

A nighttime photograph of a city skyline, likely Mississauga, with several high-rise buildings illuminated against a dark blue sky. The image is partially obscured by a large blue diagonal graphic element that runs from the top left towards the bottom right.

Inclusionary Zoning Draft Official Plan Amendment and Zoning Framework

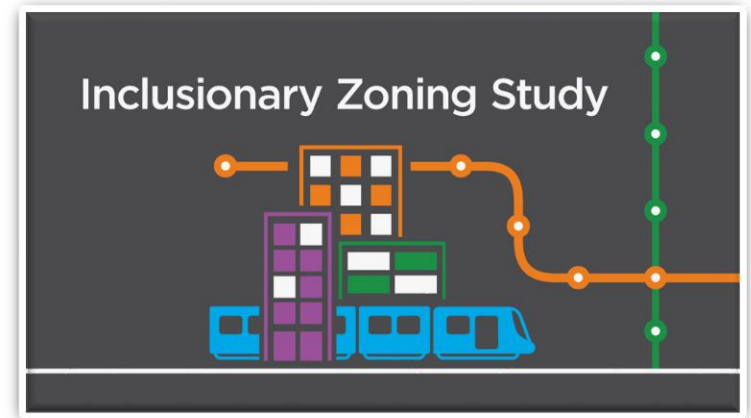
Planning and Development Committee, Item 5.5

May 30, 2022, 1:30pm



Outline

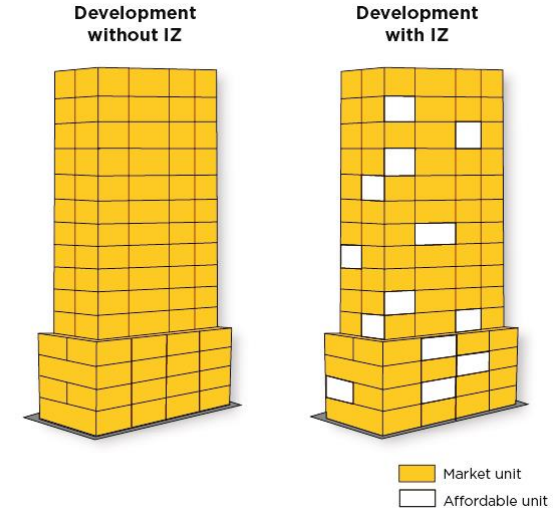
1. Background, Study Update, and What We Heard
2. Draft Official Plan Policies and Zoning Framework
3. Next Steps



Background, Study Update, & What We Heard

Background & Study Update

- **Why Inclusionary Zoning?**
 - Create affordable housing units in new developments
 - Only in protected Major Transit Station Areas
- **Since last PDC update on January 24, 2022:**
 - Consulted on policy directions: public, development industry, housing advocates
 - Refined policy directions and prepared draft Official Plan policies and Zoning By-law framework



What We Heard

Key developer comments:

- IZ feasibility in context of rising development costs
- Request for municipal incentives
- Need clear requirements (phasing, transition)

Program related comments:

- Questions about occupant eligibility and access to units
- Deeper affordability needed
- Prioritize creation of rental units and all forms of housing



Draft Official Plan Policies and Zoning Framework

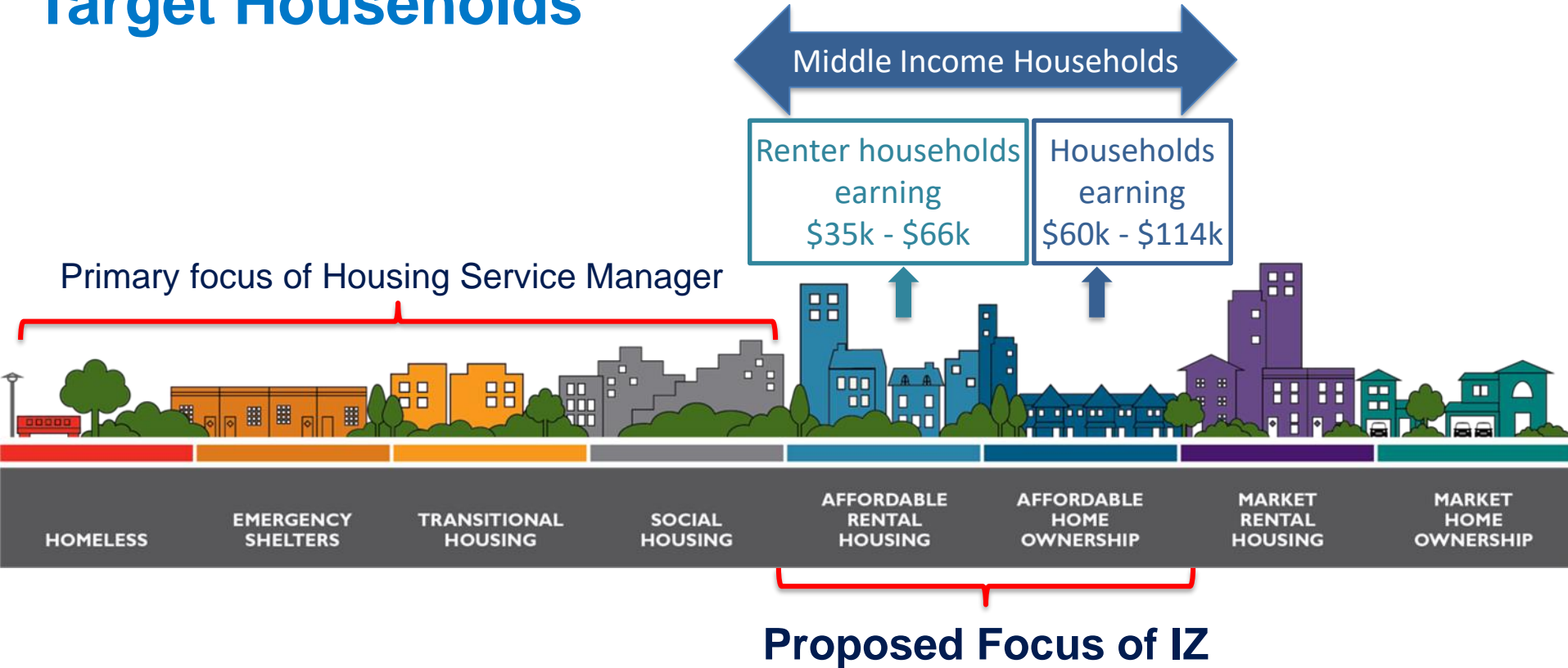


Draft Set-aside Rates for Ownership Projects

[Percentage of Residential Area Required to be Affordable]

Market Area		Tenure of Affordable Units	Jan. 1, 2023 to Dec. 31, 2023	Jan. 1, 2024 to Dec. 31, 2024	Jan. 1, 2025 Onward
IZ Area 1		Ownership	4%	7%	10%
		Rental	2%	3.5%	5%
IZ Area 2		Ownership	3%	5%	7%
		Rental	1.5%	2.5%	3.5%
IZ Area 3A	IZ Area 3B	Ownership	3%	4%	5%
		Rental	1.5%	2%	2.5%

Target Households



Affordable Rent and Price (2022)

Affordable Rent

	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
Household Income Target (Up to)	\$45,000 (Renter Decile 4)	\$55,000 (Renter Decile 5)	\$66,000 (Renter Decile 6)
Maximum Monthly Rent*	\$1,120	\$1,390	\$1,670

Affordable Purchase Price

	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
Household Income Target (Up to)	\$77,000 (Decile 4)	\$95,000 (Decile 5)	\$114,000 (Decile 6)
Maximum Purchase Price*	\$310,000	\$381,000	\$459,000

*Based on shelter costs not exceeding 30% of household income.

Maintaining Affordability Over Time

- **Cap** prices & rents / receive share of net sale proceeds (up to 50%)
- **Affordable Rental:** Minimum 25 year term proposed
 - Cap rents: Set affordable rents and allow annual increases
- **Affordable Ownership:** Two methods under consideration
 1. **Capped resale price** – Min. 50 year term proposed
 - Receive 50% of market sale proceeds after term
 - Similar to Toronto IZ framework
 2. **Uncapped resale price** – Min. 2 year term proposed
 - Municipal percentage of proceeds is equivalent to initial value gap



How are Concerns being Addressed?

Issue	Response
<ul style="list-style-type: none">• IZ feasibility / rising costs• Request for offsets• Clear requirements needed	<ul style="list-style-type: none">• Update feasibility analysis sooner than required• Parking reductions• 3-year phase in of rates• Transition period
<ul style="list-style-type: none">• Questions about occupant eligibility and access to units	<ul style="list-style-type: none">• Region and City identifying need, administration, and implementation guidelines
<ul style="list-style-type: none">• Deeper affordability needed*	<ul style="list-style-type: none">• Considered on opportunity-basis
<ul style="list-style-type: none">• Prioritize creation of rental units and all forms of housing*	<ul style="list-style-type: none">• Purpose-built rental projects exempt from IZ• 50% rate discount if providing affordable rental units

*Note: Other City and Region initiatives also address these issues.

Next Steps

Outstanding Items

- **Receive feedback** from **public and stakeholders** on the draft IZ policies and zoning framework
- **Work with Region to identify:**
 - Key segments of population who could benefit from IZ
 - IZ administrative structure that works best to address the need

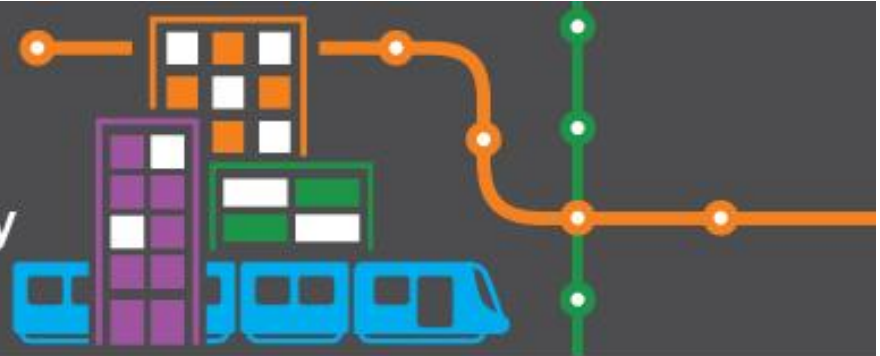


Next Steps

- Prepare final Official Plan policies and IZ By-law for adoption (Summer 2022)
- Work with Region and Legal to establish administration and Implementation Guidelines
- IZ takes effect on the later of January 1, 2023 or the in-effect date of protected MTSAs



Inclusionary Zoning for Affordable Housing Study



Project webpage:

<https://yoursay.mississauga.ca/inclusionary-zoning-policy-for-affordable-housing>

Contacts:

Catherine Parsons, Planner, Project Lead: Catherine.Parsons@Mississauga.ca

Paulina Mikicich, Manager, Planning Innovation: Paulina.Mikicich@Mississauga.ca