

## Appendix 2: Summary of Draft Zoning By-law Measures to Implement Inclusionary Zoning

Table 1 identifies the zoning provisions that are legislatively required to be included in the Inclusionary Zoning (IZ) By-law, as well as additional provisions that may be included in the IZ By-law. This is not a draft zoning by-law amendment or an exhaustive list of changes to the zoning by-law. There may be additional measures that are required that may not be captured here (e.g. additional new definitions, exemptions, etc.).

**Table 1 – IZ By-law Framework**

Provision	Legislatively Required or Optional	Draft Zoning Framework
<b>Required affordable gross floor area</b>	Required	<p>A mapping overlay will be introduced to the Zoning By-law to establish the locations that will be required to address affordable housing requirements. The overlay will reflect the Inclusionary Zoning Official Plan Map.</p> <p>The overlay will work in conjunction with Table 2 below, which identifies the required affordable housing rates for IZ Areas. Projects delivering affordable rental housing will receive a 50% discount to the required set-aside rate. Table 2 also proposes a phase-in schedule for the rates.</p>
<b>Affordability term</b>	Required	<p>The zoning will require the affordable housing units stay affordable for a minimum period of:</p> <ul style="list-style-type: none"> <li>• 25 years for affordable rental units</li> <li>• 2 to 50 years for affordable ownership units (currently under consideration)</li> </ul>
<b>Requirement that units are sold or leased at rates set out in by-law</b>	Optional	<p>For affordable rental units, the units will be required to stay affordable to moderate-income renter households, with an allowance for annual rent increases tied to the Consumer Price Index (CPI).</p> <p>For affordable ownership units, the units will initially be affordable to moderate-income households. After the first sale, two options are proposed to manage affordability in affordable ownership units:</p> <ul style="list-style-type: none"> <li>• Option 1 – Capped Resale: The unit price will be capped (plus annual CPI increases). An affordability term of 50 years is proposed.</li> <li>• Option 2 – Uncapped Resale: The first purchaser buys the unit at the affordable price and cannot sell the unit for the 2 year affordability period. The unit can then sell on the open market for the first resale.</li> </ul>

Provision	Legislatively Required or Optional	Draft Zoning Framework
<b>Other requirements or standards</b>	Optional	<p>Net proceeds to be distributed to the municipality (see row above).</p> <ul style="list-style-type: none"> <li>Option 1 (Capped Resale Price) <ul style="list-style-type: none"> <li>(i) The City will receive no more than 20% of the net proceeds of the sale of an <b>affordable ownership housing unit</b> sold during the 50 year affordability period, equivalent to no more than 2% of the sale price, for administration fees, with net proceeds determined based on the difference between the purchase price and the resale price of the affordable ownership unit; and</li> <li>(ii) The City will receive 50% of the net proceeds of the first sale of an <b>affordable ownership housing unit</b> at market price after the 50 year affordability period, to be reinvested in affordable housing, with net proceeds determined based on the difference between the purchase price and the resale price of the affordable ownership unit, less any legal, administration or real estate commission fees.</li> </ul> </li> <li>Option 2 (Uncapped Resale Price) - After the affordability period, the unit can sell on the open market. The City's percentage of net proceeds is equivalent to the difference between the original appraised market value of the unit and the original purchase price, expressed as a percentage of the original appraised value of the unit, to be reinvested in affordable housing, up to no more than 50% of the net proceeds, where net proceeds is defined as the resale market price of the unit, less any legal, administration, or real estate commission fees.</li> </ul>
<b>Measures or incentives</b>	Optional	<p><u>Incentives</u> Currently no financial incentives are proposed for IZ units.</p> <p><u>Parking</u> The zoning by-law will establish an affordable housing parking rate. The reduced parking rates will only apply to affordable housing units within a project.</p> <ul style="list-style-type: none"> <li>Precinct 1: affordable units will be subject to a rate that is 50% of the required parking rate</li> <li>Precincts 2-4: affordable units will be subject to a rate that is 70% of the required parking rate.</li> </ul>

Provision	Legislatively Required or Optional	Draft Zoning Framework
<b>Owner of lands being developed required to enter into an agreement</b>	Required	The By-law will include a requirement that owners of developments enter into a legal agreement to address the matters set out in the By-law prior to Building Permit issuance. The By-law will also require that agreements are registered on title.
<b>Statutory Exemptions</b>	Required	<ul style="list-style-type: none"> <li>• [Statutory Exemption] Development or redevelopment is proposed by a non-profit housing provider or is proposed by a partnership in which               <ul style="list-style-type: none"> <li>(a) a non-profit housing provider has an interest that is greater than 51 per cent, and</li> <li>(b) a minimum of 51 per cent of the units are intended as affordable housing, excluding any offsite units that would be located in the development or redevelopment;</li> </ul> </li> <li>• [Statutory Exemption] On or before the day an official plan authorizing inclusionary zoning was adopted by the council of the municipality, a request for an amendment to an official plan, if required, and an application to amend a zoning by-law were made in respect of the development or redevelopment along with an application for either of the following:               <ul style="list-style-type: none"> <li>(a) Approval of a plan of subdivision under section 51 of the Act, or</li> <li>(b) Approval of a description or an amendment to a description under section 9 of the Condominium Act, 1998</li> </ul> </li> <li>• [Statutory Exemption] On or before the day the inclusionary zoning by-law is passed, an application is made in respect of the development or redevelopment for a building permit, a development permit, a community planning permit, or approval of a site plan under subsection 41(4) of the Act.</li> </ul>
<b>Additional Exemptions</b>	Optional	<ul style="list-style-type: none"> <li>• Projects proposing less than 50 units and less than 3,600 square meters of <b>Gross Floor Area (GFA) – Inclusionary Zoning</b></li> <li>• Purpose-built rental housing projects</li> <li>• A student / staff residence, retirement building, hospice, long-term care building, group home</li> <li>• Region of Peel, Peel Living, or Peel Housing projects</li> <li>• Development or redevelopment subject to an existing agreement with the City to provide affordable housing units (may be done on a site-specific basis)</li> <li>• Projects where a non-profit housing provider has a 100 percent interest</li> </ul>

Provision	Legislatively Required or Optional	Draft Zoning Framework
<b>Transition Period</b>	Optional	<p>If the following application types are filed on or before the later of January 1, 2023 or the date MOPA xx and ROPA xx come into effect (i.e. MTSA approval) IZ will not apply to the development or redevelopment:</p> <ul style="list-style-type: none"> <li>(a) A complete application for a site plan or building permit; or,</li> <li>(b) A complete application for a rezoning or lifting of a Holding “H” condition, provided that a subsequent complete application for a site plan is filed within two years of the date the deemed complete dates of the rezoning or lifting of a Holding “H” condition applications.</li> </ul>

**Table 2 – Percent of Gross Floor Area – Inclusionary Zoning to be Provided as Affordable Housing**

Market Area	Affordable Housing Provision	Applies January 1, 2023 to December 31, 2023	Applies January 1, 2024 to December 31, 2024	Applies January 1, 2025
<b>IZ Area 1</b> Major Transit Station Areas (MTSAs) located along Hurontario Street Light Rail Transit	Affordable Ownership Housing Units Provided	4%	7%	10%
	Affordable Rental Housing Units Provided	2%	3.5%	5%
<b>IZ Area 2</b> MTSAs located along Dundas Street BRT (excluding Dundas MTSA)	Affordable Ownership Housing Units Provided	3%	5%	7%
	Affordable Rental Housing Units Provided	1.5%	2.5%	3.5%
<b>IZ Area 3A</b> Ninth Line MTSAs	Affordable Ownership Housing Units Provided	3%	4%	5%
	Affordable Rental Housing Units Provided	1.5%	2%	2.5%
<b>IZ Area 3b</b> Lakeshore Road East MTSAs and portions of Clarkson GO MTSA				

\*Note – requirements will only take effect where MOPA xxx and ROPA xx are (i.e. MTSA approvals) in effect.

### **New Definitions to Be Added to the Zoning By-law**

**“Affordable rental housing unit”** means the least expensive of either: a unit for which the total monthly shelter cost (inclusive of rent and heat, hydro, hot water, and water utilities) does not exceed 30 percent of gross annual household income for **low income households** and **moderate income households**; or a unit for which the rent is at or below the average market rent in the City of Mississauga as reported annually by Canada Mortgage and Housing Corporation.

**“Affordable ownership housing unit”** means housing where the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for **low income households** and **moderate income households**.

**“Moderate income households”** means

- 1) in the case of ownership housing, households with incomes in the 40<sup>th</sup> to 60<sup>th</sup> percent of the income distribution for the City of Mississauga; or
- 2) in the case of rental housing, households with incomes in the 40<sup>th</sup> to 60<sup>th</sup> percent of the income distribution for renter households for the City of Mississauga.

**“Low income households”** means

- 1) in the case of ownership housing, households with incomes in the 10<sup>th</sup> to 30<sup>th</sup> percent of the income distribution for the City of Mississauga; or
- 2) in the case of rental housing, households with incomes in the 10<sup>th</sup> to 30<sup>th</sup> percent of the income distribution for renter households for the City of Mississauga.

**“Gross Floor Area (GFA) – Inclusionary Zoning (IZ)”** means the sum of the areas of each storey of a building above or below established grade, measured from the exterior of outside walls of the building including floor area occupied by interior walls, but excluding the following:

- (1) Any part of the building used for mechanical floor area;
- (2) Areas of stairwells or elevators;
- (3) Any enclosed area used for the collection or storage of disposable or recyclable waste generated within the building;
- (4) Any part of the building above or below established grade used for motor vehicle or bicycle parking, the provision of loading spaces, or storage lockers;
- (5) Any part of the building used for common facilities for the use of residents of the building and amenity area;
- (6) Any part of the building used for a daycare, retail or office uses.

**“Non-profit Housing Provider”** means

- (1) a corporation to which the Not-for-Profit Corporations Act, 2010 applies that is in good standing under that Act and whose primary object is to provide housing,
- (2) a corporation without share capital to which the Canada Business Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing,

- (3) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act, or
- (4) an organization that is a registered charity within the meaning of the Income Tax Act (Canada) or a non-profit organization exempt from tax under paragraph 149 (1) (l) of that Act, and whose land is owned by the organization, all or part of which is to be used as affordable housing;