

Inclusionary Zoning for Affordable Housing

Inclusionary housing by-laws will allow Ontario municipalities to require that private developers provide some portion of the housing within their proposed new residential projects as affordable to households with low and moderate incomes.

Inclusionary housing policies help create healthy, diverse, vibrant mixed-income neighbourhoods. They can be an effective planning tool to help meet the provincial interest in allowing for “the adequate provision of a full range of housing, including affordable housing” and can also combat the “not in my backyard” syndrome as affordable housing becomes a normal part of any new development. ACTO has pressed for inclusionary housing to be a part of the Ontario government’s long-term affordable housing strategy.

On December 8, 2016, Bill 7, the Promoting Affordable Housing Act was given Royal Assent. When proclaimed, this legislation will amend the Planning Act to give Ontario municipalities the authority to adopt inclusionary housing by-laws requiring affordable housing units as part of new residential developments. Under the legislation for inclusionary zoning municipalities must outline inclusionary zoning requirements in their municipal official plans. Inclusionary zoning by-laws cannot be appealed to the Ontario Municipal Board; however, appeals of zoning matters such as building height and density, are permitted even when used to meet inclusionary zoning needs. Municipalities cannot accept cash in lieu of affordable units, but may allow affordable housing units to be located on another site. Municipalities may use Section 37 of the Planning Act in combination with inclusionary zoning.

The province is currently developing potential regulatory guidelines for inclusionary zoning, including a threshold size that would trigger inclusionary zoning requirements, the percentage of total units that would have to comply with affordability standards, and the number of years that affordability would have to be maintained.