



# Municipal Framework for an Inclusionary Zoning Partnership

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# Objective

- This framework is based on the current Provincial parameters for Inclusionary Zoning (IZ), and is not intended as guidance for Housing Affordability in general.
- BILD recommends that an IZ framework should be developed with four key themes in mind. These include:
  1. Partnership
  2. Setting the Right Parameters
  3. Implementation and Transition
  4. Operation and Maintenance
- The following pages discuss these four themes in greater detail.
- **Given the complexity and variability of the development approval process across the GTA and Simcoe County, there may be additional recommendations that the industry may put forward, for a specific municipality, that is not included in this document.**

# Partnership

- Upholding the principle of an IZ partnership model between a municipality and the industry by offering a suite of incentives and offsets is of the utmost importance to the industry.
- These incentives could include, but are not limited to, waving or reducing development charges, application fees, CIL of parkland levies or any other government imposed fees or charges. Offsets could include, but are not limited to, density bonusing above what would be approved otherwise through the planning process, parking requirements, or reduction in parkland dedication.
- Depending on the level of affordability that a municipality sets out, it may require Federal and Provincial participation as well.

# Setting the Right Parameters

- Municipal zoning by-laws should be updated to provide reasonable as-of-right zoning permissions and additional density could be explicitly provided where IZ zoning is in place.
- Affordability factors should be defined at the neighbourhood or community scale rather than reflect the entire municipality. They should include a reasonable definition of affordable housing that reflects the local municipality and does not tie to income.
- When determining the affordability period of the IZ units, a municipality should distinguish between planning for affordable rental IZ units or affordable market IZ units. The tenure for the affordability period should match the given scenario.
- Rental IZ units should not be held in perpetuity. The affordability period for these units should align with the life cycle of a building, when maintenance and repairs start to be needed. By that point, a building could require a significant injection of future capital to bring it up to adequate standards, codes and support any other municipal targets (i.e. carbon neutrality). Bringing this units back into the market supply at that time would align with this natural cycle of repair. This would also ensure that these units are able to absorb and adapt within the changing marketplace.
- Additional incentives should be provided if projects are held affordable for periods longer than 10 years or if the affordability definition results in deeper subsidies.

# Setting the Right Parameters

- Rent for the IZ units should be able to keep pace with inflation and residential rent increase guidelines to absorb increases in maintenance costs.
- Provide the option for cash-in-lieu. Cash-in-lieu would be a tool that municipalities can use to collect and redirect funds to support other priority housing projects within the community or neighbourhood where the market rent project is located.
- Provide the option for off-site contributions. Allowing for off-site contributions provides flexibility should there be a greater need for IZ units in other parts of a municipality.
- Ease all IZ requirements related to purpose built rental, including the affordability period, level of affordability, and IZ set aside in order to support its continued delivery. BILD and its members stress that this housing product type is incredibly challenging to build, especially under pandemic conditions. It is imperative that municipalities does not impose additional policies that make rental more difficult to build.
- Consider the cumulative effects of other planning policy requirements (i.e. heritage) and create a mechanism where reduced or waived IZ requirements can be allowed, if demonstrated to be unfeasible for a project or if other community-benefitting contributions are being met.

# Implementation & Transition

- Consider a graduated and phased-in approach for implementation. A long-term IZ policy approach would allow land markets to adjust and developer expertise to grow.
- Transition provisions should allow for projects with existing approvals or active applications that are deemed complete to be grandfathered and should include a start date that is at least 1 year after the approval of the policies to allow the industry to adjust to the adopted policies.
- This would include making sure that IZ requirements are not applied to a development that has an existing approval in place (i.e. zoning) and would be proceeding with a future, subsequent approval (i.e. site plan).

# Operation & Maintenance

- Guidance should be provided for the operation and maintenance of this units.
- Clear and consistent agreements for the management of units for the prescribed affordability period should set out on a case-by-case basis to ensure optimal flexibility.