



May 10, 2021

Mayor Brown and Members of Council
City of Brampton
2 Wellington Street W.
Brampton, ON
L6Y 4R2

Dear Mayor Brown and Members of Council,

RE: May 10th City of Brampton Council Meeting – Item 6.1 - Housing Strategy and Action Plan

In Peel Region, the building and renovation industry provides over 4.9 billion in investment value and employs over 39,000 people¹. As a simple rule of thumb one crane in the sky is equal to 500 jobs. With approximately 1,500 member companies, BILD is the voice of the home building, land development and professional renovation industry in the Greater Toronto Area and Simcoe County. Residential Construction is a key economic driver to every community in Canada.

On behalf of the Peel Chapter members of the Building Industry and Land Development Association (BILD), we would like to take this opportunity to thank City Staff for engaging BILD members in the review of the City's Housing Strategy (the "Strategy"). We first heard about this review through a BILD member-stakeholder session on October 30, 2020, where our members heard preliminary details and discussed the City's proposed Housing Strategy. We had then made a submission to Staff on November 23, 2020. We now understand the Housing Strategy and Action Plan is seeking Council endorsement at the May 10th Planning and Development Committee Meeting.

We have reviewed the City's Housing Strategy and Action Plan and would like to offer you the following comments. It is our opinion that our members' extensive knowledge and experience with housing development will be a valuable asset to the City as you move forward with formulating programs, policies, and incentives as a result of this Strategy.

The Development Industry understands the need to address declining housing affordability within the GTA. The health, prosperity and quality of life in our cities, and the continued strength of the real estate market depend on access to quality housing for households at all income levels. The building industry understands the importance of this type of initiative and will continue to be your partners in building complete communities and achieving your housing goals.

We agree that access to housing is part of a healthy and civil society and that public bodies, the non-profit sector, and the development industry each have a role to play to improve access to housing. The building industry can not alone take on the weight of this far-reaching issue. We look forward to being a part of the solution alongside all levels of government. So with this, we are encouraged to see wording in the Strategy speaking to the importance in the roles the Provincial and Federal governments play in providing funding for all housing types.

As our association has noted in various housing related discussions across the GTA, including this one, we believe that a partnership model is the most effective way to make a significant impact, and is essential for seeing success in bringing forward more affordable housing solutions. Within a 'partnership' framework the

¹ Based on 2018 Canadian Mortgage and Housing Corporation and Statistics Canada data

private sector accepts responsibility to make affordable housing available within new buildings on the principle that the assistance required to achieve affordability remains the responsibility of the public sector. This theme can also be seen in BILD's *Municipal Framework for an IZ Partnership*, which is attached herein for your review and was also shared with Regional Council on April 29th.

As pieces of this Strategy begin to unfold and discussions continue to move forward, we would like to reiterate that without a drastic reduction or elimination of municipal fees, development charges and Cash-in-lieu, alongside the implementation of government grants, our industry struggles to make this a feasible venture. We are further encouraged by the wording in section 9.6 of the Strategy speaking to "A Framework of Incentives to Stimulate Housing that Meets Brampton's Needs". We note in this section that the City recognized that the upcoming Inclusionary Zoning regime will require incentives for market development. We also believe that the proposed mechanism of a new citywide Community Improvement Plan for Housing to include a 'toolbox of incentives' will support market developers, private non-profits and charities. Noting that this is one of Staff's 14 recommendations, BILD looks forward to being a part of these discussions as they further develop.

Lastly, pulling from page 103 of the Strategy, "creating a supportive policy environment is key to the success of Housing Brampton. Official planning documents and development regulations need to clearly articulate and complement the Vision and Principles of Housing Brampton". As review of further policy changes to both the City's Zoning By-law and/or Official Plan - such as Inclusionary Zoning – BILD and our members would like to reserve the right to sit down with the City for further fulsome engagement when the time comes.

As your partners in building complete communities, we appreciate Staff consulting with BILD for this initiative and see this as a good step forward to collectively working together to meet the City's housing needs.

Thank you again, and we look forward to hearing further updates on this work following its endorsement. If you have any questions, or require additional information please feel free to contact the undersigned.

Sincerely,



Jennifer Jaruczek
Planner, Policy and Advocacy BILD

CC: Katy Schofield, BILD Peel Chapter Co-Chair
 Gavin Bailey, BILD Peel Chapter Co-Chair

Municipal Framework for an Inclusionary Zoning Partnership

April 28, 2021

Objective

- This framework is based on the current Provincial parameters for Inclusionary Zoning (IZ), and is not intended as guidance for Housing Affordability in general.
- BILD recommends that an IZ framework should be developed with four key themes in mind. These include:

1. Partnership
2. Setting the Right Parameters
3. Implementation and Transition
4. Operation and Maintenance

- The following pages discuss these four themes in greater detail.
- **Given the complexity and variability of the development approval process across the GTA and Simcoe County, there may be additional recommendations that the industry may put forward, for a specific municipality, that is not included in this document.**

Partnership

- Upholding the principle of an IZ partnership model between a municipality and the industry by offering a suite of incentives and offsets is of the utmost importance to the industry.
- These incentives could include, but are not limited to, waving or reducing development charges, application fees, CIL or parkland levies or any other government imposed fees or charges. Offsets could include, but are not limited to, density bonusing above what would be approved otherwise through the planning process, parking requirements, or reduction in parkland dedication.
- Depending on the level of affordability that a municipality sets out, it may require Federal and Provincial participation as well.

Setting the Right Parameters

- Municipal zoning by-laws should be updated to provide reasonable as-of-right zoning permissions and additional density could be explicitly provided where IZ zoning is in place.
- Affordability factors should be defined at the neighbourhood or community scale rather than reflect the entire municipality. They should include a reasonable definition of affordable housing that reflects the local municipality and does not tie to income.
- When determining the affordability period of the IZ units, a municipality should distinguish between planning for affordable rental IZ units or affordable market IZ units. The tenure for the affordability period should match the given scenario.
- Rental IZ units should not be held in perpetuity. The affordability period for these units should align with the life cycle of a building, when maintenance and repairs start to be needed. By that point, a building could require a significant injection of future capital to bring it up to adequate standards, codes and support any other municipal targets (i.e. carbon neutrality). Bringing this units back into the market supply at that time would align with this natural cycle of repair. This would also ensure that these units are able to absorb and adapt within the changing marketplace.
- Additional incentives should be provided if projects are held affordable for periods longer than 10 years or if the affordability definition results in deeper subsidies.

Setting the Right Parameters

- Rent for the IZ units should be able to keep pace with inflation and residential rent increase guidelines to absorb increases in maintenance costs.
- Provide the option for cash-in-lieu. Cash-in-lieu would be a tool that municipalities can use to collect and redirect funds to support other priority housing projects within the community or neighbourhood where the market rent project is located.
- Provide the option for off-site contributions. Allowing for off-site contributions provides flexibility should there be a greater need for IZ units in other parts of a municipality.
- Ease all IZ requirements related to purpose built rental, including the affordability period, level of affordability, and IZ set aside in order to support its continued delivery. BILD and its members stress that this housing product type is incredibly challenging to build, especially under pandemic conditions. It is imperative that municipalities does not impose additional policies that make rental more difficult to build.
- Consider the cumulative effects of other planning policy requirements (i.e. heritage) and create a mechanism where reduced or waived IZ requirements can be allowed, if demonstrated to be unfeasible for a project or if other community-benefitting contributions are being met.

Implementation & Transition

- Consider a graduated and phased-in approach for implementation. A long-term IZ policy approach would allow land markets to adjust and developer expertise to grow.
- Transition provisions should allow for projects with existing approvals or active applications that are deemed complete to be grandfathered and should include a start date that is at least 1 year after the approval of the policies to allow the industry to adjust to the adopted policies.
- This would include making sure that IZ requirements are not applied to a development that has an existing approval in place (i.e. zoning) and would be proceeding with a future, subsequent approval (i.e. site plan).

Operation & Maintenance

- Guidance should be provided for the operation and maintenance of this units.
- Clear and consistent agreements for the management of units for the prescribed affordability period should set out on a case-by-case basis to ensure optimal flexibility.