

# Inclusionary Zoning Update and Amendment

Planning and Development Committee  
December 9, 2024 1:30pm  
Item 6.1



# Current Status of Inclusionary Zoning

- IZ is the most predictable way for the City to secure affordable housing
- Timeline:
  - August 2022: IZ adopted by Council
  - January 1, 2023: IZ came into effect
  - Transitions and phase-in were provided so that developers could adjust
- Provincial legislative changes
  - Municipal fee exemptions (DC, CBC, Parkland)

# What have we heard since IZ adoption

- Residential condo market has softened – City has received fewer development applications over last 2 years
- Requirements may not seem as onerous once explained in detail
  - Providing rental IZ units for 25-30 years seems to be most workable provision
- To improve financial capacity to deliver IZ, staff propose:
  - Freezing IZ contribution percentage at current rates
  - IZ units (equivalent floors) don't count towards height limits in new OP
  - Continuing to seek feedback through the Mayor's Task Force

# IZ Status Report

The City's first 4 IZ units are anticipated to be secured by the end of the year

- 3 one-bedroom rental units
  - Affordable for 4<sup>th</sup> renter income decile
- 1 two-bedroom rental unit
  - Affordable for 5<sup>th</sup> renter income decile

# Set-Aside Rate Amendment

- Freeze IZ rates at the current (2024) rate, rather than increasing on January 1, 2025

Table 1 – Minimum Required Percentage of Residential Gross Floor Area (GFA) in Ownership Housing to be Affordable Housing

IZ Area	Tenure of Affordable Housing Units	Applies January 1, 2023 to December 31, 2023	Applies January 1, 2024 to December 31, 2024	Would have applied January 1, 2025
IZ Area 1	<i>Ownership</i>	4%	7%	10%
	<i>Rental</i>	2%	3.5%	5%
IZ Area 2	<i>Ownership</i>	3%	5%	7%
	<i>Rental</i>	1.5%	2.5%	3.5%
IZ Areas 3A and 3B	<i>Ownership</i>	3%	4%	5%
	<i>Rental</i>	1.5%	2%	2.5%
IZ Area 4	<i>Ownership</i>	10%	10%	10%
	<i>Rental</i>	5%	5%	5%

**Note:** IZ does not apply to purpose built rental buildings – “rental” in Table 1 is rental units within ownership (condominium) developments

# Housekeeping Amendments

- Remove certain dates that aided with transition
  - No longer relevant to ongoing implementation
- Greater flexibility around collaboration with the Region of Peel
- Removal of IZ specific parking reductions
  - Bill 185 removed minimum parking requirements in MTSAAs

## Recommendation

- Maintain 2024 IZ rates rather than increasing as of January 1, 2025
- Retain a consultant in 2025 to initiate an IZ assessment report update

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