STRATEGIC PRIORITY #2 – Incorporate Inclusionary Zoning

In the City's OCP, existing housing policies require new developments within the Town Centre Transition area to provide a proportion of units available as affordable rental housing in exchange for increased density. To date, the City has been successful in securing over 45 affordable rental housing units and over 150 secured market rental units using existing housing policies during the rezoning process.

On April 25, 2024, *Bill 16, Housing Statutes Amendment Act, 2024* was passed to provide local governments with several new authorities, including a new inclusionary zoning tool and amendments to the existing density bonus tool. Specifically, this Bill provides a new tool to allow local governments to secure affordable housing by adopting an Inclusionary Zoning bylaw.

Inclusionary zoning is a new tool that allows local governments to require that a portion of units in a new residential development be allocated for affordable housing, without the need for rezoning. This type of zoning is most effective in areas of high-density development as the costs of providing affordable housing could be offset by increased density. The affordability expectations would be set up-front in an inclusionary zoning bylaw, providing more transparency and certainty for the development process. This encourages balanced diverse communities and helps to create more opportunities for people with low and moderate incomes to live in conveniently located areas within the City that provide access to transportation and amenities.

ACTION 1: Develop an Inclusionary Zoning Bylaw

Initiatives

1.1. Undertake consultation with impacted groups based on who will be affected by this bylaw – *short-term*

1.2. Conduct a financial feasibility analysis and consider the most recent housing needs report prior to bylaw preparation – *short-term*

1.3. Review existing housing policies in the Official Community Plan to determine updated required – *short-term*

1.4. Identify specific areas within the City that would be appropriate for Inclusionary Zoning - *short-term*

1.5. Explore the two Alternative Compliance options i.e. Cash-in-lieu option[1] and the Transfer Agreement Option[2] prior to Bylaw adoption - *short-term*

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[1] **Cash-in-lieu Option**: Option given to developers to provide a cash payment ("cash in-lieu") to be used towards affordable housing, instead of building affordable housing units in the development.

[2] **Transfer Agreement Option**: Option to provide affordable housing units on a different location instead of building them within the current development. Allowing this option may enable a greater number of affordable housing units to be delivered and may support non-profit housing providers to own and operate entire buildings, rather than some units in a private development.

1.6. Consider adoption of an Inclusionary Zoning bylaw and set out specific requirements including the number of affordable units, tenure, affordability level, and length of time that the units must comply with the affordability requirements - *short-term*

ACTION 2: Monitor the impact of Inclusionary Zoning and determine next steps

Initiatives

2.1 Review and enhance the use of inclusionary housing bylaw in conjunction with the 5-year OCP review - *long-term*

ACTION 3: Develop a Density Bonus Bylaw

Density bonus is an existing land use tool available to all local governments to provide the option to a developer to build to a higher density in exchange for amenity or affordable housing contributions. Bill 16 amended the density bonus authorities to clarify how the tool can be used and to ensure consistency with the new inclusionary zoning tool.

Initiatives

3.1 Review the City's existing Density Bonus/Amenity Contribution Policy and establish a framework for density bonusing that parallels inclusionary zoning (Bill 16) – *short-term*

3.2 Update density bonus authorities in Bill 16 to ensure consistency with the new inclusionary zoning tool – *short-term*

3.3 Create a Density Bonus Bylaw – *short-term*