

Minister Chris Ballard
Ministry of Housing
17th Floor
777 Bay Street
Toronto, Ontario M5G 2E5

Dear Minister Ballard,

As the Government moves toward implementation of Bill 7, Promoting Affordable Housing Act, 2016, your ministry will need to create the appropriate regulations to give effect to the bill, and in particular, to give effect to the provisions for inclusionary zoning.

These regulations are not yet published so we cannot know the details of them. However, we want to advise you, Minister, in the strongest possible terms, that any regulations requiring municipalities to compensate developers for affordable units created under an inclusionary zoning bylaw will place a “chill” on the application of that policy, effectively reversing the inclusionary zoning legislation your government was so recently praised for putting in place.

When your government passed Bill 7 you rightly noted that inclusionary zoning was a policy in place in hundreds of municipalities across North America and that it could increase the supply of affordable housing while creating inclusive and integrated communities. At the time, your government specifically assured municipalities that “municipalities can tailor inclusionary zoning to help them meet affordable housing objectives”. You even placed those assurances on the Ministry web site.

We applaud the government for this initiative and for the sensitivity it showed to municipalities and their widely varying circumstances. We encourage you to continue to pursue that approach.

Regulations that restrict municipalities’ ability to tailor inclusionary zoning to reflect local needs and the local housing market risk undermining the effectiveness of the policy. Regulations that impose costs on the municipalities when they employ inclusionary zoning nearly guarantee the policy will not create new affordable housing. Cost, in the form of payments or foregone fees and charges, are a significant disincentive to implementing inclusionary zoning.

As you know, cash-strapped municipalities are unlikely to create large numbers of new housing units through inclusionary zoning if they are required to pay developers for each unit created. And the evidence indicates that these added costs are completely unnecessary. Jurisdictions across North America have successfully created new affordable housing units through inclusionary zoning without requiring municipalities to make payments to developers. In most cases the incremental cost of new affordable units created through inclusionary zoning is absorbed by a modest easing of inflationary pressure on land costs, a process that has ancillary benefits for affordability in all aspects of the housing market.

Minister, we look forward to the implementation of Bill 7, and the regulations that facilitate its application. We hope the policies and rules you put forward will support municipalities in passing inclusionary zoning bylaws and employing this valuable tool to create new affordable housing. We hope those regulations will avoid imposing restrictive and unnecessary costs on the cities and towns across our province that are working to manage the affordable housing issues we are all seeking to address.

Signed By: