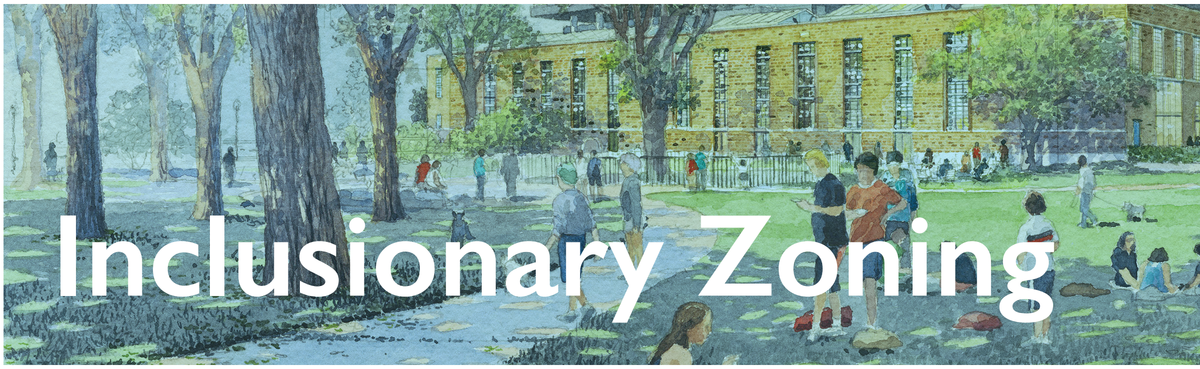

Inclusionary Zoning

Ontario Home Builders' Association

What is Inclusionary Zoning?

- Inclusionary zoning refers to municipal policies that require the provision of "subsidized housing" as part of larger residential developments.
- Subsidized housing required by such policies can take the form of land, housing units and/or cash-in-lieu depending on the design of the policy.
- Some groups advocate for inclusionary zoning as a means to create "free affordable housing out of thin air." These units are anything but free.

Where are we now?

- Promoting Affordable Housing Act, Bill 7 passed December 2016
- Regulatory consultation on the framework for how inclusionary zoning functions

OHBA supports a Partnership Model for inclusionary zoning where costs are shared between the public and private sector.

- Someone always pays. Without appropriate incentives and offsets, inclusionary tool is a hidden tax on new housing.
- Under a partnership model, builders would be responsible for construction, while the difference between the market and affordable values would be split between the builder and municipality through offsets by financial or planning tools.
- To ensure projects remain economically viable, provincial regulation should establish a maximum percentage of units-set-aside for the government-required affordable housing.
- The regulation should establish a minimum size threshold of units. Inclusionary zoning should not be applicable to smaller developments or inappropriate housing forms for affordable housing (ex. luxury suites).

Did You Know?

Almost all cities in the United States with inclusionary zoning offer various types of development incentives to offset the economic impacts the inclusionary policy has and that the inclusionary policies depend on market-rate development to be successful.

Source: The Economics of Inclusionary Development by the Urban Land Institute and the Terwilliger Center for Housing

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