

Dianna Sauderson

From: Dawn Parker [REDACTED]
Sent: Sunday, March 17, 2024 3:54 PM
To: Delegation (SM)
Subject: For the March 18th special council meeting
Attachments: GrowingTogether-IZ-DCParker_17Mar2024.pdf

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Please share with the Mayor and city councillors.

I cannot attend the meeting in person, as I'm working then.

Thanks,

Dawn

Comments for the **Special Council Meeting**

Monday, March 18, 2024 at 1:30 p.m.

Respected Mayor and Councillors:

I've commented extensively on the City's MTSA, PMTSA, and inclusionary zoning proposals, both to Council and through conversations with staff. I won't repeat those communications, but I still hold my previously expressed views, especially those that describe the perverse incentives created by some of the proposed policies.

Today's I'm re-sending my (slightly edited) comments sent for the January 29th meeting, which I think did not reach you, as well as adding a few more points.

1. High-rise condo markets are stalled due to high interest rates, high construction costs, and low unit sales prices. Not implementing inclusionary zoning will not, in my view, bring those markets back now. Nor should they be brought back at this point. Those markets were primarily supported by investors who planned to rent their units. The secondary rental markets are no longer supporting condo purchase as a good investment, because the units are both too expensive and too small. The City and Council have no obligation to support the high-rise condo market, when the market itself is not supporting this as a profitable product.
2. On the other hand, high-rise purpose-built rentals are still being built, for the most part using CMHC rental construction financing, which requires at least 10% of affordable units. If builders are already

providing 10% affordable units, a requirement to provide even 5% of affordable units will have no impact on their decisions.

3. Inclusionary zoning will help those constructing affordable rentals, because these builders will now have a market advantage as they are not bidding against condo builders for land. I think everyone agrees that inclusionary zoning should cool our overheated land markets. In my view this would be beneficial, as it would make room for affordable housing providers and other innovators. **Good housing policy rewards market innovators.**
4. The current policies as proposed may have minimal impacts on affordable housing provision, because developers will bypass them by pushing approvals to before the policy is on place, or building just outside the PMTSAs. That assertion is supported by academic research in other jurisdictions.
5. My new piece in The Conversation provides further discussion about inclusionary zoning and land value uplift: <https://theconversation.com/housing-policies-need-to-fully-consider-market-dynamics-to-move-beyond-tall-and-sprawl-cities-225425>
6. My view has always been that **the City and the Region should implement inclusionary zoning at the maximum level allowed. If that's not possible, at least pass something.** Otherwise, **folks, the optics are extremely poor.** I can't be the only one calling attention to this issue. This would be the second time this year that developers have come to council to request changes that would benefit them directly in terms of their ability to gain profits from land they own. At the same time, residents asking for changes have been refused. As I describe below, the proposed zoning changes as a whole in the PMTSAs, while not I think designed with that purpose in mind, seem designed to reward speculative landowners and increase displacement, as the cost of those trying to intensify low-rise neighbourhoods while maintaining their current form.
7. Inclusionary zoning works, and it's not a fringe or controversial policy. See the Conversation piece for more supporting evidence.

Dawn Parker, PhD

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Kitchener

Previously sent (slightly edited)

Comments for the Planning & Strategic Initiatives Committee

Monday, January 29, 2024

The proposed MTSA / PMTSA “Growing Together” OPA and secondary by-laws are flawed. I suggest you ask staff to revise them. My comments are general, but use the Mt. Hope MTSA slice as an example.

- Our neighbourhoods are under-zoned for their current form. They are zoned for lower density than exists now. That makes it very difficult for current owners to do small in-fill projects, as they need an official plan and zoning by-law amendment. Conversely, it makes it very easy for speculators to buy out properties for “assembly”, because the land value are capped at single-family residential for most investors.
- The ideal of “transitional” zones is a gift to speculators. It’s a signal to them that the land will be up-zoned. When combined with the low-rise zoning, it again invites them to purchase single family homes for speculation.
- It’s well established in planning and real estate theory that when these conditions are present, landlords buy up properties and let them decay, until conditions are right to convert to high-rise (Smith’s rent-gap hypothesis).
- The City has not communicated to residents that under the new zoning, no land use decision in the PMTSA will be appealable by residents. Postcards that have been sent out have been almost devoid of information and contain images of places that no longer existing in Kitchener, and never will in the future under their new plans. Postcards have omitted public engagement opportunities and have incorrectly stated that zoning is not changing at this time. Again, the lack of understanding of the zoning and its impacts for land value favours speculative investors. They know the land value for development, but the current residents do not.
- These zoning changes will not facilitate missing middle housing, because they will inflate land values beyond what a missing middle developer can pay. I’ve had extensive discussions with city staff about this issue.
- The City left our neighbourhood (Mt. Hope) out of cultural heritage landscape designation, and never responded to inquires or protests about this decision. Uniquely leaving it out of this designation again favours speculative investors and invites them to acquire and assemble lands. The optics are poor, as this action, as well as the expanded MTSA boundaries, appear to be designed to facilitate future expansion by Google. Similar neighbours (i.e. Gruhn, a newer neighbourhood with less dense housing, equally close to LRT) have received the designation.
- The City’s process about deciding where to intensify was flawed. They asked people at open houses where they wanted high-rise development. The people naturally said “not in my neighbourhood.”
- The City CANNOT enforce the zoning it is setting in these transitional zones, and they are aware of this issue. The low-rise zoning they are imposing is not meaningful, because these areas are designed by the Region and city for intensive development by their MTSA designation. Any developer who would file an appeal to OLT would win. The only way to protect those neighbourhoods is to zone them for intensified low-rise, i.e. a 10 unit building on any residential parcel. I have recommended to city planners and Council that that be done on many occasions.

Dawn Parker

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Kitchener

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