

TO: **Planning and Housing Committee**

DATE: Thursday, October 28, 2021

RE: Inclusionary Zoning Official Plan Amendment, Zoning By-law Amendment and Draft Implementation Guidelines (**Item PH28.1**)

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Thank you for the opportunity to speak to you today to express the support of the Toronto Alliance to End Homelessness (TAEH) for an effective inclusionary zoning (IZ) policy framework. We also urge Council to ensure that the policy gives priority to securing rental housing, especially that which is owned and operated by non-profits serving people experiencing homelessness and others with high need.

As you know, the TAEH is a network of partners across the city, united in the vision of ending homelessness. We serve as the City's non-Indigenous Community Advisory Board, and we co-chair the Toronto Housing and Homelessness Service Planning Forum with SSHA. Our priorities include ensuring Toronto has enough deeply affordable housing to prevent and end people's homelessness. Only then will we achieve our shared goal, which Council as committed to in the Housing TO: 2020-2030 Action Plan, to make homelessness rare, brief, and non-recurring.

While we at TAEH are not experts on inclusionary zoning, this is another important tool to create housing that will help end people's homelessness. We need as much of that housing as possible.

Housing providers who are TAEH members are making efforts to use all main City programs for new affordable housing, including Housing Now and Open Door. We have members who would love the opportunity to acquire IZ units and use them to provide housing and services to their clients. There are successful precedents where deeply affordable rental housing with supports is mixed on the same site as new condos or upmarket rental, such as in the PanAm Village.

We have three primary concerns with the proposed policy framework, OPA, and zoning by-law amendment that you are considering before you today. These are:

- incentivizing developers so that the affordable housing created through IZ is predominantly rental and not just homeownership units, transferring them to non-profits wherever possible;
- establishing a standardized and efficient way for developers to transfer to non-profits the rental units created through IZ, as non-profit-owned units or in some cases very long-term leases;
- steps to ensure that new definitions of "affordable" that do not achieve deeply affordable rents do not impede non-profits creating housing for people with the lowest incomes, and are accompanied by measures that support those non-profits.

On the first point, incentivizing affordable rental: Other submissions today point out that the policy creates an equal financial incentive for developers to provide either rental or homeowner units as their IZ housing. The implication is that most developers will prefer to provide homeowner units, as that will fit their business model, marketing strategies, and the housing type most of them are building. We are very concerned that the result will be insufficient rental housing secured through IZ, and fewer low-income households served. The way to address this is to create a wider difference between the set-aside (percent IZ units required) for securing homeowner IZ units versus rental IZ units.

In regard to transfers to non-profits, this is the best way to ensure long-term affordability. Non-profit providers are not just signing agreements with the City and/or developer for the IZ units: they are willing partners with a mandate aligned with the City's affordable housing goals. Ownership (or long-term leasehold) also provides security and better cost control for the non-profit. The way to address this is through implementation guidelines that address the conveyance of these units to non-profits.

In regard to definitions of affordability, the key concern is that the proposed affordable rent levels – \$812 for a studio and \$1,090 for a one-bedroom today – are nowhere near low enough to be affordable by the people in greatest need, who our members serve. The proposed definition will make it more difficult for housing providers serving people leaving homelessness or at risk to create units. TAEH supports the letter to this point from Houselink and Mainstay Community Housing, St. Clare's Multifaith Housing Society, and Wigwamen Incorporated, that is the subject of Gautam Mukherjee's deputation for Item PH28.4, and we urge you to consider its recommendations.

To achieve deeply affordable units, exemptions from development charges and property taxes will be needed on all units in a non-profit project, as well as capital grants. Rent supplements or housing benefits are also essential for the people our members serve, who can typically afford about \$300 to \$450 a month. 80% of homeless people say that help with affording housing is the main way to help them find housing; and over two-thirds of shelter users are there because they cannot afford housing. Housing benefits are the key current program that helps them move from shelters to housing – the most effective tool for ensuring that people's homelessness is brief and does not become chronic. It is time for the City of Toronto to play a bigger role in creating housing allowances for people experiencing homelessness.

City staff have been consulting with the non-profit and private sectors on the impacts of the recommended definition, and a related report is expected to come forward in 2022, outlining the revenue gap for rental projects that the new definition will create, and options to address this.

We request that City staff consult with non-profit developers in undertaking the financial impact analysis and in developing mitigation strategies; develop a transition plan for implementing the new definition; identify sources of funding before implementing the definition; and collaborate with the non-profit sector in advocacy for federal and provincial housing allowances and capital grants.

We believe that some of these concerns can be addressed in implementation guidelines and practices, and next steps. TAEH would support other measures to strengthen the proposed IZ policy framework, OPA, and zoning by-law amendment, but we urge Council to adopt an IZ policy without further delay. It is time for Toronto to move forward on inclusionary zoning.

In sum, rental housing should be a high priority for the affordable units secured through inclusionary zoning. These must include units with very low rents (deeply affordable) for people exiting homelessness and others with very high need. We urge PHC and Council to consider modifications to prioritize rental housing and conveyance of IZ units to non-profits who will keep it affordable for the long term. We bring Council's attention to the need to combine IZ with City and other governments' assistance, in the form of tax and DC incentives, capital grants, and rent supplement or housing benefits.

Thank you,

Kira Heineck, Executive Director