

December 9, 2022

Electronic Submission only

ATTENTION:

Honourable Steve Clark, MPP
Minister of Municipal Affairs
100 Strowger Boulevard, Suite 101
Brockville, ON K6V 5J9
Steve.Clark@pc.ola.org

RE: Proposed Changes to Ontario Regulation 232/18: Inclusionary Zoning

Environmental Registry of Ontario Posting 019-6173

Background:

Environmental Registry of Ontario posting 019-6173 proposes a number of changes to Ontario Regulation 232/18: Inclusionary Zoning. These changes would establish an upper limit on the number of units that could be set aside as affordable, a maximum affordability period and prescribe an approach to determining the lowest rent/price for inclusionary zoning units. The proposed changes intend to provide more consistency, certainty and clarity across the province's Protected Major Transit Station Areas.

Comments:

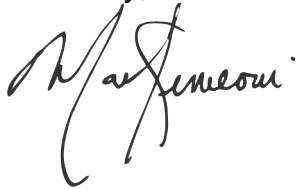
The proposed changes to Ontario Regulation 232/18 will limit the ability of municipalities to deliver affordable units within the PMTSAs. It will also limit the depth of affordability of units and due to the proposed maximum affordability period could result in the premature loss of affordable inclusionary zoning units from the PMTSA's.

Setting the minimum price/rent of inclusionary zoning units to 80% of purchase price/AMR instead of relying on the technical work of municipalities as set out in O.Reg 232/18 may result in the reduced affordability of inclusionary zoning units. This change to the Regulation relies solely on market conditions and not household income. Due to the high cost of rental and ownership housing in Ontario, this may further exclude low and middle-income residents from ownership and rental markets within the PMTSAs. Relying on the Municipal Assessment Reports of Municipalities as set out in O.Reg 232/18 to determine the minimum price/rent that is feasible will ensure that the greatest number of affordable units will be generated at the deepest possible level of affordability; providing a tool for municipalities to provide more affordable units faster within PMTSAs.

Next Steps:

Please accept this letter and its attachment as the City of Burlington submission on ORR posting 019-6173. Given the short period for consultation the attached comments have not been approved by City Council. This letter and its attachment will be shared with the City's Committee's and Council at the earliest opportunity. Should Council determine any additional comments or refinements to the attached comments are required the Province will be advised at the earliest opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark H. Simeoni', written in a cursive style.

Mark H. Simeoni, MCIP, RPP
Director of Community Planning
Community Planning Department
City of Burlington

Theme: Reducing costs, fees and taxes Contributor: Community Planning Primary Associated ERO Postings: ERO 019-6173 December 9, 2022			
Summary of Changes	Staff Comments/Questions	Guiding Principle (see the Options considered section of the hyperlinked report) (indicate support or concern)	Approaches or alternatives for consideration
Establish an upper limit on the number of units that would be required to be set aside as affordable to % of the total number of units or 5% of the total GFA of the total residential units	<ul style="list-style-type: none"> - What is the rationale for a 5% upper limit on the set aside rate? - This maximum could inadvertently limit the capacity of municipalities to deliver affordable housing units in Ontario's PMTSA's 	More Homes Faster <ul style="list-style-type: none"> - This changes to the Regulation may inadvertently diminish the capacity of municipalities to deliver more affordable homes faster in PMTSAs. 	<ul style="list-style-type: none"> - Consider allowing the findings of the studies and analysis undertaken by municipalities that are currently required by Ontario Regulation 232/18 to determine a feasible set aside rate for each PMTSA that is responsive to localized market contexts. - Consider the number of municipalities that have initiated the Municipal Assessment Report process guided by the existing regulation that has been modified by the Province in recent times. Significant investment has been made based on good faith. - Consider other tools to generate deeply affordable units such as appropriate development standard modifications.
Establish the maximum period over with the affordable housing units would be required to remain affordable to 25 years.	<ul style="list-style-type: none"> - What is the rationale setting 25 years as the maximum affordability period? - This maximum could inadvertently limit the capacity of municipalities retain affordable units within PMTSAs 	Complete Communities <ul style="list-style-type: none"> - This change to the regulation may inadvertently diminish the capacity of municipalities to retain affordable housing units within the PMTSAs. 	<ul style="list-style-type: none"> - Consider allowing the findings of the studies and analysis undertaken by municipalities that are currently required on Ontario Regulation 232/18 to determine what affordability period is most feasible for each PMTSA and that is responsive to localized market contexts.
The lowest price/rent that can be required will be set at 80% of	<ul style="list-style-type: none"> - More information is required around the Bulletin and how it will determine AMR and average purchase price. Such as how often the 	Complete Communities <ul style="list-style-type: none"> - This change to the regulation may inadvertently diminish the depth of 	<ul style="list-style-type: none"> - Or consider allowing municipalities to determine the lowest price/rent to be required based local context and feasibility within each PMTSA through the studies

the average resale purchase price for ownership units and 80% of the AMR of rental units	<p>bulletin will be updated, what data sources will be used and whether it will be based on geographic locations, unit type and number of bedrooms.</p> <ul style="list-style-type: none">- What is the rationale for using “80% of AMR” and “80% of average purchase price” to define affordability? The PPS currently uses household income as a metric for determining affordability.- Disconnecting the definition of affordable from the household income of Ontarians and relying on the market to define affordable will result in a further disconnection of housing affordability from real incomes.- How do these new definitions ensure that moderate and low-income decile households are considered when defining what is affordable?- Through work on the Housing Strategy in 2021, the Housing Needs and Opportunities Report provides tables (63 & 65) that assess the income decile that a household would need to be in to be able to afford a housing unit in Burlington. Adjusting these unit prices to 80% of the AMR or average sales price showed that:<ul style="list-style-type: none">○ For both the rental and ownership units in Burlington, 80% of the average sales price/AMR does not provide affordability deep enough that low-income and some middle-income residents can afford units.○ Even at 80% of the average sales price, a household would need to make at least \$113, 702.00 per year to enter	affordability of units within the PMTSAs.	<p>and analysis that municipalities are currently required to undertake under Regulation 232/18. This will ensure that the deepest affordability possible is made available to low and middle-income residents.</p> <ul style="list-style-type: none">- Alternatively, consider using the definition in the PPS for consistency and clarity across policy frameworks. This will ensure that household income informs the definition of affordable.
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	the housing market and at least \$48,579.00 per year to afford a rental unit (a bachelor apartment).		
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