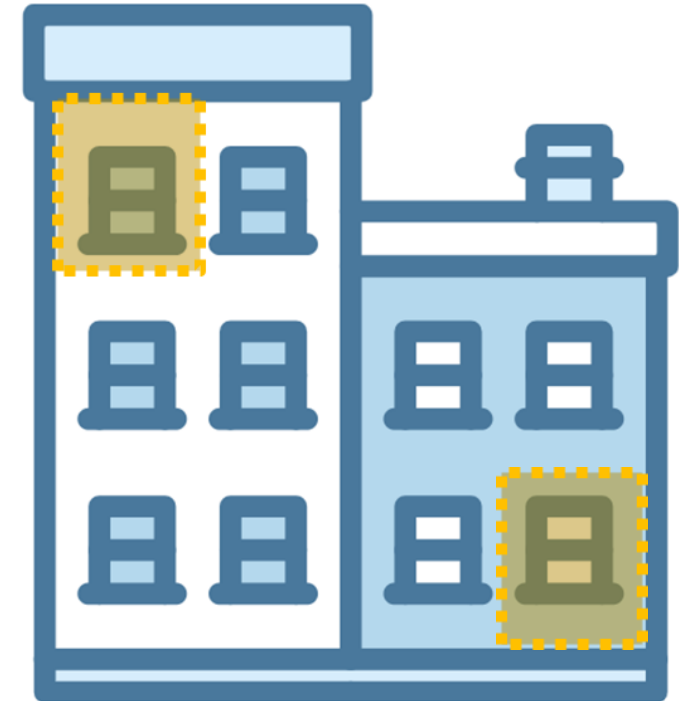


Inclusionary Zoning

1. What is affordable housing?
2. What is IZ and how does it work?
3. IZ program and initial policy directions
4. Breakout discussions
5. Next steps and adjourn



A growing problem

% Change in Incomes and Housing Costs
2008-2021

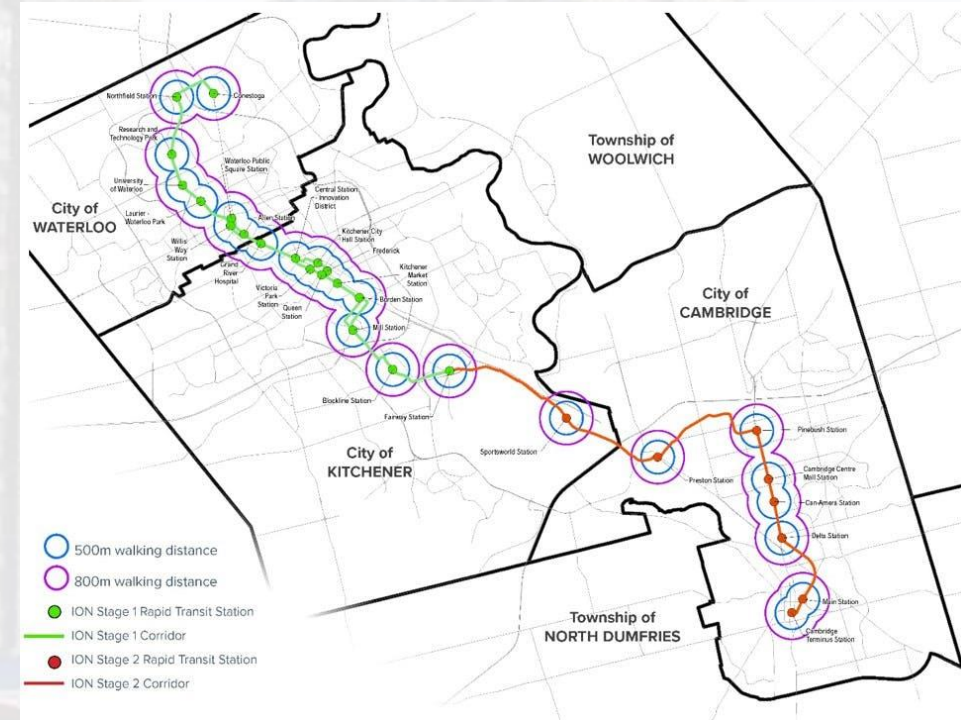
37%
↑
Median
Income

59%
↑
Average
Rent

208%
↑
Average
House Price

What is Inclusionary Zoning?

- Policy that require some units within a market development to be affordable
- Limited to:
 - Major Transit Station Areas near existing and proposed ION stations (500-800m)
 - Developments of 10+ units



Inclusionary Zoning

IZ Principles



Partner with
development
community



Capture
value in new
density



Long term
sustainability



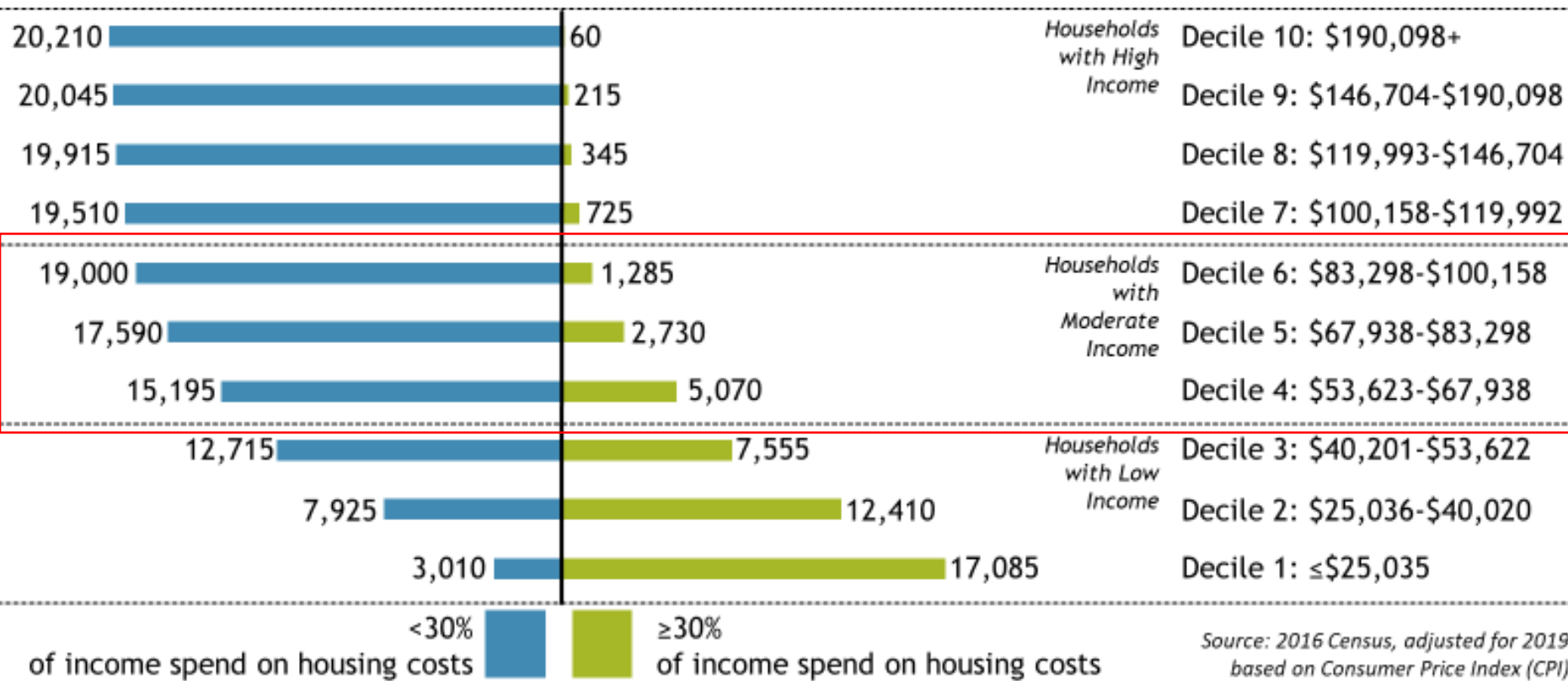
Moderate
affordability



Minimize
land market
disruption

Most effective for moderate income households

% of Income Spent on Housing Costs by Income Decile



Dentist
\$149,760



Police
Officer
\$112,944



University
Professor
\$120,848



Nurse
\$72,900



Plumber
\$58,862



Janitor
\$27,040

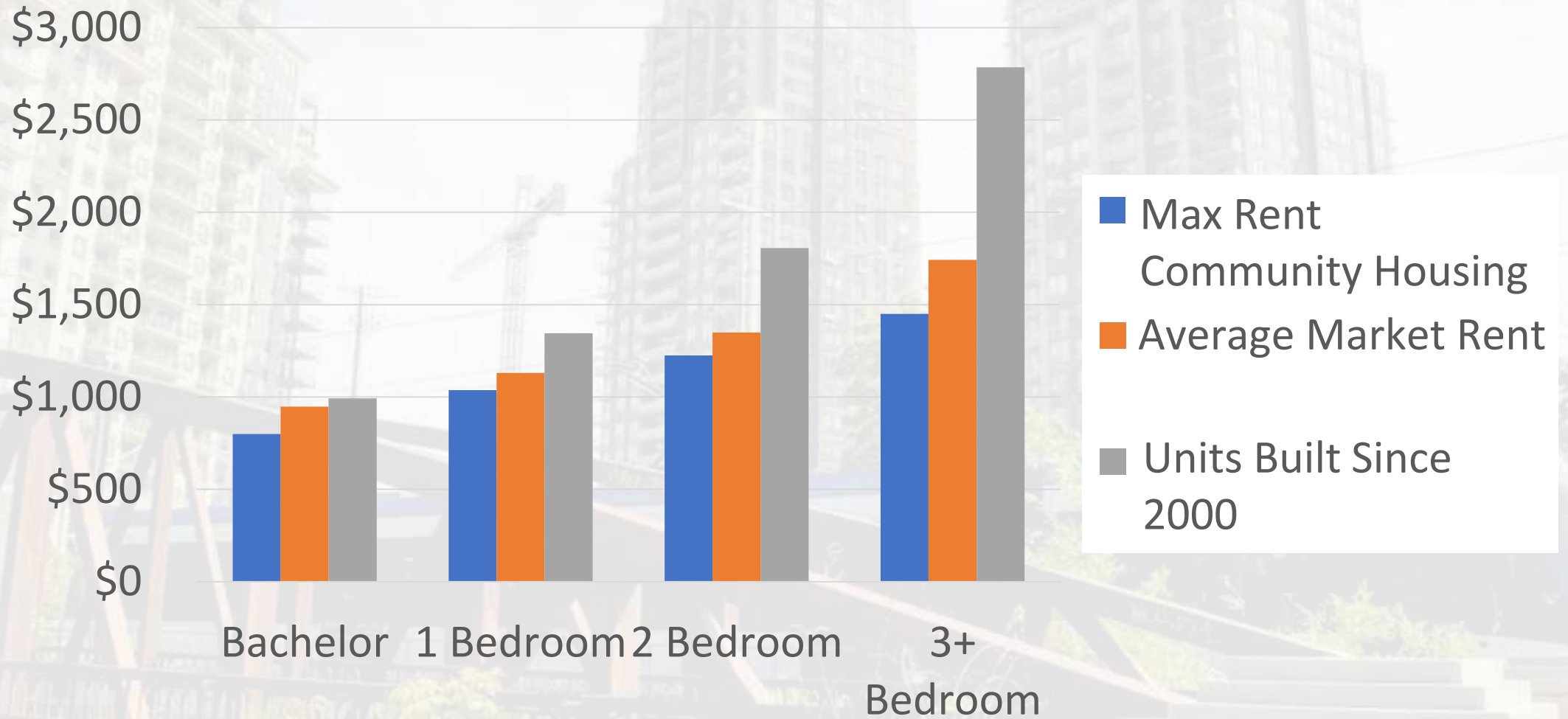


Retail/Sales Clerk
\$29,120

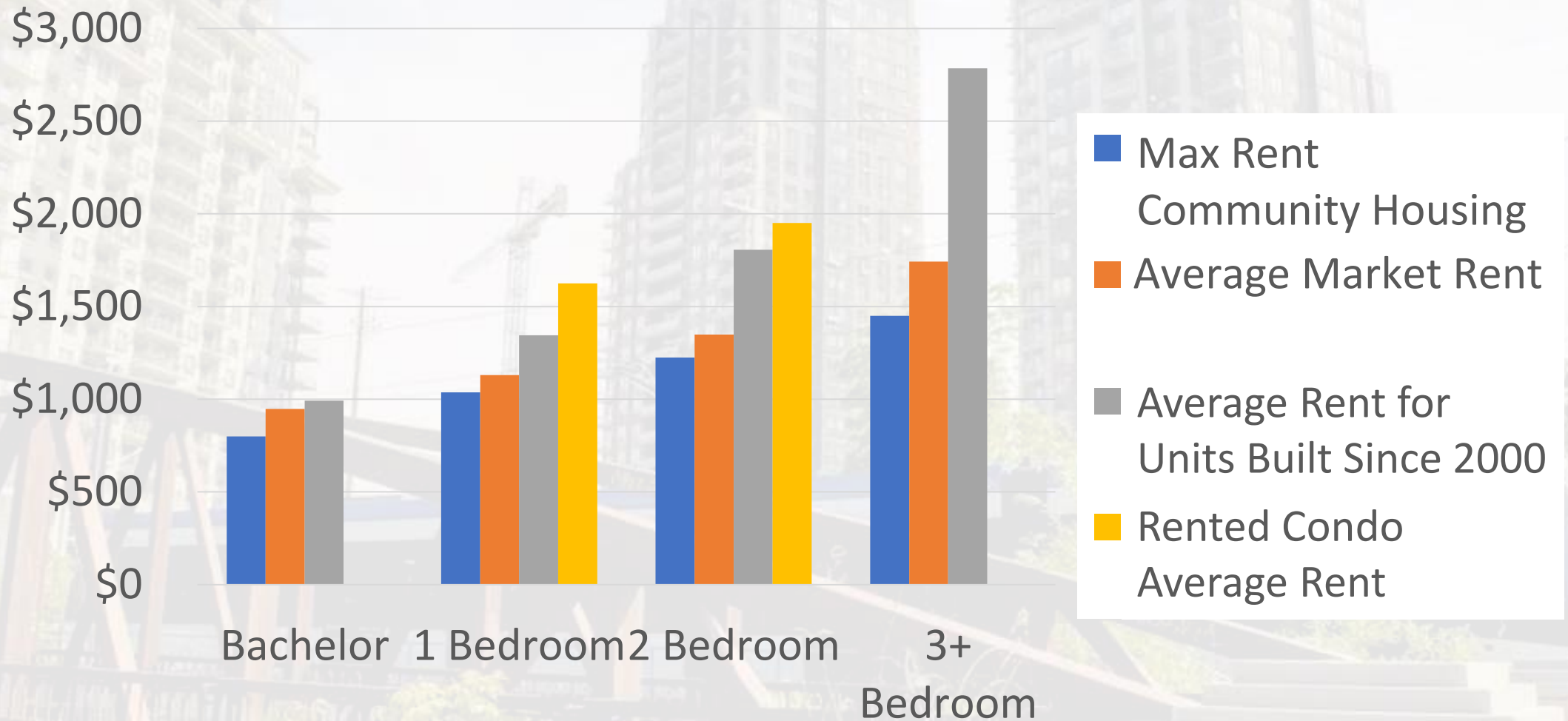
A gap for moderate income renters



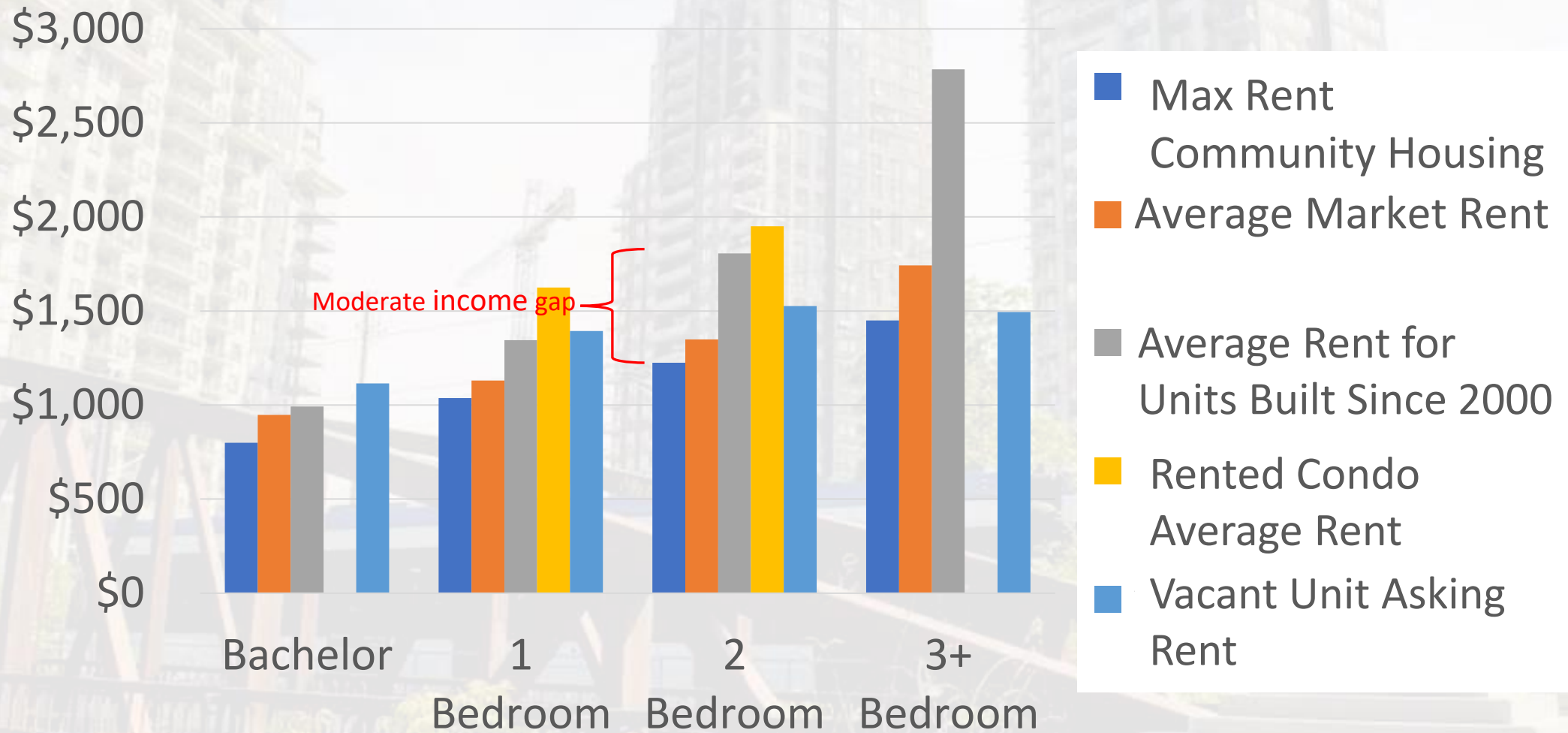
A gap for moderate income renters



A gap for moderate income renters



A gap for moderate income renters



Legal Framework

What Can IZ Do?

- Provide additional affordable ownership and rental units
- Secure ongoing affordability through agreements
- Provide units within buildings or offsite
- Set standards on design, size, location in building

What Can't IZ Do?

- Require units outside major transit station areas (except for areas with Community Planning Permit System)
- Require cash instead of units

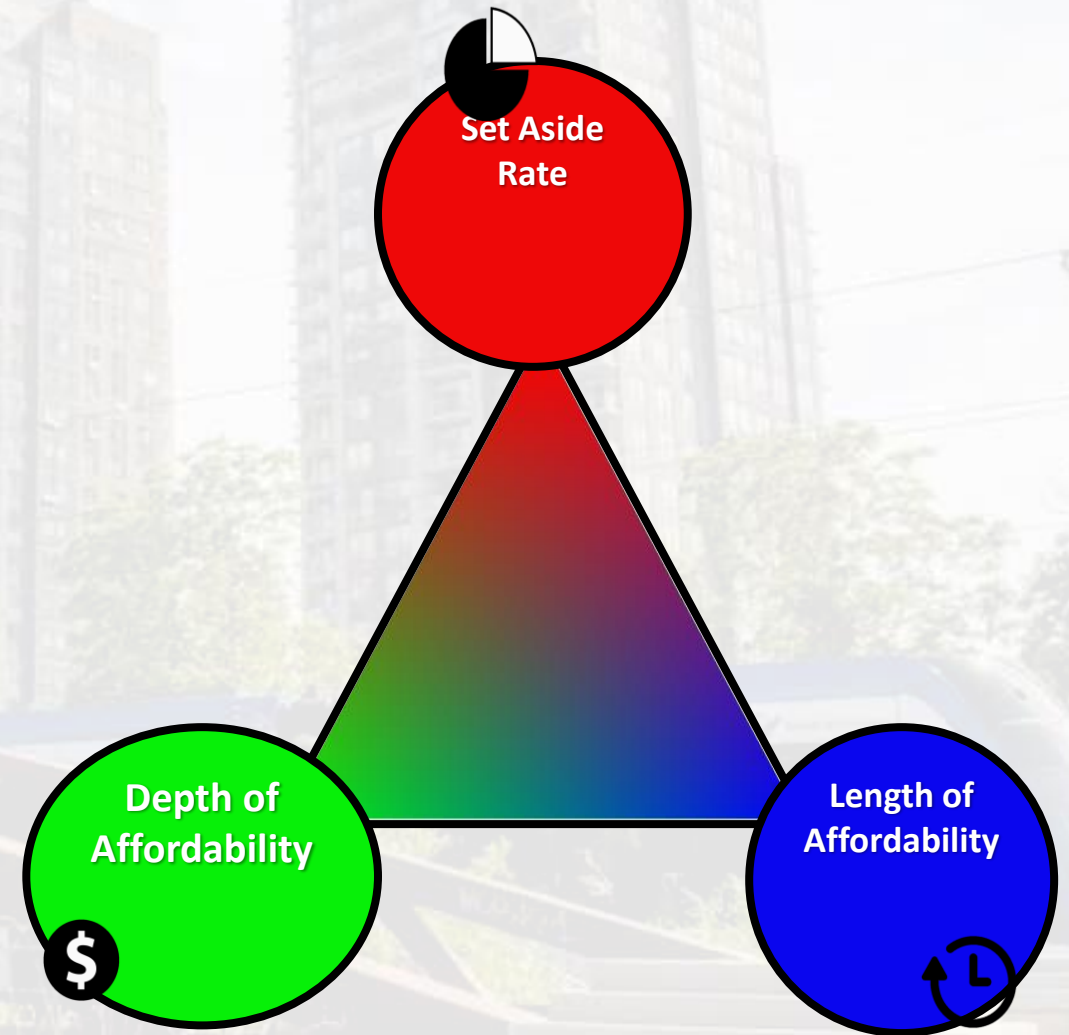
Key Policy Parameters

Primary Policy details

- Set aside rate
- Depth of affordability
- Duration of affordability
- Tenure of affordable units

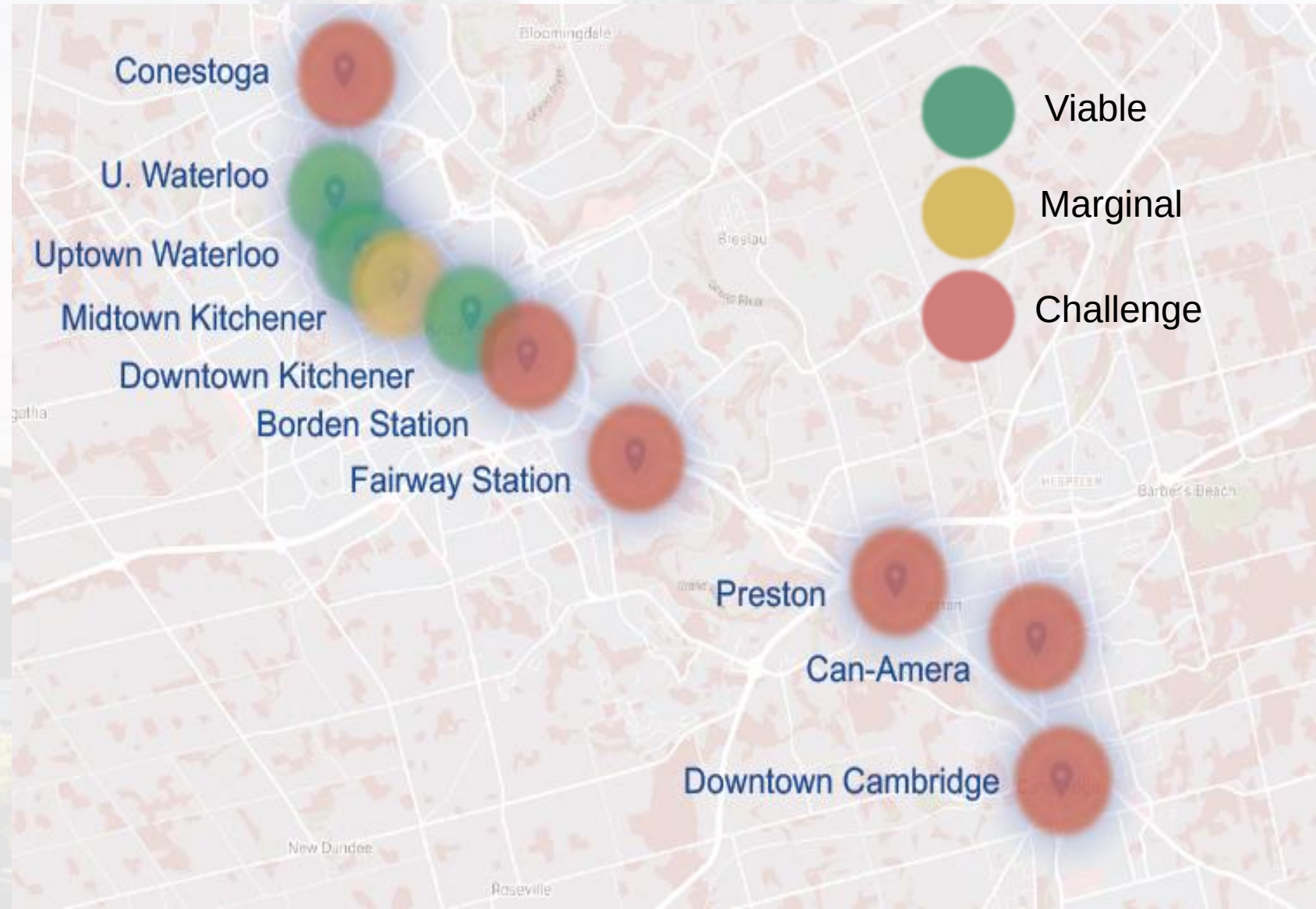
Other Questions

- Exemptions (e.g. small projects, rental buildings)
- Unit type, mix and design standards
- Offsite units
- Apply to all units or just increases in height and density
- Incentives (financial and non-financial)
- Who owns, operates and monitors



2020 IZ Viability Scenario

- Affordable rental units in a condo
- 10% of units affordable
- 100% AMR
- Permanent Affordability



2020 Financial Impact Analysis

- IZ units are 'paid for' through lower land value, not higher prices on other units
- be carefully to not unduly impact supply
- Modest but meaningful number of units possible
- Not all MTSA's are created equal
- Set up framework now to be ready when weaker submarkets improve

2020 Financial Impact Analysis (cont)

- Incentives could top up weaker submarkets
- Ramp up slowly to minimize land market disruption
- Link implementation with MTSA planning
- Regional coordination
- Frequent monitoring and adjustment

More Homes Built Faster: Potential Changes

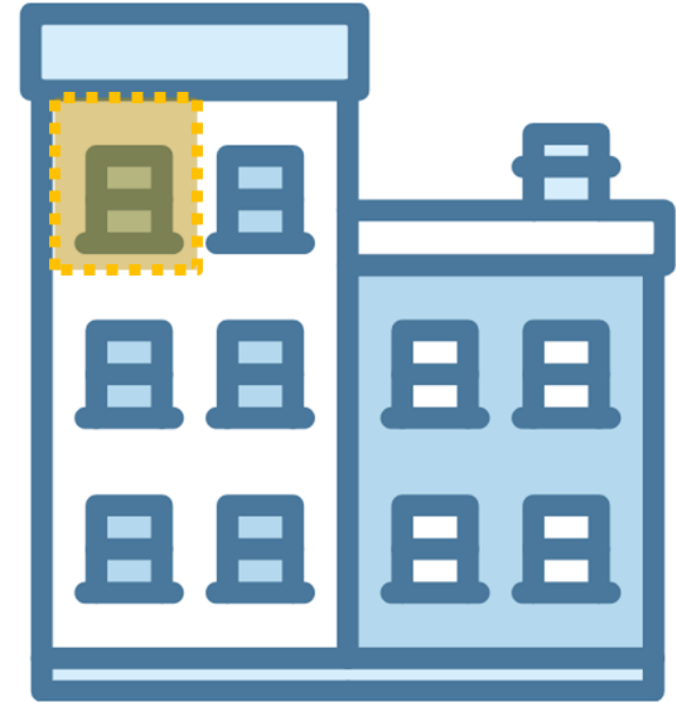
- Max 5% set aside
- 25 years maximum term of affordability
- Minimum prices and rents (market based)
- Incentives: No DCs, CBCs, Parkland fees
- PMTSAs delayed->IZ delayed

	2021 PPS Affordable	2021 Draft IZ regs affordable (possible)
Bach	\$950	\$760
1BR	\$1,134	\$907
2BR	\$1,356	\$1,085
3BR	\$1,538	\$1,230
Ownership	\$385,500	\$512,309

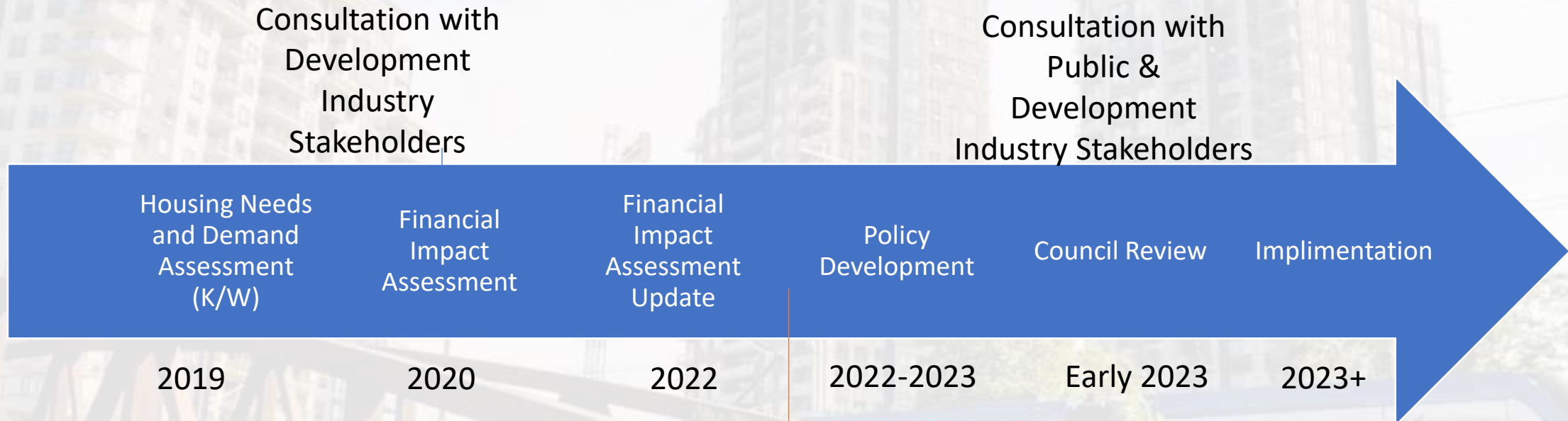
Initial Policy Directions

- Set-aside based on individual MTSA market strength— Regional approach (likely 5% cap)
- Tenure options: rental in condo (lower set aside) or ownership in condo (higher set aside) legal review required
- Moderate affordability ~100% AMR; ~80% avg resale (Bill 23 changes important)
- Permanent affordability preferred (likely 25 year cap)
- Slow ramp up and frequent policy adjustment
- Implementation alongside MTSA planning
- Design Standards: typical unit mix, amenities and distribution – exploring 3BR incentives
- Exemptions: not-for profits, purpose built rental, size threshold
- Offsite units with strong controls achieves outcomes and provides flexibility
- Incentives (mandatory package; + potential for more to go further)
- Undecided if IZ units on as-of-right or on increases in height and density
- Regional administration and monitoring role likely

Questions of Clarification?

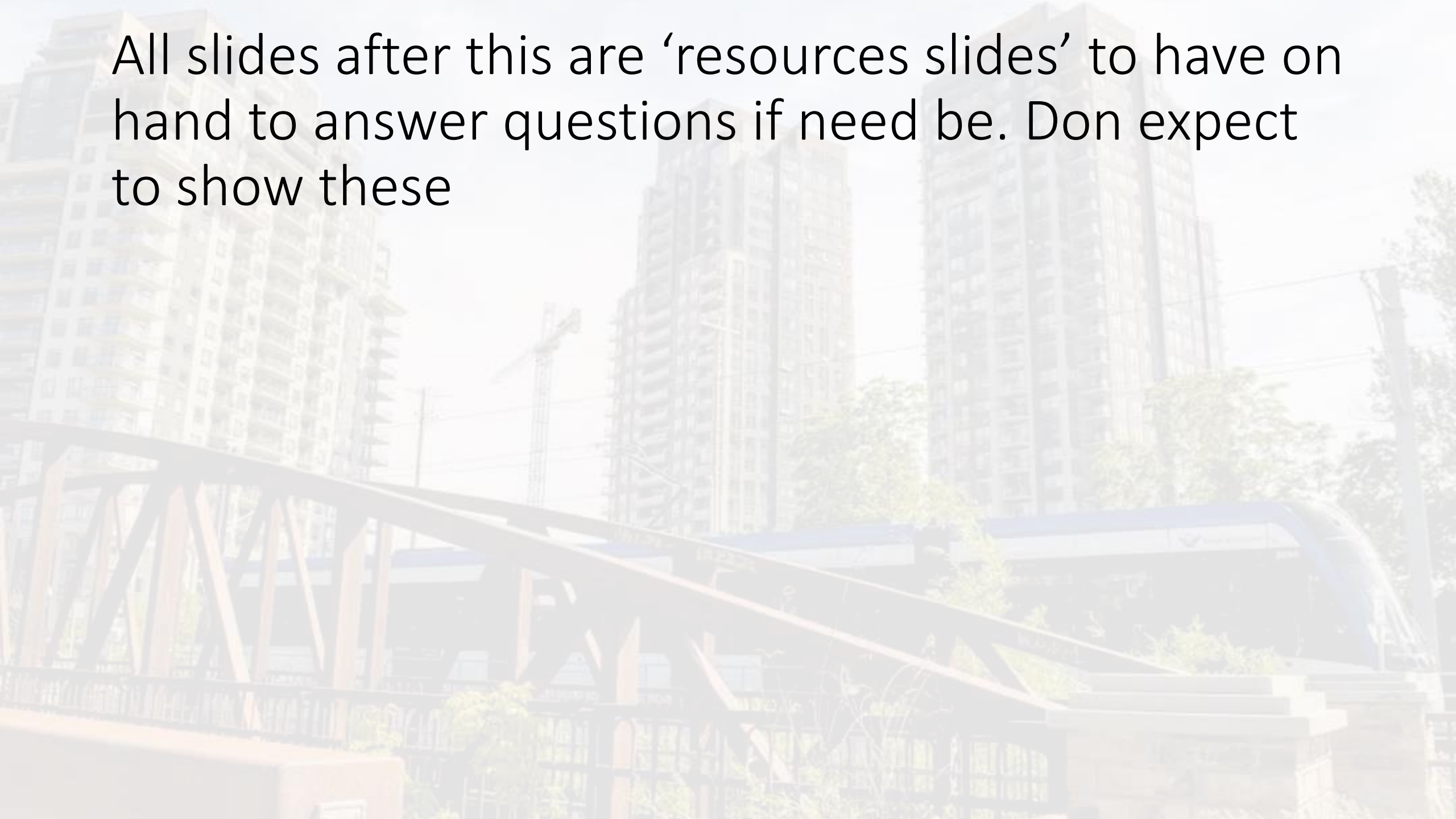


Project Process and Status



**We are
here**

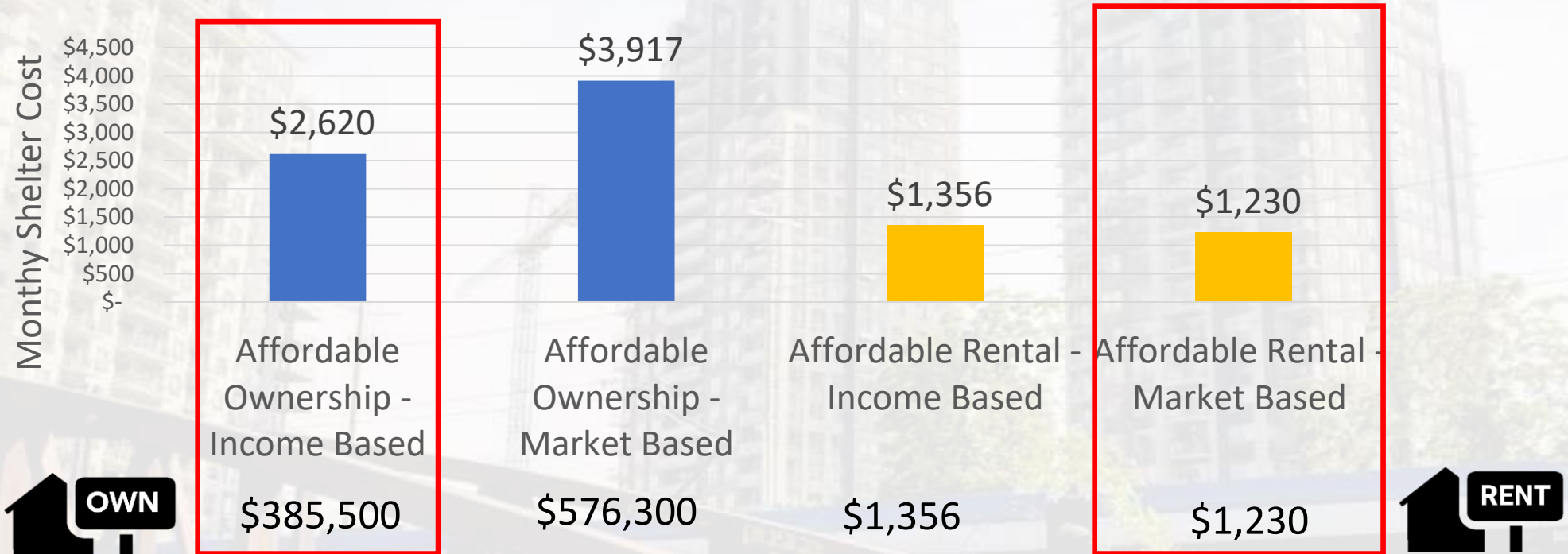
All slides after this are 'resources slides' to have on hand to answer questions if need be. Don expect to show these



Initial Program/Implementation Directions

- IZ implementation Guidelines
- Long term administration required (developers not interested – Likely Regional fit)
 - Eligibility and waitlist
 - Who owns and operates
 - Income criteria
 - Monitoring rents and prices
 - Fulfillment of agreement conditions
 - Biennial reporting

What is Affordable Housing?



Developer Feedback Highlights

- Land prices won't go down in the real world and development may stall
- Concern price of market units will go up
- Go deep with affordability vs moderate affordability
- Ramp up slowly to so as not to disrupt land market
- IZ is not the only tool, need to look outside MTSAs too
- Mixed income and full integration is important
- Consider unit size requirements
- Who will own/manage units in the long term?
- Consider applying IZ only to increases in high and density

Inclusionary Zoning: Next Steps

