



Developer Sponsored Affordable Housing Program Review

Urban Planning Committee
March 23, 2021

How the policy works

Per City Policy C582, developers seeking DC1 and DC2 re-zoning for multi-unit housing must:

- Offer City option to buy 5% of units at 85% market value; or
- Pay the City 15% of market value for 5% of units as cash-in-lieu; or
- Provide the City with comparable public benefit (i.e. heritage designation)

Units purchased by City are managed by homeED and rented at below-market rates



Why the policy was created

- Council wanted a tool to obtain affordable housing contributions through rezoning
- The City had limited power to compel private sector to contribute to affordable housing, it now has broader powers to compel contributions
- Developer sponsored affordable housing policy provides a creative way to get private sector involved in up-zoning scenarios



Findings of the policy review

- Not as cost-effective as other affordable housing initiatives
- 28 units purchased by the City in 6 developments since 2010
- Numerous limitations around unit availability for purchase
- Factors contributing to lack of units to feed into the program, include:
 - Weak condo market - multiple economic downturns
 - Direct Control rezonings have failed to construct or are converted to rental properties (the policy does not apply)
 - High-end developments don't align with affordable housing objectives: too expensive for the City to buy, high condo fees

Next steps

- Advance a report to rescind the C582 policy this Spring
- Engagement with stakeholders to establish a work program for a replacement approach
- Bring options report with a short list of possible approaches to Committee in 2022



Thank you. Questions?

What other cities are doing

Vancouver

- Density bonusing in exchange for affordable housing
- Introduced an interim rezoning process to secure more affordable housing. Also requires redevelopment of existing stock on redevelopment sites.

Toronto

- Density bonusing to obtain affordable housing through rezoning.
- Working on adopting inclusionary zoning this year

Montreal

- Requiring developments of five or more units of housing and seeks contributions equivalent to 20% social housing, 20% affordable housing and 20% family housing depending on location

Calgary

- Requires a contribution only on City-owned land sold for development, otherwise only 3 projects have provided affordable housing based on an amenity policy