

Ministry of Housing

**Minister Responsible for the
Poverty Reduction Strategy**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-6500
Fax: 416 585-4035

Ministère du Logement

**Ministre responsable de la Stratégie
de réduction de la pauvreté**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. : 416 585-6500
Téléc. : 416 585-4035



17-72182

Dear: Heads of Council

Re: The Promoting Affordable Housing Act, 2016

The *Promoting Affordable Housing Act, 2016* received Royal Assent on December 8, 2016. The Act amends the *Planning Act*, the *Development Charges Act, 1997*, the *Housing Services Act, 2011* and the *Residential Tenancies Act, 2006*.

Inclusionary Zoning

Inclusionary zoning would help to serve more people in need of housing by increasing the supply of affordable units based on local/municipal needs. When proclaimed, the *Planning Act* will give municipalities the option of requiring affordable housing units as part of residential developments. The government plans to consult on a proposed regulation for inclusionary zoning before the *Planning Act* amendments are proclaimed.

When proclaimed, the inclusionary zoning framework will provide that:

- A municipal assessment report is to be prepared prior to adopting official plan policies for inclusionary zoning, subject to any criteria set out in regulation, which is to be reviewed every five (5) years.
- Municipal inclusionary zoning requirements must be set out in municipal official plan policies.
- While inclusionary zoning by-laws cannot be appealed to the Ontario Municipal Board, except by the Minister, appeals of typical zoning matters, such as building height and density, are permitted even when used as measures and incentives.
- Municipalities may permit affordable housing units to be located on another site, subject to criteria set out in regulation.
- Municipalities cannot accept cash in lieu of affordable units.

.../2

- Municipalities may use section 37 of the *Planning Act* (building height and density in exchange for community benefits) in combination with inclusionary zoning, subject to criteria set out in regulation.
- Landowners must enter into agreements with the municipality that are to be registered on title and enforceable against subsequent owners to ensure the units remain affordable over time.
- The Minister is provided with regulatory authority to exempt certain developments from inclusionary zoning.
- Municipalities must establish procedures for the administration of affordable housing units so that they remain affordable over the long term and for reporting on affordable housing units.

I would like to take this opportunity to thank you for your efforts, input and advice in helping us develop an inclusionary zoning framework for Ontario. I anticipate that proposed regulations will be posted on the Environmental Registry in early 2017 for public consultation. I look forward to your continued involvement in this upcoming consultation.

If you have any questions related to the Planning Act, please contact Thelma Gee at 416-585-6330 or send an e-mail to InclusionaryZoning@ontario.ca.

Secondary Suites

Secondary suites are a potential source of affordable rental housing and could allow homeowners to earn extra income. As noted in my letter dated November 1, 2016, the ministry is working on a number of initiatives to support the creation of second units, including through the *Promoting Affordable Housing Act, 2016*.

When proclaimed, changes to the *Development Charges Act, 1997* will require municipalities to exempt development charges for second units in new homes. This could help reduce the cost of constructing second units in new homes by exempting such developments in the same manner as second units in existing homes are exempted.

These changes would also require enabling regulatory amendments that may be proposed in the new year.

If you have any questions related to the *Development Charges Act, 1997*, please contact Ruchi Parkash at 416-585-6348 or send an e-mail to Ruchi.Parkash@ontario.ca.

Residential Rental Maintenance Standards

With *Promoting Affordable Housing Act, 2016* proclamation, municipalities not currently enforcing residential rental maintenance standards would be required to do so by July 1, 2018. In early 2017, the ministry will provide further details on how it will partner with your municipalities to develop training and capacity-building plans. This work will draw upon existing best practices and shared services approaches used throughout the province.

For more information on the amendments, please contact your local Municipal Services Office:

Central Municipal Services Office

General Inquiry: 416-585-6226
Toll Free: 1-800-668-0230

Eastern Municipal Services Office

General Inquiry: 613-545-2100
Toll Free: 1-800-267-9438

**Municipal Services Office - North
(Sudbury)**

General Inquiry: 705-564-0120
Toll Free: 1-800-461-1193

**Municipal Services Office - North
(Thunder Bay)**

General Inquiry: 705-564-6862
Toll Free: 1-800-465-5027

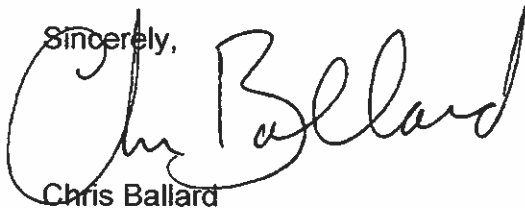
Western Municipal Services Office

General Inquiry: 519-873-4020
Toll Free: 1-800-265-4736

A copy of the *Promoting Affordable Housing Act, 2016* can be viewed online at:
www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&BillID=4118.

Please visit the Ministry of Housing's website periodically for further updates:
www.ontario.ca/page/ministry-housing.

Sincerely,



Chris Ballard
Minister

c: Chief Planning Officials
Chief Administrative Officers