

## Memorandum

To: Committee of the Whole

From: Paul Freeman, Chief Planner

Date: June 21, 2018

Re: **Inclusionary Zoning  
Final Regulation**

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On April 12, 2018 the Province of Ontario released the inclusionary zoning regulation O. Reg 232/18. With release of the regulation, inclusionary zoning provisions of the *Planning Act*, as amended by the *Promoting Affordable Housing Act, 2016*, came into force. Inclusionary zoning, enabled through the *Planning Act*, gives municipalities the option of requiring private market development proposals with residential units to include affordable housing units and provide for those units to be maintained as affordable for a specified period of time.

### **In January 2018 Council expressed fundamental concerns with draft inclusionary zoning regulation content posted by the Province**

On [January 25 2018](#) York Region Council responded to draft inclusionary zoning Regulation content posted Environmental Bill of Rights (EBR) for public comment in December 2017 by the Province. Regional Council advised the Province that York Region had significant concerns with the utility of inclusionary zoning as a tool to increase the supply of affordable housing if the Regulations were approved as described in the EBR Posting. Inclusionary zoning as proposed through the draft regulation content would not meet Provincial objectives as municipal uptake would likely be limited. Specifically:

- The prescriptive nature of the proposed regulations would bring the feasibility of inclusionary zoning into question
- Municipal resources required to administer the zoning, couple with mandatory municipal financial offsets, was likely to result in unacceptable impacts to municipal budgets
- In addition to the mandatory offsets which would likely equate to between \$50,000 and \$200,000 per ground related unit, Council was also concerned that the draft regulations only applied to ownership units and did not allow inclusionary zoning to

be applied to, or satisfied through, purpose built rental developments, and that the maximum number of affordable units that could be required was too low

As a result of these concerns Regional Council requested that the Province revisit the draft regulations and revise them in consultation with municipalities.

The final regulation addresses Council's key concerns

Staff commend the Province for considering municipal input and releasing a final regulation that addresses the majority of Council's concerns. Specifically:

- Municipal offsets and unit set asides are at the discretion of local municipalities based on an initial Assessment Report
- Inclusionary zoning can be applied to rental and to mixed private/non-profit developments where the non-profit share is less than 50 per cent of the units
- Inclusionary zoning units required for new development (of any tenure) can include rental units

The final regulations, while still administratively onerous, warrant consideration of inclusionary zoning as a tool to help address housing affordability challenges.

Regional staff will support local municipalities in implementing inclusionary zoning

While affordable housing is a Region-wide issue, inclusionary zoning can only be implemented by single or lower-tier municipalities. Through the York Region Local Municipal Housing Working Group, which includes local and Regional planners, as well as Regional Housing and Finance staff, options for the Region to assist local municipalities in administering inclusionary zoning will continue to be explored.

Options for support may include preparing, or assisting with the preparation of the Housing Assessment Report, required prior to implementation. York Region has data and expertise required to inform the development of a Region-wide Housing Assessment Report which may comprehensively meet the requirements of the legislation for local municipal implementation. The Region may also be able to play a coordinating role promoting a consistent policy implementation across the Greater Toronto and Hamilton Area through the Regional Planning Commissioners of Ontario.

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Chief Planner