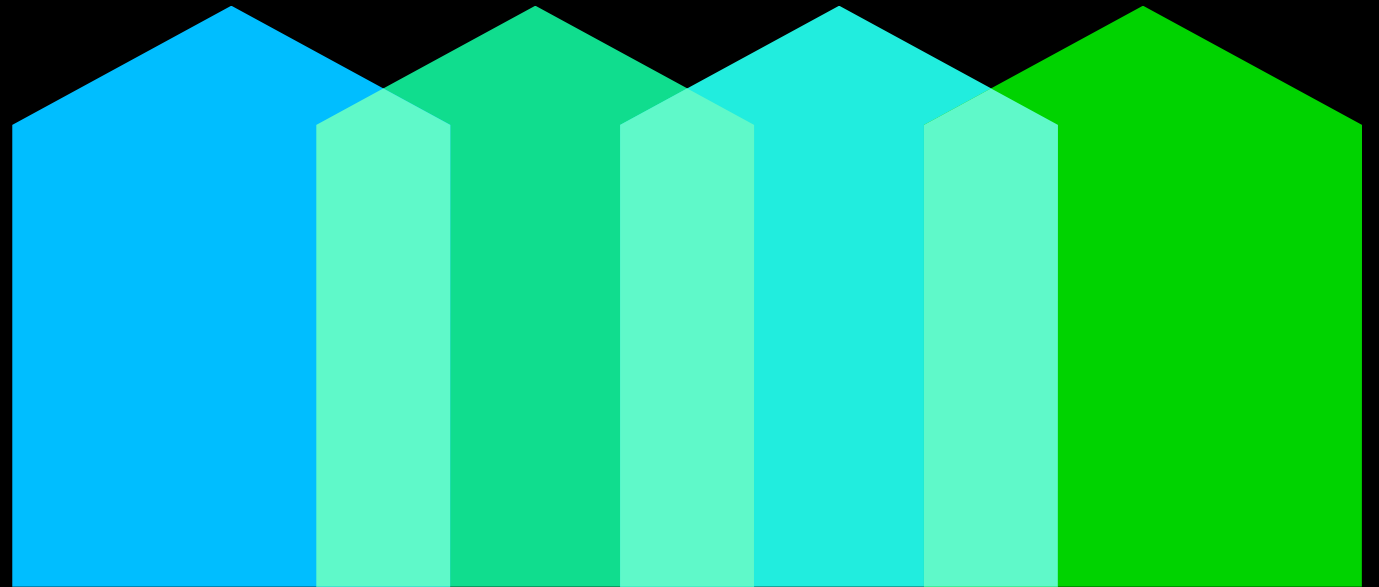


Toronto Alliance to End Homelessness forum:

Affordable Housing Definitions & Inclusionary Zoning

November 4, 2020



Toronto's Housing Initiatives



Definitions of Affordable

Inclusionary Zoning

Modular Supportive Housing

Housing Now

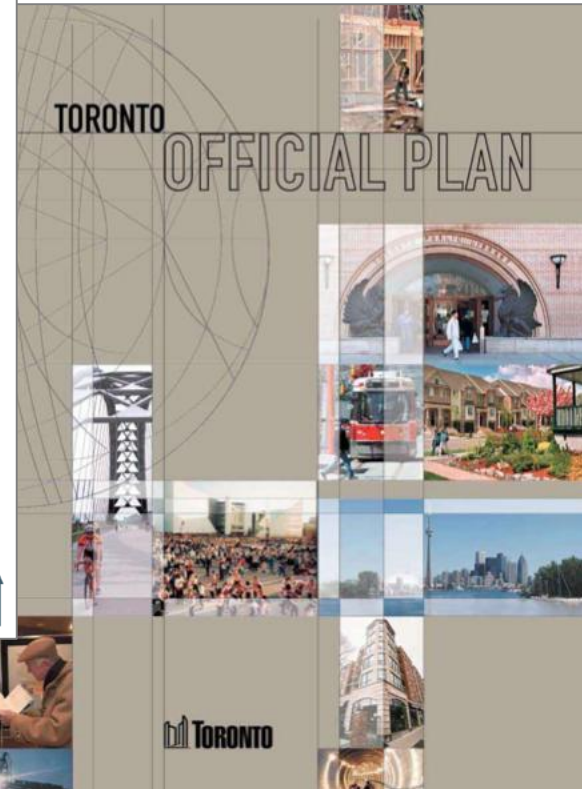
Open Door Affordable Housing Program

Current Official Plan Definition of Affordable Rental Housing

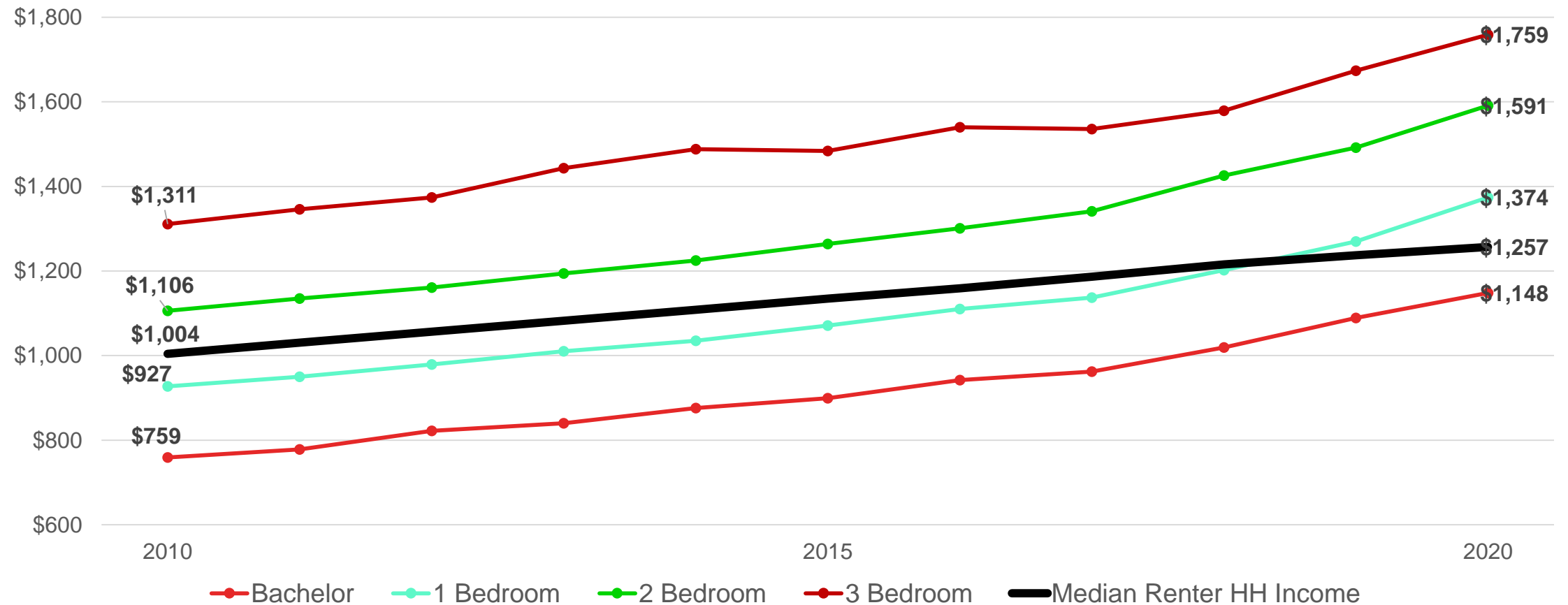
Affordable rental housing: means housing where the total monthly shelter cost is at or below one times the **average City of Toronto rent**, by unit type (number of bedrooms), as reported annually by the Canada Mortgage and Housing Corporation

Total Monthly Shelter Cost: gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges

Impacted Policies and Programs



Rising market rents



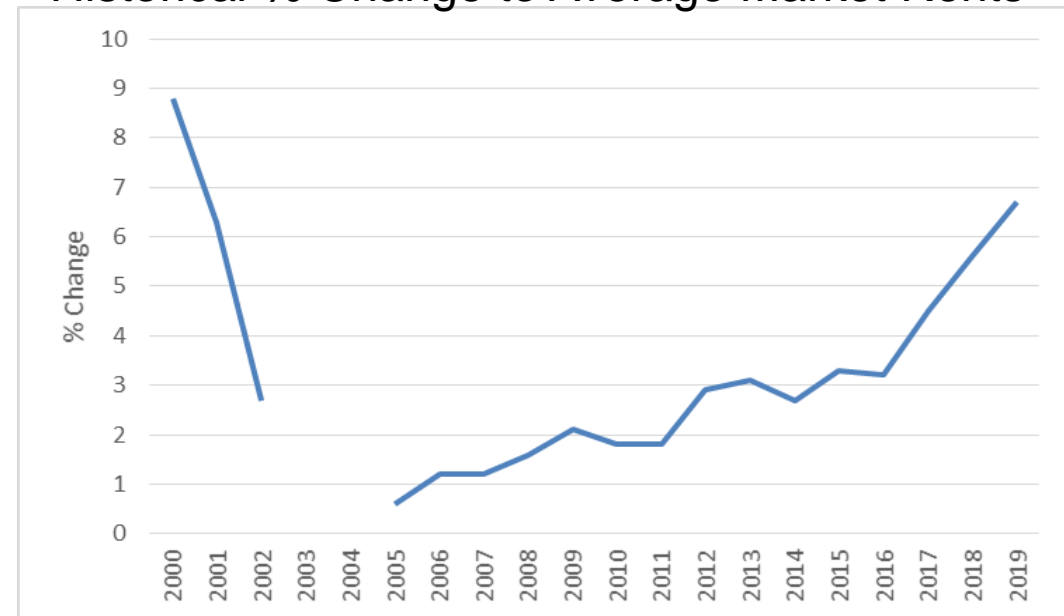
Rising market rents

- Market rents have risen at a significantly faster rate than incomes
- Over last 20 years, incomes have grown by 1.7% while rents have grown by 3.3%

4.6% 

Annual increase to average
market rents from 2015-2019

Historical % Change to Average Market Rents



Proposed affordable rental definition

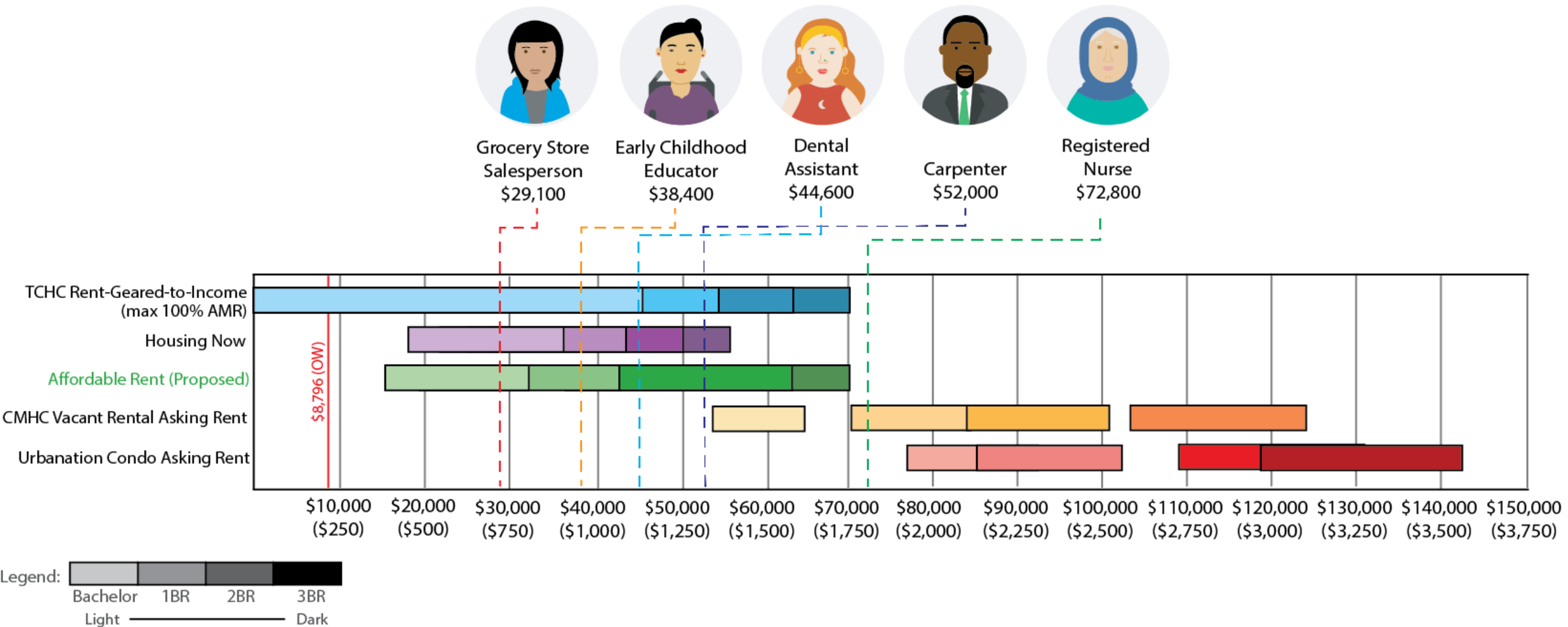
Affordable rental housing and affordable rents refers to housing that is intended to cost less than 30% of households' before-tax income in the City of Toronto, and where the total monthly shelter cost (inclusive of utilities) is the least expensive of 100% of Average Market Rent by unit type, and which is affordable to:

- 1) for bachelor units, households earning between the 20th and 50th percentile income for one-person renter households;
- 2) for one-bedroom units, households earning between the 30th and 60th percentile income for one-person renter households;
- 3) for two-bedroom units, households earning between the 30th and 60th percentile income for two-person renter households;
- 4) for three-bedroom units, households earning between the 30th and 60th percentile income for three-person renter households.

Incomes and rents (2020)

Unit Type	Current Definition	Min Household Income (Affordable Rent)	Max Household Income (Affordable Rent)
Bachelor	\$45,920 (\$1,148)	\$15,269 (\$382)	\$32,232 (\$806)
1-bedroom	\$54,960 (\$1,374)	\$19,649 (\$491)	\$43,244 (\$1,081)
2-bedroom	\$63,640 (\$1,591)	\$36,871 (\$922)	\$63,640 (\$1,591)
3-bedroom	\$70,360 (\$1,759)	\$41,542 (\$1,038)	\$70,360 (\$1,759)

Rents across housing spectrum



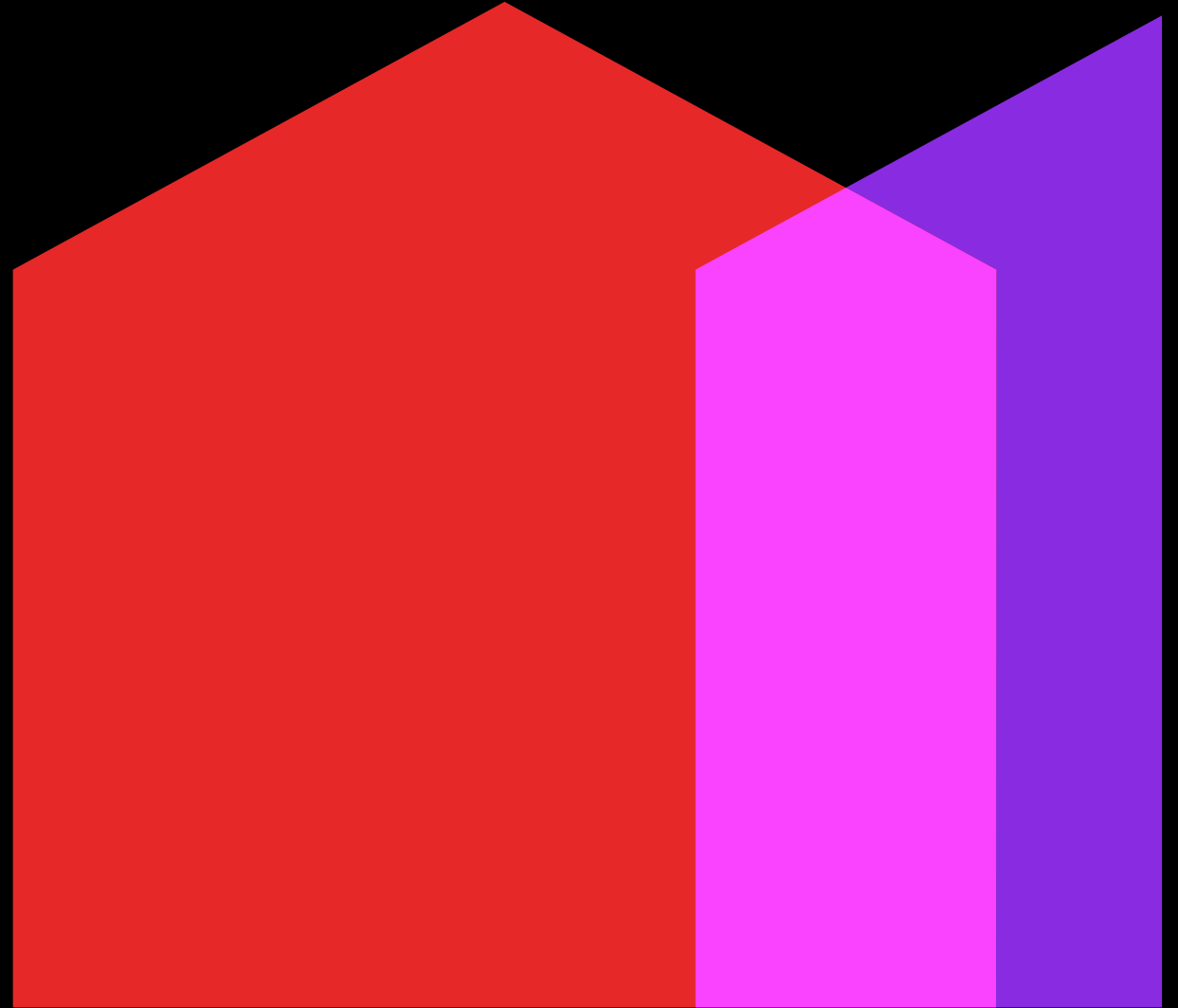
Proposed affordable ownership prices (2020)

Unit Type	Income	Price	Percentile (all households)
Bachelor	\$43,509	\$193,000	30
1-bedroom	\$56,921	\$252,500	40
2-bedroom	\$71,905	\$318,500	50
3-bedroom	\$89,467	\$397,000	60

Impacts to policies and programs

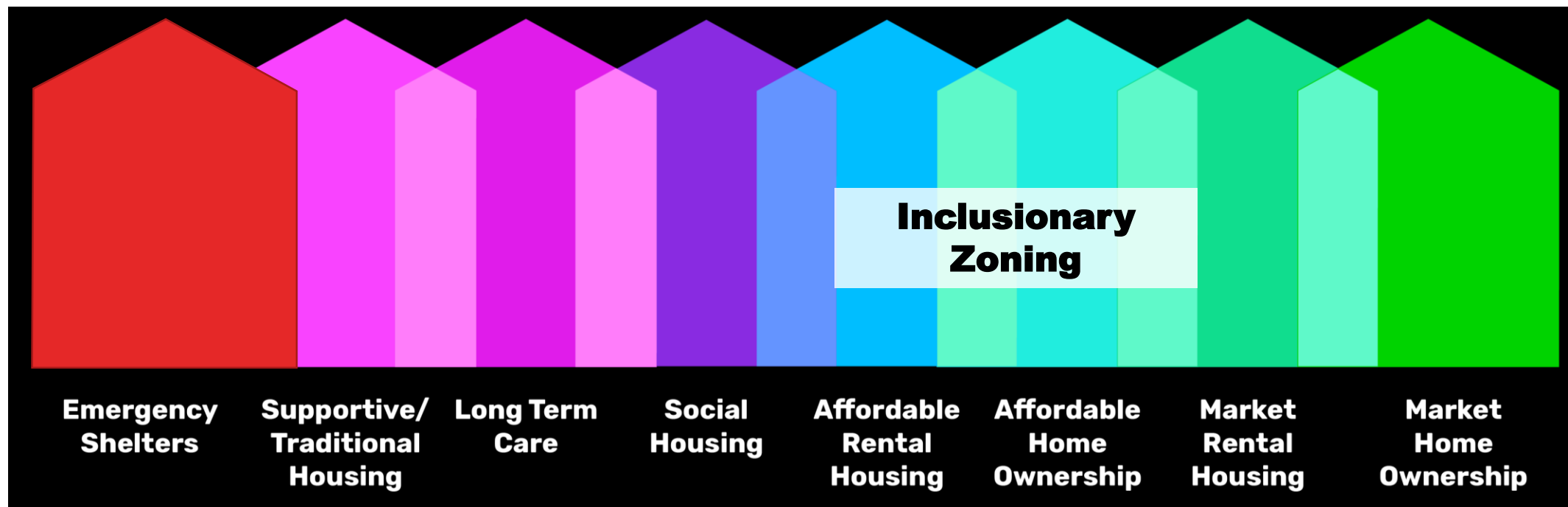
- Review of impacts to existing programs and policies underway
- Priority will be to secure deeper affordability across programs where possible
- Policy and program impacts/ changes to be identified in future Council report

Inclusionary Zoning updates

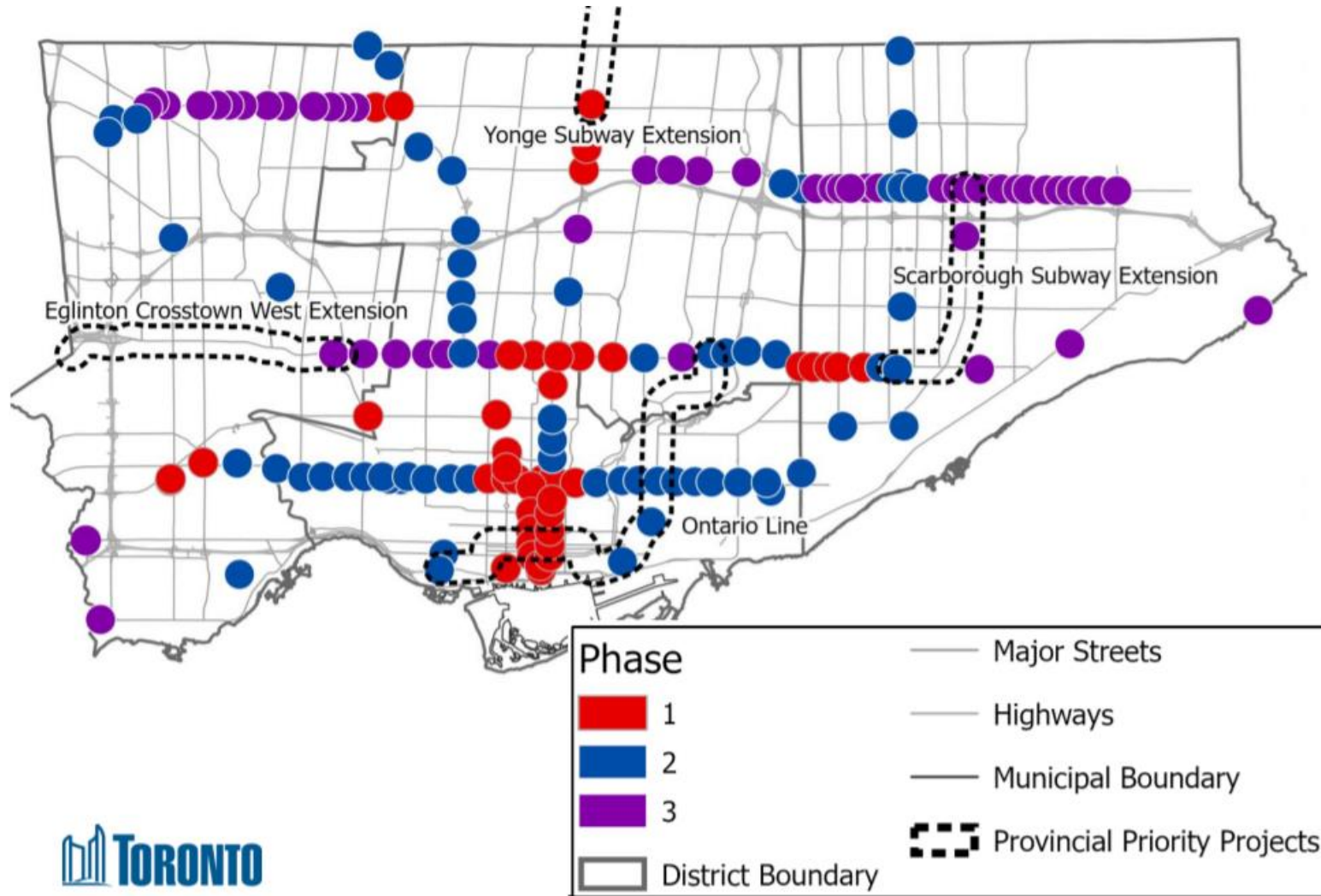


Who does Inclusionary Zoning help?

Typically addresses needs of those who earn too much to be eligible for social housing but not enough to afford market rents or sale prices



IZ can only be implemented in PMTSAs



Protected Major Transit Station Areas (PMTSAs):

- Generally 500-800 metres around stations
- Detailed planning framework approved by Minister:
 - Planned minimum number of residents and jobs per hectare
 - Authorized uses of land
 - Minimum densities with respect to buildings and structures in the area

Draft Official Plan and Zoning Amendments

Affordability Period:

- Units must stay affordable for 99 years

Number of affordable units:

- For a condominium development: 5-10% of the total residential gross floor area must be affordable
- For a rental development: 2.5-5% of the total residential gross floor area must be affordable

Draft Official Plan and Zoning Amendments

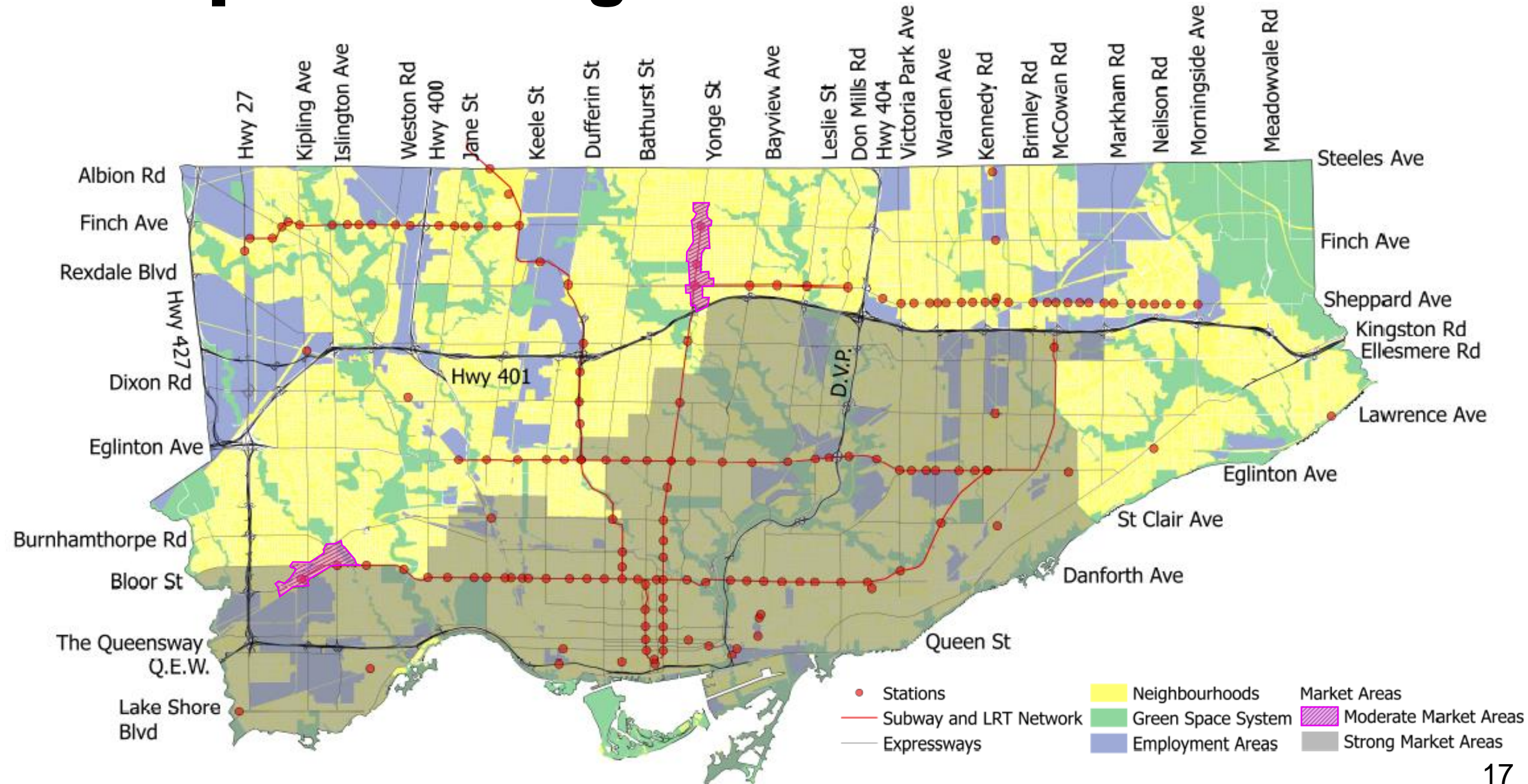
Scale of Development:

- IZ applies to development proposing 100+ units (8,000m²) in the downtown and 140+ units (10,000m²) in other areas of the city

Geographic Application:

- IZ applies to development in PMTSAs and located within a Strong or Moderate Market Area
- Strong and Moderate Market Areas will be reviewed after 3 years

Proposed Strong and Moderate Market Areas



Draft Official Plan and Zoning Amendments

Depth of Affordability:

- Rents and prices based on the proposed affordable definitions
- 10% of affordable rental units provided must have rents set at 80% of the affordable definition

Unit Type	IZ Target Rents/Prices (2020)		
	Max. Affordable Rent	80% of Max. Affordable Rent	Max. Affordable price
Bachelor	\$806	\$645	\$193,000
1-bedroom	\$1,081	\$865	\$252,500
2-bedroom	\$1,591	\$1,273	\$318,500
3-bedroom	\$1,759	\$1,407	\$397,000

Draft Official Plan and Zoning Amendments

Offsite: affordable units can be secured on another site at the discretion of the City, but they must be located in same market area category and ready for occupancy before on-site market units

Incentives: will be considered where a development proposes to exceed the IZ requirements (more units, deeper levels of affordability)

Family-sized Units: affordable units will reflect the unit mix of the market component of the development, to achieve a balanced mix of unit types and sizes and support the creation of affordable housing suitable for families

Draft Official Plan and Zoning Amendments

Transition:

- IZ would not apply to complete applications for a zoning by-law amendment, minor variance or site plan and building permit applications filed on or before January 1, 2022

Additionally, implementation depends on the Province:

1. Minister could appeal policies to LPAT
2. IZ cannot be implemented until PMTSAs are approved by the Minister

Project Timeline

