

Inclusionary Zoning in Kitchener

*Planning and Strategic Initiatives Committee Meeting
January 29, 2024*



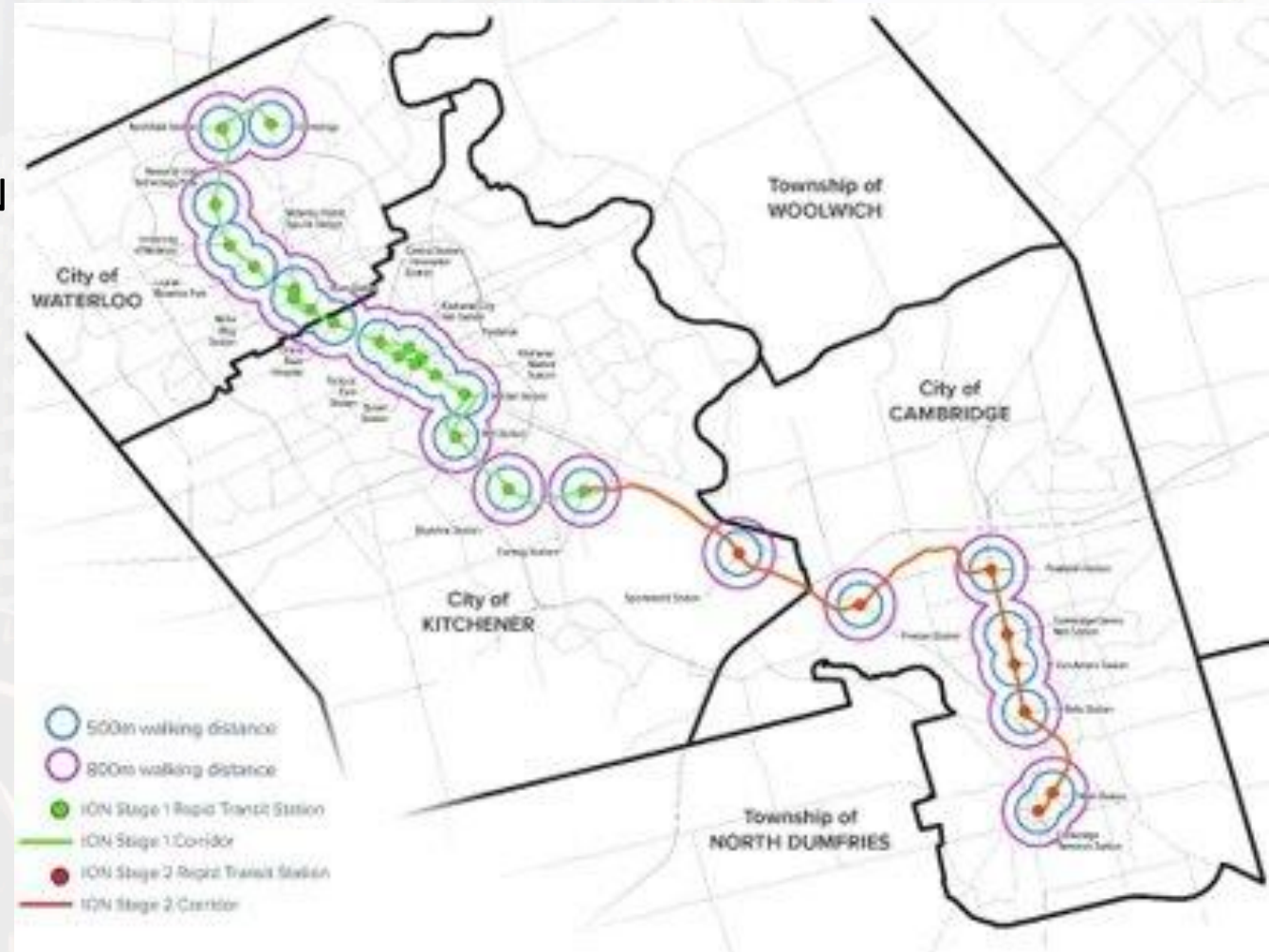


What is Inclusionary Zoning?

- Policy/zoning that requires private developers to include affordable units within new, multi-unit housing developments
- Program can vary:
 - % of affordable units (set aside)
 - depth of affordability
 - duration of affordability

Affordability Along the ION Corridor

- IZ limited to Protected Major Transit Station Areas
- Complete mix income communities around ION



IZ Principles



Partner with
development
community



Capture
value in new
density



Long term
sustainability



Moderate
affordability*



Minimize
land market
disruption



Key Policies

- Consistent tri-City approach that reflects market differences across PMTSAs
- Units must be rental
- Affordable to low income households (earning \$43,000-\$65,000)
- Must be rented to eligible tenants for 25 years
- Establish modest requirements initially and increase over time
- Ongoing review and adjustment (≤ 2 years)

Maximum Rents and Affordability

Unit type	Maximum Rent in Condos (2022)	Household income for which the rent is affordable	Household income percentile for which the rent is affordable
Bachelor	\$1,075	\$43,000	15th (low income)
1-bedroom	\$1,275	\$51,000	20th (low income)
2-bedroom	\$1,469	\$59,000	24th (low income)
3-bedroom +	\$1,631	\$65,000	28th (low income)

Market Areas and Set Aside Rates

Market Area	Protected Major Transit Station Area	Set Aside Rate and Building Permit Timing			
		2025-2026	2027-2028	2029-2030	2031+
Prime	<ul style="list-style-type: none"> Central Station Victoria Park/Kitchener City Hall Queen/Fredrick 	2%	3%	5%	5%
Established	<ul style="list-style-type: none"> Grand River Hospital Kitchener Market Borden Mill 	1%	2%	4%	5%
Emerging	<ul style="list-style-type: none"> Block Line Fairway Sportsworld 	0%	1%	3%	5%

Transition

- Broad development industry consultation and communication since 2020
- Gradual increase in set aside rates
- No IZ required for building permits in 2024
- No IZ requirement for developments with complete Site Plan applications already in

Conclusions

- Contributes to complete communities in PMTSAs
- Consistent framework across the region
- Rental housing that's affordable for 15th-28th income percentile households
- Modest but meaningful number of units
 - 23 per year at the ramping up to 80 units per year by 2030
- Complements other needed investments in affordable housing
- Balances affordability objectives with potential impacts on housing supply
- Financial impacts mitigated through transition provision, fee exemptions, Growing Together permissions
- Flexible options that works for developers, non-profits and tenants
- Frequent monitoring and adjustment