



Ontario
Home Builders'
Association



BILD
BUILDING A GREATER GTA | Building Industry and Land
Development Association

A Partnership for Affordable Housing

Principles for Creating Legislation to Permit Inclusionary Zoning

Statement of Intent

The Development Industry understands the need to address declining housing affordability within the City of Toronto, and other parts of our Province. The health, prosperity and quality of life in our cities, and the continued strength of the real estate market depend on access to quality housing for households at all income levels.

We agree that access to housing is part of a healthy and civil society and that public bodies, the non-profit sector and the development industry each have a role to play to improve access to housing. We believe that a partnership model is the most effective way to make a significant impact, and essential for seeing success with this initiative.

Within a 'partnership' framework the private sector accepts responsibility to make affordable housing available within new buildings on the principle that the assistance required to achieve affordability remains the responsibility of the public sector.

In accepting responsibility to 'include' affordable housing in new developments, it remains the responsibility of the private sector to:

1. make such units available in its projects as may be required by the by-law;
2. absorb short term administration costs relating to delivery of the affordable units through development applications, permit applications, etc;
3. absorb or share costs with non-profit housing providers relating to long term administration of the affordable units, and;
4. invest equity and incur financing costs to secure construction financing for the 'affordable units'.

General Parameters of Legislation:

- Effective Date: Applications filed after January 1st, 2018.
- Triggers:
 - There will be NO requirement for affordable housing on sites where incremental density results in a project below a unit threshold of 100 units for multi-family/apartment developments and/or a density threshold of 25 upa for low rise/grade related residential developments

- Multi-family/apartment: Percentage Required - Up to 10% of the incremental density over 'as of right' zoning.
- Low rise/grade related: Percentage of Units of a project that may be required to be affordable - Up to 5%
- On Site/Off Site: A primary goal will be to integrate affordable housing units into each new project. However, it is recognized that a 'one size fits all' approach won't work. As such, one alternative will be to deliver the affordable density in another project within the same ward.
- Another option, at the election of the builder, subject to agreement by the municipality, will be to convert the 'affordable housing' requirement to a 'cash in lieu' contribution that will enable a pooling of funds to achieve deeper levels of affordability on other sites, including sites declared surplus by municipal, provincial or federal governments.
- The 'affordable housing' component can be delivered in either rental or ownership form, with tenure determined by the developer.
- The developer's obligation to deliver the 'affordable housing' component will be secured under Section 37, as will the City's obligation to provide the assistance required to achieve affordability. Overall Section 37 obligations will be determined between the City and developer on a case by case basis, as is the current practice.
- In determining the level of assistance required for both 'affordable rental' and 'affordable ownership' units, the market value of the 'affordable units' will be determined and the difference between market value and affordable value will be offset by one or more financial tools, inclusive of the following:
 - ✓ waiver or deferral of property taxes for the affordability period
 - ✓ waiver of building permit and other planning related fees
 - ✓ waiver of development charges
 - ✓ waiver of parkland dedication requirements
 - ✓ waiver of parking requirements
 - ✓ allocation of capital from the Development Charges Reserve Fund
 - ✓ provision of rent supplement allowances
 - ✓ allocation of Section 37 funds generated by the project.

General Principles:

- a municipality shall adopt an Official Plan policy to allow for an inclusionary zoning by-law, and the municipal policy must be consulted through an OP process
- inclusionary zoning policies should be implemented through new/updated municipal zoning by-laws
- link transportation investments with land-use planning including pre-zoning along transit corridors

- contribution from all levels of government to also include leveraging existing assets
- province to exhibit commitment to this partnership by waiving the provincial share of HST and LTT
- province to further expand their commitment to ending chronic homelessness, building supportive housing, embracing a 'Housing First' policy on surplus provincial lands, making strategic investments to fix existing housing stock and strongly encouraging the federal government to do the same

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