

DELEGATION TO KITCHENER CITY COUNCIL
RE: 6.3 MOTION ON INCLUSIONARY ZONING
(To Set Aside Rates)

Respected Mayor and Councilors,

Nearly two years ago, you voted unanimously in support of establishing Inclusionary Zoning requirements for residences of more than fifty units along the transit corridor. Subsequently, it was determined that inclusionary zoning would be implemented in January, 2026. Now, and once again, the implementation of inclusionary zoning is being challenged by developer concerns about the market... does anyone recall when developers have asserted that the market is favourable? The facts are that municipal, provincial and federal governments all facilitate inclusionary zoning with a wide variety of substantial benefits for developers, not least of which are no fees on up-zoning.

I wish to strongly support the Staff's recommendation that the implementation inclusionary zoning proceed in January, as planned. Over the past nearly two years, monthly rents have significantly increased across the City, making it even harder for middle income individuals and families (\$43,000-\$65,000) to find accommodation. The average rents have increased substantially: a studio apartment in Kitchener is \$1370; a one bedroom is \$1750; a two bedroom is \$2100; and a three bedroom is now \$2400.

The insufficiency of affordable housing in Kitchener creates downward pressure throughout the community. Individuals and families in assisted housing are unable to find reasonably priced rents to move into even if they could afford more than the very modest assisted rent. This means there have been virtually no assisted living rental vacancies over the past year. This has resulted in increasing homelessness in the city because there is nowhere for people with income only from low benefits or allowances: for example, the provincial disability allowance - \$1350/month is the lowest in the country. Recipients cannot begin to afford 'competitive' rental units; even renting a room with access to a bathroom costs \$800-\$1000). Once homeless, they lose even that picayune allowance because they have no address.

Clearly, the urgency for affordable housing in larger residential units along the transit corridor that I set out in my delegation nearly two years ago (copy below) has only grown in the past two years. We cannot retreat from the minimal rates already established; the motion to lower these requirements, if approved, would result in only *one* affordable unit for every 50 units in a multi-unit residence. If anything, I'd encourage the Council to *raise* the requirements faster than originally planned.

Respectfully submitted by Marilyn Hay, resident of Kitchener

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RE: INCLUSIONARY ZONING

18 March 2024

Good afternoon. I am Marilyn Hay, a resident of Kitchener and the current Chair of the Waterloo Region Chapter of the Council of Canadians, a national activist organization concerned about People, the Planet, and Democracy.

In Kitchener, the average rent for a two bedroom apartment is \$2300/month or \$27000/year which is simply unaffordable for a great many people, so Inclusionary Zoning, to provide as many affordable units as possible, is urgent. The need for housing is exacerbated by the increasing numbers of renovictions from apartments that have been affordable for decades, purely to allow companies to cash in on ever higher rents. I realize that the issue of renovictions and affordability for impoverished seniors, students, and young adults is not part of today's decision. I just want to be sure we don't lose sight of this growing need for low cost housing as a part of our overall housing strategy in Kitchener.

All this to say, Inclusionary Zoning is the best option for quickly creating affordable housing in the near to medium term. The staff recommendations are for new rental buildings to set aside 2-3% of units over the next six or so years with an eligibility requirement that renters earn between \$43000-\$65000 (targeting couples who earn at least a full time minimum wage). While this is a great beginning, overall it would cost us around 200 fewer affordable units by 2031 than we would have if we started now with 5% target allowed by the Province. Accordingly, I encourage the City to consider raising the target to 5% beginning immediately. Further, for those people at risk because they make less than a full time minimum wage income, I would urge the City to urgently address the renoviction and low cost housing emergency, whether alone or in concert with the Region.

The major concern about Inclusionary Zoning has been raised by the new Association of ten or eleven local builders. Their shared concern is they cannot afford the 1% decrease in rental income that would result from the creation of these affordable units. I'm unclear as to why this is such a 'make or break' issue for the developers. As I understand it, care is being taken by the Province to

ensure they will not lose on the value of the land they already own for these rental buildings. In addition: all HST is being waived on new rental buildings; municipalities are being charged for the development costs associated with these affordable units (power, water, sewage); plus, costs that developers would have traditionally paid toward Parkland Development fees have been both lessened by the new cap by the Province and any of those fees associated with the affordable units are also to be paid by the City – all of this means considerable savings for the builders – at the expense of taxpayers. Finally, approvals to build much higher buildings (referred to as ‘up zoning’) permits an extraordinary opportunity for ongoing lifetime rental profits (far more income results from a 20-40 story building than for a 10-15 floors) Some other nations charge a hefty fee for this lucrative up-zoning opportunity.

Given all these real savings and the potential for MUCH greater rental profits from larger buildings... how do the developers determine that the one percent they’ll lose it’s just too much to be able to construct the buildings? I’m a neophyte at this, so I really don’t understand all the nuances but this just doesn’t seem to add up or make sense. Instead, it appears that this Association of builders/developers has been formed to hold the taxpayers of Kitchener hostage to their ‘incapacity to build’ because of this 1% projected loss – and that feels uncomfortably like a kind of extortion. It appears that they just don’t want to contribute any of their upzoning windfall profits to provide ‘affordable’ units, but to quibble over 1% because a small percentage of units are designed to be ‘affordable’ is beyond disheartening.

As you approve the Inclusionary Zoning bylaw as one component an overall plan to provide sufficient affordable housing in Kitchener, I ask that you not react defensively to the Association’s demands for more funding by considering tiny 300 sq ft apartments that would still take two fulltime minimum wage earners to afford. I ask you to not debate the necessity of creating nearby parks and playgrounds as ‘too expensive’. Our streets and sidewalks along major transit lines cannot be the only playgrounds for the children who will live in these buildings.

I implore you to consider the story we are writing about our growing, vibrant City, about the respect and quality of life we offer to everyone, about the health and opportunity for safe places and spaces for children to play. These are the people,

the families of our community – our neighbours, our children, potentially ourselves as seniors who need lower cost housing to remain independent.

What story will your decision tell about Kitchener?

Thank you for your time and your attention.