l) of that Act, and whose land is owned by the organization, all or part of which is to be used as affordable housing.

Map 37: Inclusionary Zoning Strong and Moderate Market Areas



PH16.7 Attachment 2

Attachment 2: Draft Inclusionary Zoning By-law

CITY OF TORONTO BY-LAW #####-2020

To amend Zoning By-law 569-2013, as amended, with respect to Inclusionary Zoning.

Whereas Council of the City of Toronto has the authority pursuant to Section 34 of the Planning Act, R.S.O. 1990, c. P.13, as amended, to pass this By-law; and

Whereas Council of the City of Toronto has provided adequate information to the public and has held at least one public meeting in accordance with the Planning Act;

The Council of the City of Toronto enacts:

1. The words highlighted in bold type in this By-law have the meaning provided in Zoning By-law 569-2013, Chapter 800 Definitions, unless otherwise specified.
2. Zoning By-law 569-2013, as amended, is further amended by inserting Section 600.30 so that it reads:

600.30 Inclusionary Zoning Overlay Map

(1) Affordable Rental Housing Unit Definition

For the purposes of Section 600.30, **affordable rental housing unit** means a **dwelling unit** where the **total monthly shelter cost** is the least expensive of 100% of Average Market Rent (AMR) by **dwelling unit** type, as reported annually by the Canada Mortgage and Housing Corporation (CMHC), and which must be affordable to:

(A) households earning between the 20th and 50th percentile income for one-person renter households in the City of Toronto, for bachelor **dwelling units**;

(B) households earning between the 30th and 60th percentile income for one-person renter households in the City of Toronto, for one-bedroom **dwelling units**;

(C) households earning between the 30th and 60th percentile income for two-person renter households in the City of Toronto, for two-bedroom **dwelling units**;

(D) households earning between the 30th and 60th percentile income for three-person renter households in the City of Toronto, for three-bedroom **dwelling units**.

(2) Affordable Ownership Housing Unit Definition

For the purposes of Section 600.30, **affordable ownership housing unit** means a **dwelling unit** which is priced at or below an amount where the **total monthly shelter cost** does not exceed 30 percent of gross annual income for households within the

moderate income range, defined as the 30th to 60th income percentiles, depending on **dwelling unit** size, and which must be affordable to:

- (A) households with incomes no higher than the 30th percentile, for bachelor **dwelling units**;
- (B) households with incomes no higher than the 40th percentile, for one bedroom **dwelling units**;
- (C) households with incomes no higher than the 50th percentile, for two bedroom **dwelling units**; and
- (D) households with incomes no higher than the 60th percentile, for three bedroom **dwelling units**.

(3) Total Monthly Shelter Cost

For the purposes of Section 600.30, total monthly shelter cost:

- (A) for an **affordable rental housing unit**, means the gross monthly rent including utilities such as heat, hydro and hot water, but excluding parking and cable television charges; and
- (B) for an **affordable ownership housing unit**, means:
 - (i) the mortgage principal and interest based on a 25-year amortization, 10 per cent down payment and the chartered bank administered mortgage rate for a conventional 5-year mortgage as reported by the Bank of Canada at the time of application; and
 - (ii) property taxes calculated on a monthly basis.

(4) Affordable Housing Unit Definition

For the purposes of Section 600.30, **affordable housing unit** means a **dwelling unit** which is either an **affordable rental housing unit** or an **affordable ownership housing unit**.

(5) Purpose-Built Rental Housing Definition

For the purposes of Section 600.30, **purpose-built rental housing** means a **building** or part of a **building**:

- (A) containing **dwelling units** which:
 - (i) are not individually owned;
 - (ii) are available for rent;
 - (iii) are not in a condominium registered under section 2 of the Condominium Act, 1998 or a predecessor of that section;
- (B) which was originally constructed for rental; and

(C) which is not organized as a life lease project and the right to occupy the **dwelling units** is based on a life lease interest.

(6) Ownership Housing

For the purposes of Section 600.30, **ownership housing** means a **building** or part of a **building** containing **dwelling units** which are individually owned as part of freehold ownership, a condominium registered under section 2 of the Condominium Act, 1998 or a predecessor of that section.

(7) Non-profit Housing Provider

For the purposes of Section 600.30, a **non-profit housing provider** means:

- (A) a corporation without share capital to which the *Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing;
- (B) a corporation without share capital to which the *Canada Business Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing;
- (C) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*; or
- (D) an organization that is a registered charity within the meaning of the *Income Tax Act* (Canada) or a non-profit organization exempt from tax under paragraph 149 (1) (l) of that Act, and whose land is owned by the organization, all or part of which is to be used as affordable housing.

600.30.10 Inclusionary Zoning Overlay

(1) Affordable Housing Units in Inclusionary Zoning Overlay Area IZ1

[Note: Zoning Overlay Area IZ1 is a placeholder for PMTSAs that are within “strong market areas.”]

On a **lot** which is located entirely within an area identified as Inclusionary Zoning Area IZ1 on the Inclusionary Zoning Overlay Map:

- (A) for a **purpose-built rental housing building** a minimum of 5% of the total **gross floor area** for residential uses must be provided as **affordable rental housing units**;
- (B) for an **ownership housing building** a minimum of 10% of the total **gross floor area** for residential uses must be provided as **affordable housing units**; and
- (C) where a **purpose-built rental housing building** is converted to an **ownership housing building**, the requirements of (B) will apply.

(2) Affordable Housing Units in Inclusionary Zoning Overlay Area “IZ-2”

[Note: Zoning Overlay Area IZ2 is a placeholder for PMTSAs that are within “moderate market areas.”]

On a **lot** which is located entirely within an area identified as Inclusionary Zoning Area IZ2 on the Inclusionary Zoning Overlay Map:

- (A) for a **purpose-built rental housing building** a minimum of 3% of the total **gross floor area** for residential uses must be provided as **affordable rental housing units**;
- (B) for an **ownership housing building** a minimum of 5% of the total **gross floor area** for residential uses must be provided as **affordable housing units**; and
- (C) where a **purpose-built rental housing building** is converted to an **ownership housing building**, the requirements of (B) will apply.

(3) Affordability

On a **lot** which is located entirely within an area identified as Inclusionary Zoning Area IZ1 or Area IZ2 on the Inclusionary Zoning Overlay Map:

- (A) the **affordable rental housing units** and **affordable ownership housing units** required by regulations 600.30.10(1) and 600.30.10(2) must be provided as **affordable rental housing units** or **affordable ownership housing units** for a minimum of 99 years from the date of the first residential occupancy of each **affordable housing unit**; and
- (B) despite regulation 600.30(1), where **affordable rental housing units** are required by regulations 600.30.10(1) and 600.30.10(2), a minimum of 10% of the required **gross floor area** must be provided as **affordable rental housing units** which have a **total monthly shelter cost** that is at or below 0.8 times the **total monthly shelter cost** for **affordable rental housing units**.

(4) Register Agreement on Title

The requirements of regulations 600.30.10(1), 600.30.10(2), and 600.30.10(3), must be secured by one or more agreements pursuant to Section 35(2) of the Planning Act that are in a form and registered on title to the lands to the satisfaction of the City Solicitor.

(5) Exemptions

Regulations 600.30.10(1), 600.30.10(2), 600.30.10(3), and 600.30.10(4) do not apply to:

(A) a **purpose-built rental housing building** or an **ownership housing building** which:

- (i) contains fewer than 140 **dwelling units** and 10,000 square metres of **gross floor area** for residential uses;
- (ii) contains fewer than 100 **dwelling units** and 10,000 square metres of **gross floor area** for residential uses and is located within an area identified as Inclusionary Zoning Area IZ1-A on the Inclusionary Zoning Overlay Map [Note: Zoning Overlay Area IZ1-A is a placeholder for PMTSAs that are within “strong market areas” and in the Downtown and central Waterfront Secondary Plan area]
- (iii) will be owned and operated by a **non-profit housing provider**; or
- (iv) will be owned and operated by a **non-profit housing provider** in a partnership in which:

- (a) the **non-profit housing provider** has an ownership interest that is greater than 51 per cent; and
- (b) a minimum of 51 per cent of the **dwelling units** will be **affordable housing units**.

(B) a **student residence** or **residential care home** that is on the same **lot** or in the same **building** as **purpose-built rental housing** or **ownership housing**.

(6) Lawfully Existing Buildings

Regulations 600.30.10(1), 600.30.10(2), 600.30.10(3), and 600.30.10(4) do not apply to a **lawfully existing building** except where any addition or extension to, or change of use within, a **lawfully existing building** results in:

- (A) 140 or more new **dwelling units**; or
- (B) 100 or more new **dwelling units** for a **lawfully existing building** which is located within an area identified as Inclusionary Zoning Area IZ1-A on the Inclusionary Zoning Overlay Map.

600.30.15 Transition: Inclusionary Zoning

600.30.15.1 Transition: Building Permit Applications

(1) Building Permit Applications

Nothing in Section 600.30 will prevent the erection or use of a **building** or **structure** for which an application for a building permit was filed on or prior to January 1, 2022.

(2) Building Permit Applications

For the purposes of regulation 600.30.15.1 (1), an "application for a building permit" means an application for a building permit that satisfies the requirements set out in Article I, Building Permits of Chapter 363, Building Construction and Demolition of the City of Toronto Municipal Code.

600.30.15.2 Transition: Zoning By-law Amendment

(1) Zoning By-law Amendment Applications

Nothing in Section 600.30 will prevent the erection or use of a **building** or **structure**, for which a complete application for a zoning by-law amendment was filed on or prior to January 1, 2022.

(2) Zoning By-law Amendment Applications

For the purposes of regulation 600.30.15.2(1), a "complete application for a zoning by-law amendment" means an application which satisfies the requirements set out in the City of Toronto Official Plan Policy 5.5.2.

600.30.15.3 Transition: Minor Variance Applications

(1) Minor Variance Applications

Nothing in in Section 600.30 will prevent the erection or use of a **building** or **structure**, for which:

- (A) A complete application for a minor variance under Section 45 of the Planning Act was filed on or prior to January 1, 2022; or
- (B) A complete application for a minor variance under Section 45 of the Planning Act was filed after January 1, 2022 based on a building permit referred to in regulation 600.30.15.1(1).

(2) Minor Variance Applications

For the purposes of regulation 600.30.15.3(1), a "complete application for a minor variance" means an application which satisfies the requirements of Section 2 of Ontario Regulation 200/96 (Minor Variance Applications) under the Planning Act.

600.30.15.4 Transition: Site Plan Approval Applications

(1) Site Plan Approval Applications

Nothing in Section 600.30 will prevent the erection or use of a **building** or **structure**, for which a complete application for site plan approval was filed on or prior to January 1, 2022.

(2) Site Plan Approval Applications

For the purposes of regulation 600.30.15.4(1), a "complete application for site plan approval" means an application which satisfies the requirements set out in the City of Toronto Official Plan Policy 5.5.2.