



SUBJECT: City of Burlington Housing Strategy, Inclusionary Zoning initial report

TO: Community Planning, Regulation & Mobility Cttee.

FROM: Community Planning Department

Report Number: PL-03-22

Wards Affected: All

File Numbers: 502-02-73

Date to Committee: January 11, 2022

Date to Council: January 18, 2022

Recommendation:

Receive and file community planning department report PL-03-22 regarding the City of Burlington Housing Strategy, Inclusionary Zoning initial report, attached as Appendix A.

PURPOSE:

The purpose of this report is to present the information contained in the Inclusionary Zoning initial report (Appendix A). This report and its attachment provide an overview of the Inclusionary Zoning policy tool and regulations as set out in the *Planning Act* as well as a review of various Inclusionary Zoning programs in Ontario, Canada and the United States. Additionally, this report also provides details about the next steps in the Housing Strategy Project.

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth

Increasing options for housing across the city was identified as a top priority and goal in the From Vision to Focus Plan. A key action item associated with this priority was 'to complete the City's Housing Strategy and implement the plan to address the needs related to young families, senior's housing, affordable housing, special needs housing and newcomers by Q2-2022'.

- Building more citizen engagement, community health and culture

From Vision to Focus identified being a municipal leader in community engagement and collaboration as a top priority and goal. The key action item associated with this priority is to employ a range of communication and engagement tactics to ensure citizen engagement represents all residents while also focusing on diverse demographic groups and communities.

Background and Discussion:

In January 2021, City Council endorsed the [Housing Strategy Proposed Terms of Reference](#) and staff received direction to initiate the Housing Strategy Project. The objective of the Housing Strategy project is to develop an innovative Housing Strategy that redefines the City's role in housing and sets out recommendations for policies, tools and actions to provide creative and innovative solutions to address local housing needs through the consideration of a variety of planning policy and financial tools, partnerships, collaboration and advocacy opportunities, strategies and initiatives in order to increase options for housing in Burlington that meet the needs of all current and future residents and that are attainable at all income levels.

Most recently, staff presented the findings of the [Housing Needs and Opportunities Report](#) to [Community Planning, Regulation and Mobility Committee on December 7, 2021](#). As part of this work, the Housing Strategy project Team completed a review of promising practices, including Inclusionary Zoning and the findings of this work have been carried forward into the Inclusionary Zoning initial report (attached as Appendix A).

Inclusionary Zoning initial report

The Inclusionary Zoning initial report (attached as Appendix A) provides a detailed overview of the Inclusionary Zoning policy tool as well as examples of how the tool has been applied in other Canadian and American jurisdictions. The report also provides an overview the Inclusionary Zoning tool as prescribed in Ontario's *Planning Act* and Ontario Regulation 232/18. The report also provides an overview of Inclusionary Zoning within the Burlington context.

The report is organized into the following headings:

- What is Inclusionary Zoning?
- Where can Inclusionary Zoning be Applied in Burlington?
- Benefits and Limitations of Inclusionary Zoning;
- What is the Process for Implementing Inclusionary Zoning?
- The Inclusionary Zoning Process in Burlington; and
- Case Studies and Best Practice Review.

Municipal Assessment report

The Housing Strategy Terms of Reference also identifies the preparation of an Inclusionary Zoning Municipal Assessment report as a key deliverable of the Housing Strategy project. The intent of this key deliverable is to prepare a Municipal Assessment Report that meets the requirements of the [Provincial Regulation for Inclusionary Zoning \(Ontario Regulation 232/18\)](#) under the *Planning Act*. The Municipal Assessment report must include information related to housing need and demand and the potential impacts of Inclusionary Zoning on the housing market and on the financial viability of development. Provincial legislation requires that the City update this report every 5 years.

The preparation of a Municipal Assessment report is the first step in the process set out in legislation and regulation that enables the implementation of Inclusionary Zoning. The Municipal Assessment report will be developed using information and data from the Housing Needs and Opportunities Report as well as additional data as required to meet the requirements set out in the *Planning Act* and in the regulation.

Strategy/process

The City's Housing Strategy and the City's Major Transit Station Area Area-Specific Planning process are linked with respect to the consideration of Inclusionary Zoning. The City's Major Transit Station Area Area-Specific Planning process is running concurrently with the Housing Strategy and will deliver area specific plans for the three areas of the City identified as Protected Major Transit Station Areas (PMTSAs) in the Regional Official Plan. As is discussed in the attached, Inclusionary Zoning is a tool limited to Protected Major Transit Station Areas, with limited exceptions.

Preparation of the Municipal Assessment report is currently underway as a part of the work set out in the Housing Strategy Project's Terms of Reference. This Municipal Assessment Report will examine the financial viability of applying Inclusionary Zoning in the PMTSAs.

In April 2022, the Housing Strategy Project will deliver a peer reviewed Municipal Assessment report that will contain recommendations related to the feasibility of Inclusionary Zoning in each of the PMTSAs. It is these recommendations that will inform the work of the MTSA project in determining if Inclusionary Zoning is appropriate in any of the Burlington's PMTSAs and to deliver Official Plan and Zoning By-law Amendments that set out the approach to authorize Inclusionary Zoning within the PMTSAs.

Financial Matters:

N/A

Climate Implications

On April 23, 2019, Burlington's City Council unanimously passed a motion to declare a climate emergency. The City's Housing Strategy will look for innovative solutions to address local housing issues while making better use of existing infrastructure and services through the provision of additional residential units and directing new housing options in locations for intensification, such as Major Transit Station Areas with more diverse options for alternative modes of transportation, to support the provision of a wider range of housing options and minimize impacts on the environment.

Engagement Matters:

Housing Strategy Engagement Plan

The Housing Strategy Engagement Plan provides a roadmap of the engagement activities that will take place over the course of the Housing Strategy Project, highlighting at which points in the process engagement will take place, who will be engaged and the level of engagement. The plan also clearly defines which aspects of the process the City and public can influence throughout the discussion. This plan is intended to provide a broad overview of the engagement activities that will take place and is subject to change over the course of the project. The Engagement Plan was finalized by the Housing Strategy Working Group and Steering Committee in August 2021.

Municipal Assessment Report Engagement

In relation to the Inclusionary Zoning Municipal Assessment report work, a preliminary meeting with Halton Region was held in August 2021 and a roundtable session was held on November 12, 2021 with the Burlington Housing and Development Liaison Committee (HDLC). These meetings were held in order to start the conversation about Inclusionary Zoning in Burlington and to seek initial feedback on the approach the Housing Strategy will take to the Municipal Assessment report work. The feedback received at both sessions will help to inform and refine the approach to the Municipal Assessment report.

A summary of the feedback themes can be found below:

- Implementing Inclusionary Zoning effectively will require partnership with the development community;
- It will be important to consider the cost of the affordable units and explore offsets;
- Staff should carefully consider the approach to the long term administration of the affordable units and the resources the administration of those units will require;

- It was recommended that staff and consultants draw on other examples of Inclusionary Zoning and consider carefully what makes them successful or unsuccessful;
- It was evident that data and assumptions will be challenged, and the City and its consultants may find it challenging to satisfy all stakeholders;
- It was recommended that in order to address in part the challenges related to the quantitative data that qualitative feedback be used to contextualize and better understand the technical work;
- The needs of each PMTSA is unique and must be regarded as such when contemplating Inclusionary Zoning;
- It is important to take into consideration the diversity of developers that work in the Burlington market and consider their varied needs; and
- Clear communication about the Inclusionary Zoning policy tool and how it might be applied in the Burlington context is important in order to manage expectations.

Further engagement with the development community will take place throughout the development of the Municipal Assessment report. Given the technical nature of the Municipal Assessment report and the direct impact it has on the development community, a continued dialogue with the development community will be important as this project moves forward.

Housing Strategy Project Next Steps

- In early 2022, as directed by the project engagement plan, staff will conduct engagement in order to refine the preliminary vision statement, themes and actions identified in the Housing Needs and Opportunities Report. This feedback will inform the preparation of the Housing Strategy.
- In March, staff will engage with Council at a Council Workshop to present the findings of the public engagement to be undertaken in early 2022 and to present the refinements to the preliminary themes, actions and vision statement in advance of publishing the Draft Housing Strategy in April 2022.
- In April 2022, staff will return to CPRM committee with the Municipal Assessment Report related to Inclusionary Zoning.
- In 2022, staff will present the Housing Strategy and accompanying final project report to Council.

Conclusion:

The Housing Strategy project is currently undertaking a Municipal Assessment report as a part of the project work identified in the project's Terms of Reference. This work will serve to identify if Inclusionary Zoning is feasible in one or more of Burlington's

PMTSA's. Over the course of the Municipal Assessment report work, Staff will continue to engage with the development community to seek feedback on this work.

In April 2022, the Housing Strategy Project will deliver a peer reviewed Municipal Assessment report that will contain recommendations related to the feasibility of Inclusionary Zoning in each of the PMTSAs. These recommendations will then inform the work of the MTSA project to deliver Official Plan and subsequently, Zoning By-law Amendments that set out the approach to authorize Inclusionary Zoning within the PMTSAs.

Respectfully submitted,

Kate Hill-Montague, Mplan
Coordinator of Planning Policy
905-335-7600 ext. 7508

Laura Daly, MCIP, RPP
Planner II, Policy and Community
905-335-7600 ext. 7746

Alison Enns, MCIP, RPP
Manager, Policy and Community
905-335-7600 ext. 7787

Appendices:

- A. City of Burlington Housing Strategy, Inclusionary Zoning initial report
- B. Housing Strategy Project Plan

Notifications:

Curt Benson, Region of Halton

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.