

## Appendix 3

### Inclusionary Zoning Benchmarking Exercise

City (Year) <sup>1</sup>	Targeted Incomes	Set Aside Rates	Size of Development	Incentives	Affordability Period	Program Requirements
Ontario Case Examples						
<b>City of Toronto (2021)</b>	30 <sup>th</sup> – 60 <sup>th</sup> income percentiles	<p>No minimum requirements for purpose-built rental housing.</p> <p>Condominium Development Requirements: (Note: There are annual incremental increases for each market area)</p> <p><u>Market Area 1:</u></p> <p>10% of the Residential Gross Floor Area for affordable ownership <u>or</u> 7% affordable rental housing</p> <p><u>Market Area 2:</u></p> <p>8% of the Residential Gross Floor Area for affordable ownership <u>or</u> 6% affordable rental housing</p> <p><u>Market Area 3:</u></p> <p>7% of the Residential Gross Floor Area for affordable ownership <u>or</u> 5% affordable rental housing</p>	Developments in an IZ market area which are greater than 100 residential units and larger than 8000 sq. m. of new residential gross floor area	<p>None.</p> <p>Potential incentives <i>may</i> be considered where a proposed development exceeds the required rates of affordable housing</p>	99 years	<p>The policies have a number of requirements:</p> <ul style="list-style-type: none"> <li>IZ affordable housing units must be fully integrated into a building and are to provide same amenities for affordable units as market units</li> <li>No minimum parking requirements for the affordable units</li> <li>Universal design features shall be included</li> <li>Some or all of the affordable housing requirement may be provided on an alternate site, subject to criteria: <ul style="list-style-type: none"> <li>offsite units provide for an improved housing outcome;</li> <li>the offsite units shall be ready and available for occupancy on a timely basis commensurate with completion of the residential units in the proposed development/redevelopment; and</li> <li>offsite units shall be located in proximity to the proposed development or redevelopment (same market area identified on Map 37)</li> </ul> </li> <li>Further specifications are outlined through the <a href="#">Inclusionary Zoning Implementation Guide</a></li> </ul>
<b>City of Mississauga (2022 Draft)</b>	40 <sup>th</sup> – 60 <sup>th</sup> income percentiles	<p>No minimum requirements for purpose-built rental housing.</p> <p>Condominium Development Requirements: (Note: There are annual incremental increases for each market area)</p> <p><u>Market Area 1:</u></p> <p>4% of the Residential Gross Floor Area for affordable ownership <u>or</u> 2% for affordable rental</p> <p><u>Market Area 2:</u></p>	Ownership developments over 50 units or 3,600 square meters of residential area are subject to IZ	Incentives are not proposed for IZ units. A reduction of required parking rates will be provided, ranging from 30-50% for IZ units	25 years for affordable rental units within a condominium building. Mississauga staff are determining the preferred ownership administration, but the capped resale price method would seek to maintain	<p>The draft policies have a number of proposed requirements:</p> <ul style="list-style-type: none"> <li>Offsite unit delivery is permitted where an improved housing outcome is achieved, but cannot be used as a mechanism to defer IZ obligations</li> <li>Administration is being explored with the Region of Peel to support the management of a system of access to affordable housing units secured by local municipalities, including the City of Brampton</li> </ul> <p>As the policies are still in draft form, further requirements will be identified upon finalization.</p>

<sup>1</sup> The majority of programs are mandatory, with some beginning as a voluntary policy when first adopted. Many longstanding Inclusionary Zoning programs have underwent revisions and updates to transition the policy framework based on market trends and housing need.

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		3% of the Residential Gross Floor Area for affordable ownership <u>or</u> 1.5% for affordable rental  <u>Market Area 3A &amp; 3B:</u>  3% of the Residential Gross Floor Area for affordable ownership <u>or</u> 1.5% for affordable rental			an affordability period for 50 years	
<b>Canada Case Examples</b>						
<b>City of Vancouver</b>  1988 (first adopted)	Social housing (households in core housing need/ low income households) & Moderate income housing	Sustainable Large Developments Policy: 20% of total residential floor area as social housing and 10% moderate income housing  Community Plan Areas: 20%-30% of site's residential floor space as social housing	Large sites (land parcels totalling at least 8,000 square metres or containing at least 45,000 square metres of new development floor area) and development in certain Community Plan areas (e.g. Downtown East Side, West End, Cambie Corridor)	Funding tools have been used to deliver social housing/reach greater depths of affordability  In some instances, density bonusing has been used  100% rental buildings may be eligible under a separate Rental Incentives Program	Leased to a non-profit housing operator for 60 years	The policies have a number of requirements: <ul style="list-style-type: none"> <li>Social housing must comply with Housing Design and Technical Standards</li> <li>A unit mix may be required: target of 50% of units with two or more bedrooms (e.g. Cambie Corridor Plan)</li> </ul>
<b>Montreal</b>  2005 (Strategy for inclusion of affordable housing)  2021 (By-law for a diverse Metropolis)	10% below market value, as established by an appraiser  Or 80% of median market rent if developed under a government program	10% of GFA in Zone 1 or 20% of GFA in Zone 2 or cash contribution if outside Affordable Housing Zones  20% for social housing	There is no minimum threshold for affordable housing units if located in an affordable housing zone; or development proposing >4,500 square metres if outside of affordable housing zones  Social housing requirement: >450 square metres  Residential projects in an Affordable Housing Area (Zone 1 and Zone 2) where the Urban Development Plan was amended to increase residential density by at	Construction costs for social housing units subsidized by the City or the government of Québec  Additional government programs may be provided to deepen affordability	No resale restrictions after first purchaser if the initial purchaser's down payment is reduced to less than 5%;  30 years for affordable ownership units or 20 years for affordable rental units	The policies have a number of requirements: <ul style="list-style-type: none"> <li>Offsite units with affordable requirements must be located within 2km or set aside will increase by 2%</li> <li>The Unit Mix must provide 25% of the affordable GFA must be family housing with at least 3 bedrooms</li> </ul>

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			least 20%; additional zones will be added as the Urban Plan is amended			
<b>International Case Examples<sup>2</sup></b>						
<b>Los Angeles County</b> 2020	Rental: average of 40% AMI, 65% AMI, or 80% AMI  Ownership: average of 135% AMI  Target extremely low (30% AMI), very low (50% AMI) lower income (80% AMI) or moderate income (120% AMI) households	Rental: 10% of total units at 40% AMI or 15% units at 65% AMI or 20% units at 80% AMI  Ownership: 5%-20% of units at 135% AMI depending on submarket area  Lower set asides may be provided for small projects	Developments need to be located in specified submarkets and are 5 units or more	May be eligible for density bonus ordinance  Other incentives, waivers or reductions of development standards, and parking reductions may be provided	Rental: 55 years or perpetuity  Ownership: initial sale is restricted to eligible buyers and requires equity sharing with County	The policies have a number of requirements: <ul style="list-style-type: none"> <li>Onsite and offsite units may be provided, but location of offsite units is restricted.</li> <li>The same number of bedrooms as market units must be provided for the unit mix</li> <li>Affordable housing units distributed throughout the project</li> <li>Design of affordable units need to be indistinguishable in appearance and quality to market units with comparable access to amenity areas</li> </ul>
<b>New York</b> 1987 (Voluntary Inclusionary Housing)  2016 (Mandatory)	Option 1: 60% of AMI  Option 2: 80% of AMI  Workforce Option: 115% of AMI  Deep Affordability Option: 40% of AMI	<u>Option 1:</u> 25% of residential floor area at average of 60% AMI  <u>Option 2:</u> 30% of residential floor area at average of 80%  <u>Workforce Option:</u> 30% of residential floor area at average of 115% AMI  <u>Deep Affordability Option:</u> 20% of residential floor area at 40%	10 units or more or greater than 1,161 square metres	Subsidies may be provided to support more affordable housing units being developed	In perpetuity	The policies have a number of requirements: <ul style="list-style-type: none"> <li>Off-site may located within same Community District or 800m radius</li> <li>The unit mix requires 50% must be two-bedroom units or greater, 75% must be one-bedroom or greater</li> <li>The unit size must match the same average size of market units by bedroom type</li> <li>Affordable units must be provided access to amenities and common areas</li> <li>Units must be distributed throughout the building</li> </ul>

<sup>2</sup> AMI = Area Median Income. AMI is often used in the United States Case Examples.

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		<u>Offsite:</u> An additional 5% affordable housing required				
<b>Chicago</b>  2007 (Affordable Requirements Ordinance)  2021 (updated)	Rental: 60% of AMI  Ownership: 100% of AMI	In Downtown, Inclusionary Areas and Community Preservation Areas (note: areas are updated at least every 5 years):  <u>Rental:</u> <ul style="list-style-type: none"> <li>Option 1 - 20% of unit at an average 60% AMI, provided that at least one-third of the affordable units must be affordable to households at or below 50% of the AMI, of which one-sixth must be affordable to households at or below 40% of the AMI</li> <li>Option 1A (Authorized Agency Units) - may lease or sell affordable units to an authorized agency. Such units shall count as 60% AMI units for the purpose of calculating the weighted average of the AMI. If a developer sells or leases more than one-half of a project's affordable units to the Chicago Low Income Housing Trust Fund, the required percentage of affordable units under Option 1 increases to 25%</li> <li>Option 2 - 16% at average 50% AMI, provided at least one-third of the affordable units must be affordable to households at or below 40% of the AMI</li> <li>Option 3 - 13% at average 40% AMI</li> <li>Option 4 - 10% at average 30% AMI</li> </ul> <u>Ownership:</u> <ul style="list-style-type: none"> <li>Option 1 – 20% of units at average 100% AMI</li> <li>Option 2 – 16% at average 80% AMI</li> </ul> In low-moderate income areas: <ul style="list-style-type: none"> <li>10% of units at 100% AMI <u>or</u> 8% at average 80% AMI</li> </ul>	10 units or more	Requirements can be reduced in exchange for units with additional bedrooms (family-size) or to create deeply affordable units  Density increases offered where at least 50% of the affordable units are provided on-site	Rental: 30 years  Ownership: 30 years after initial sale, if resold within term affordability period is renewed for another 30 years	The policies have a number of requirements: <ul style="list-style-type: none"> <li>Offsite: must be in transit-oriented development zone if the development triggering IZ is in a transit-oriented development zone</li> <li>Have accessibility standards and provide preferential leasing for tenants who require an accessible unit</li> <li>Need to be reasonably dispersed throughout the development</li> <li>Affordable units need to be comparable to market units in terms of type, number of bedrooms per unit, energy efficiency and overall quality of construction. Affordable units may be smaller in aggregate size compared to market units</li> <li>Equivalent parking shall be provided between market and affordable units</li> <li>Access to similar amenities must be provided</li> </ul>

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<b>San Francisco</b>  2002 (first adopted)  2017 (updated)	Rental: 55% (low), 80% (moderate) and 110% (middle) AMI  Ownership: 80% (low), 105% (moderate) and 130% (middle) AMI	<p><b>Small projects (10-24 units):</b></p> <ul style="list-style-type: none"> <li>On-Site: 12% of units at 55% of AMI (rental) or 80% of AMI (ownership)</li> <li>Off-Site/Fee: equivalent to 20% of project units</li> </ul> <p><b>Large Projects (25 + units)</b></p> <p><u>Rental projects:</u></p> <ul style="list-style-type: none"> <li>On-Site: 18% total, designated to households at three income tiers:               <ul style="list-style-type: none"> <li>10% of units at 55% AMI average</li> <li>4% of units at 80% AMI average</li> <li>4% of units at 110% AMI average</li> </ul> </li> <li>Off-Site/Fee*: equivalent to 30% of project units</li> </ul> <p><u>Ownership projects:</u></p> <ul style="list-style-type: none"> <li>On-Site: 20% total, designated to households at three income tiers:               <ul style="list-style-type: none"> <li>10% of units at 80% AMI average</li> <li>5% of units at 105% AMI average</li> <li>5% of units at 130% AMI average</li> </ul> </li> <li>Off-Site/Fee*: equivalent to 33% of project units</li> </ul> <p>*There are annual increases for on-site rates and rates are dependent on the location</p>	10 units or more	For any project that receives a density increase through the State Density Bonus Law, the additional units obtained through the Bonus will be subject to the Affordable Housing Fee.  Additional local density bonus is offered where set aside is increased above base rates	Perpetuity	The policies have a number of requirements, including: <ul style="list-style-type: none"> <li>Regardless of size, BMR Units priced for middle-income Households at 110% of AMI for BMR Rental Units or 130% of AMI for BMR Ownership Units must consist of no fewer than two people in the Household.</li> <li>On-Site inclusionary units must meet the minimum unit size standards established by the California Tax Credit Allocation Committee (TCAC):               <ul style="list-style-type: none"> <li>Studio: 300 square feet*</li> <li>1BR: 450 square feet</li> <li>2BR: 700 square feet</li> <li>3BR: 900 square feet</li> <li>4BR: 1,000 square feet</li> </ul> </li> <li>Comparable in exterior appearance and overall quality of construction to market units</li> </ul>
<b>Washington D.C.</b>  2017 (last updated)	Households that make 50%, 60%, or 80% of the Median Family Income (MFI) may be eligible	IZ allows developers of new residential projects containing 10 or more units to get up to 20 percent additional density and requires them to set aside 8 percent to 10 percent of the square footage as affordable	IZ only applies to new residential projects: (1) containing 10 units or more; or (2) adding 10 or more units in most zoning districts	N/A	Permanent	The policies have a number of requirements, including: <ul style="list-style-type: none"> <li>The size of each Inclusionary Unit is at least ninety-eight percent (98%) of the average size of the same type of Market Rate Unit in the development or at least the size indicated in the following table, whichever is lesser</li> </ul>