TOWARD INCLUSIVE AFFORDABLE HOUSING
TORONTO'S LARGE SITES POLICY – JUST A FORMALITY?

BY

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A THESIS SUBMITTED TO THE FACULTY OF GRADUATE AND POSTDOCTORAL AFFAIRS
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARCHITECTURE – PROFESSIONAL

IN

ARCHITECTURE

CARLETON UNIVERSITY
OTTAWA, ONTARIO

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Your file Votre référence

ISBN: 978-0-494-94572-8

Our file Notre référence

ISBN: 978-0-494-94572-8

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ABSTRACT

Canada does not currently employ a consistent approach for constructing new affordable housing that is integrated with new market developments. This study explores the implementation of inclusionary zoning policies in Canadian cities and questions whether these programs could become a standard practice for constructing low-income housing and fostering environments for mixed-income communities. Focusing on the City of Toronto, the effectiveness of Toronto's Large Sites Policy is examined to assess whether it can successfully supply a more substantial stock of affordable units in heterogeneous neighbourhoods. Toronto's rising housing prices, along with its increasing geographic polarization between high and low-income areas, indicates an immediate need to improve the current policy to more evenly disperse the supply of affordable dwellings. Toronto's policy has not been adequately tested and as a result has not yet produced any units. Toronto's current condominium boom provides the opportunity for affordable housing growth through inclusionary zoning programs. Since the Large Sites Policy has been ineffective thus far and the surge in housing construction may soon diminish, there is an urgency to make revisions to better facilitate the policy's use while favourable circumstances exist.

This study highlights the policy's limitations and first addresses the issues at the scale of the City of Toronto and then in more detail in the neighbourhood of Liberty Village, a large redevelopment rezoned for residential use. The Large Sites Policy is tested through the employment of mixed methods. These include the identification of the policy's applicable sites, calculations emphasizing the missed and future opportunities of affordable unit production within Toronto and through 3D modeling in Liberty Village, and the conducting of semi-structured interviews with key public organizations working with affordable housing.

The policy tests conducted establish that Toronto's policy is capable of producing considerable quantities of low cost units if the policy's regulations are applied more broadly to a full range of developments that are more varied in size. The findings indicate that Toronto has a pressing need for a more forceful policy but that the city also exemplifies an opportune environment for such a program to thrive.

ACKNOWLEDGEMENTS

I would like to sincerely thank my advisor, Shelagh McCartney for her time, honesty, guidance, thorough feedback and constant motivation throughout the present work. I would also like to acknowledge the professors in the Faculty of Architecture and Urbanism at Carleton University who have taught and mentored me throughout my graduate work and my overall education.

I am especially grateful to all those who helped me and influenced my research. Special thanks are extended to Latoya Barnett for her assistance with mapping, and to Mark Salerno and Tom Burr for their participation in interviews for this study. I would like to thank them all for their hard work, devoted time and insightful comments. Finally, I would like to express my gratitude to my parents, Jasna, Peter and all of my friends and classmates for their continuous advice, encouragement, love and support.

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LIST OF ACRONYMS

AMI	Area Median Income
CHOC	Community Housing Opportunities Corporation (Davis, CA)
CMA	Census Metropolitan Area
CMHC	Canada Mortgage and Housing Corporation
GIS	Geographic Information System
GTA	Greater Toronto Area
LVBIA	Liberty Village Business Improvement Area
MADGIC	Maps, Data and Government Information Centre (Carleton University)
NIMBY	Not In My Backyard
OAA	Ontario Association of Architects
OHC	Ontario Housing Corporation
REB	Research Ethics Board (Carleton University)
SOMA	South of Market (District of San Francisco, CA)
STIR	Shelter Cost to Income Ratio

CHAPTER 1

INTRODUCTION

The aim of this study is to determine whether inclusionary housing policies can be productively used in Canadian cities to construct affordable housing and foster holistic, heterogeneous communities. In the 1970s Canadian national housing policies concentrated strongly on social inclusion in housing. Unfortunately by the late 1980s, these commitments were gradually neglected as the federal government shifted the responsibility to the provinces (Calavita & Mallach, 11). Canada currently lacks many distinct, well-developed strategies for the integration of low cost housing within existing and new neighbourhoods. Focusing on constructing mixed-income residential developments through the use of zoning and housing policies will help provide a more substantial and integrated supply of new affordable dwellings.

Planning ordinances for residential development in many cities inadvertently exclude lower income households. There is a tendency to push low-cost housing to the outer peripheries of the city where there is poor access to public services, but where the need for these facilities is the greatest. These exclusive practices have often led to income polarization and isolated areas of concentrated poverty, which can result in immigrant ghettos, and in some cases violent uprisings (Calavita & Mallach 2010, 6). This type of city planning is extremely unhealthy and it is important to counter these practices and allow low-income communities to receive equal access to public amenities. It is imperative to prevent further urban fragmentation by actively building economically accessible homes in all locations and not only the city outskirts.

There are a number of policies that have developed over the past 30 years, which aim to counter the exclusion of impoverished families. The United States has generated a large number of programs, such as inclusionary zoning, (see Chapter 1.2 for full definition) which aims to minimize residential economic segregation by requiring that a mix of incomes be included in a single development (Calavita & Mallach 2010, 1). This thesis focuses on the implementation of inclusionary zoning policies in Canadian cities and questions whether these programs could become a

new standard strategy to construct low-income housing and promote more economically heterogeneous neighbourhoods.

Canada currently has programs in Vancouver, Montreal and Toronto that share these goals, but although Vancouver and Montreal's policies have been successful, Toronto's has been completely ineffectual. Toronto's Large Sites Policy is the only policy that has not yielded any affordable units in the past decade (Drdla 2010). Toronto presently suffers from a number of issues that suggest there is an especially pressing need to improve the existing policy. Toronto has experienced drastic increases in housing prices resulting in significant affordability issues, even for middle-income citizens. This thesis highlights David Hulchanski's research on *The Three Cities Within Toronto*, which demonstrates that three distinct cities have now emerged in Toronto, of high, middle, and low-income areas. These cities are growing at different rates and moving farther apart and the low-income neighbourhoods in particular, are increasing in number and relocating away from the city's centre (Hulchanski 2010, 1). Toronto's increasing spatial polarization between high and low-income areas indicates a rising need for public policy to reduce the city's fragmented communities and create a more evenly dispersed supply of affordable housing. The current policy in Toronto fails to address these problems and in fact possesses such a great number of restrictive regulations that it is difficult to imagine the policy ever becoming fruitful. This study examines the policy's limitations to better comprehend why it has not been an efficient tool to inclusively provide low-income residences.

When affordable housing policies are created, there is commonly a lack of advance testing. Toronto's policy has not been adequately tested and it has not made any unit production goals a real priority. Since the policy has never been employed, its effectiveness and future potential is difficult to anticipate. Testing the policy can reveal how many potential units could be produced, which would help set realistic goals for the immediate future. This thesis uses Toronto as a case study to test the Large Sites Policy and compare various existing inclusive housing programs in order to revise and strengthen Canada's approach towards creating mixed-income communities.

This study is structured in two main sections: the first addresses larger problems at the scale of the City of Toronto and the second will address issues at the scale of the neighbourhood. The first section elaborates

on Toronto's approach to low-income housing, affordability and economic polarization. Looking at previously successful methods in other countries and provinces for guidance, this section concentrates on discovering why the Large Sites Policy hasn't been successful at providing affordable housing and begins to identify its greatest weaknesses and suggest realistic improvements. The second section will analyze the policy's effectiveness at a smaller scale and test the policy's possible revisions in more detail. The site of this neighbourhood analysis is Liberty Village, a large industrial redevelopment, which has recently been rezoned to build residential. The tests in Liberty Village will visually explore how the policy could affect the height and density of the existing and future condo towers and sculpt the streetscapes and community attitudes.

The Large Sites Policy is tested through the employment of a mixed methods approach. These methods encompass the identification of the policy's applicable sites along with calculations highlighting both the missed and future opportunities of affordable unit production in Toronto, 3D modeling of the increases in density in Liberty Village and the use of semi-structured interviews with important organizations working with affordable housing.

1.1 LIMITATIONS AND DELIMITATIONS

LIMITATIONS

This study is limited by the availability of current housing statistics and housing construction data in Toronto, Ontario. Although information on housing completions is readily available, the majority of statistics related to the overall housing situation in Toronto have not been recently released and are only available up until 2005. In addition, maps of Toronto neighbourhoods, including David Hulchanski's maps of *The Three Cities Within Toronto* and Liberty Village, are generally only as current as 2005 or 2008. In Liberty Village's case, the neighbourhood is developing so rapidly that the majority of new residential developments are not included in any Google aerial images or accessible CAD site plans. The missing information for Liberty Village was found through site visits along with the piecing together of various incomplete maps, design charrettes, images and descriptions of the area and some information may be subject to a certain amount of error. Future plans and construction for Liberty Village was primarily based on an August 23rd, 2012 design charrette sponsored by the Liberty Village Business Improvement Association (LVBIA), and due to time restrictions, this study does not include the majority of LVBIA's recent release at end of March, 2013 of the site's development strategies and objections.

DELIMITATIONS

This study recognizes many large-scale issues that arise with low-income housing, however the following four aspects were beyond the scope of this project.

First, this study does not attempt to alter the way in which affordability is addressed or defined in Toronto or in Canada. Although suggestions for future changes are briefly discussed, the definitions of affordability are not modified so as to focus more thoroughly on developing and strengthening the policy that generates the affordable homes.

Second, although the Large Sites Policy affects the city of Toronto in its entirety, this study will mainly test the policy's productivity through an analysis of one neighbourhood, Liberty Village. The residential growth in this neighbourhood does not represent the average neighbourhood, but one that is experiencing exceptional, rapid growth. The results of these tests are more representative of best-case scenarios for thriving areas in Toronto since Liberty

Village shows great quantities of condominium construction and numerous opportunities for affordable housing unit production. The results may not be applicable to all of Toronto's neighbourhoods but offers the initiation for change.

Third, this study will not concentrate heavily on the financial aspects or creating a proforma for the analysis of Liberty Village. It is understood that these innovative policies are implemented in areas of cities with significantly higher land values.

Fourth, it is difficult to define a measure of success since the project aims more at general improvements, such as bettering the overall quality of life of Toronto residents and low-income families, creating a more united sense of community and providing an increased supply of affordable shelters. The number of units produced is quantifiable but a city's quality of life is a *subjective* measure for each individual. Toronto residents' well-being could be improved by housing policy changes but is also affected by many other aspects of the community in which they dwell. As a result, it is challenging to clearly evaluate the overall success within the parameters of this project.

1.2 DEFINITION OF KEY TERMS

There are a number of key terms continually used within this study. These terms are used within the context of the following definitions. Additional terms in the text will be italicized with the definitions provided in the margins.

AFFORDABILITY & AFFORDABLE HOUSING:

There are a number of ways of defining affordability. In this study the term “affordability” and “affordable housing” will focus on Ontario and more specifically Toronto and the Greater Toronto Area’s (GTA) meanings.

“Affordability refers to housing that is provided at a price or rent substantially “below-market” through a subsidy or other intervention, and subject to enduring controls on affordability and occupancy. It encompasses social housing typically provided through government assistance, and also affordable rental and ownership housing that might be provided by regulatory concessions or incentives” (Wellesley Institute 2010).

The definition of “affordable” in section 6 of the 2005 Ontario Provincial Policy Statement:

a) in the case of ownership housing, the least expensive of:

1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for *low and moderate income households*; or
2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the *regional market area*;

b) in the case of rental housing, the least expensive of:

1. a unit for which the rent does not exceed 30 percent of gross annual household income for *low and moderate income households*; or
2. a unit for which the rent is at or below the average market rent of a unit in the *regional market area*.

Social housing will be defined in this study as “housing managed by a public agency, private non-profit organization or co-operative that provides subsidized rental accommodation for low and moderate-income households” (Mah December 2009, 3).

The definition in Toronto's 2010 Official Plan:

"Affordable rental housing and affordable rents means housing where the total monthly shelter cost (gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges) is at or below one times the average City of Toronto rent, by unit type (number of bedrooms), as reported annually by the Canada Mortgage and Housing Corporation" (Wright & City Planning Division December 2010, 3-17).

AS-OF-RIGHT:

"As-of-right is used in reference to housing or other developments built within the approved planning and zoning regulations, and so needing no additional development approvals. This distinction is important because some inclusionary housing programs only impose an affordable housing obligation on developments needing additional approvals (say, for a change of use or for additional density), while others impose it on all new developments including those proceeding 'as-of-right'" (Wellesley Institute 2010).

CASH IN LIEU:

In inclusionary housing programs, cash in lieu, also known as fees in lieu, refers to a cash donation or payment from a developer to a local housing trust fund or other municipal reserve as an alternative to constructing affordable units (Calavita & Mallach 2010, 1).

CORE HOUSING NEED:

Canada Mortgage and Housing Corporation created the term "core housing need", which refers to households who are unable to find appropriate housing without paying more than thirty percent of their household income on shelter costs (Tyndorf July 2006, 12).

DENSITY BONUSES:

Density bonuses refer to a "process to allow buildings to exceed the height and density of development otherwise permitted by zoning by-laws in exchange for community benefits, and it often negotiated between and developer and a municipality" (Moore June 7th 2012, 3).

HOPE VI:

HOPE VI is an American program that demolishes and replaces older, troubled public housing and supports dense communities that are pedestrian oriented and transit accessible (Calavita & Mallach 2010, 16).

HOUSING COMPLETION:

A completion is “defined as the stage at which all proposed construction work on the building has been performed, although under some circumstances a building may be counted as complete where up to 10 percent of the proposed work remains to be done” (Canada Mortgage and Housing Corporation March 2013, 7).

HOUSING START:

A start is “defined as the beginning of the construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure” (Canada Mortgage and Housing Corporation March 2013, 7).

INCLUSIONARY HOUSING:

“Inclusionary housing refers to a broad range of practices and policies directed at securing affordable housing in mixed-income projects through the development regulations and approval process. The most notable and effective examples are inclusionary zoning as practised in the US, and ‘planning gain’ as practised across England. Montreal, Toronto and Vancouver also have adopted inclusionary housing approaches in this country” (Wellesley Institute 2010).

INCLUSIONARY ZONING:

“Inclusionary zoning refers to the particular set of practices and policies seen in the inclusionary programs in the US. Put another way, it might be described as “American-style” inclusionary housing. Although all of the programs vary somewhat in their detail, they all conform to the same and recognizable overall model. There are no corresponding programs in this country” (Wellesley Institute 2010).

LAND DEDICATIONS:

In inclusionary housing programs, land dedications refer to the donation of a parcel of land from a developer to a municipal land bank or a community development or non-profit corporation as an alternative to building affordable units (Calavita & Mallach 2010, 1).

NIMBY:

NIMBY, an acronym for “Not in My Backyard” refers to the opposition of residents to the proposal for a new development because it is within or within close proximity to their community. There are often NIMBY attitudes toward the construction of social housing and affordable residences (“NIMBY” 2012).

SECTION 8:

Section 8 is an American policy that was initiated in 1974 that shifted affordable housing away from the high-rise public housing through a housing allowance program (or housing choice voucher program) that assisted families to afford modest housing in the private sector (Calavita & Mallach 2010, 16)

SECTION 37:

“Section 37 of the *Planning Act* provides one means by which the City can achieve responsible, balanced growth. The City can pass a zoning by-law to grant a height and/or density increase for a particular project that is greater than the zoning by-law would otherwise permit in return for community benefits such as: additional parkland, non-profit arts, cultural, community or child care facilities, public art, conservation of heritage buildings, transit improvements and purpose built rental housing. Agreements securing community benefits will promote the city-building objectives of the Official Plan and provide for the needs of the new residents, workers and local communities” (Wright & City Planning Division December 2010, 5-1).

**PART 1: INCLUSIVE HOUSING POLICIES,
A CANADIAN REALITY?**

CHAPTER 2

LITERATURE REVIEW: AFFORDABILITY, HOUSING POLICIES & THE CITY OF TORONTO

This chapter focuses on the broader scale of the city and the importance of regulating affordable housing with the use of policy. Four main topics are addressed: the way in which affordability is interpreted in Canada, general inclusive policies and Canadian approaches, inclusionary strategies and major issues in the City of Toronto, and examples of successful policy case studies.

2.1 AFFORDABILITY

IF A HOUSEHOLD
SPENDS MORE THAN
30% OF ITS
PRETAX INCOME ON
SECURING HOUSING,
IT IS FACING AN
AFFORDABILITY
CHALLENGE

The focus of this thesis is the use of policy to foster inclusive approaches to lower-cost residences through central city locations and proper access to the city core, services and facilities. There are currently a number of interpretations of the term *affordable housing*, but this study will concentrate on the Canadian explanations and more specifically the Ontario definitions (for full definitions see Chapter 1.2).

In Canada, households are the general unit of measurement and the household income is the combined revenue of all dwelling residents. The affordability of a home is measured most basically with its shelter cost to income ratio, also known as STIR. In *Perspectives on Affordable Housing*, The Toronto City Planning Department states, “housing affordability relates the cost of housing to household income. Simply stated, housing is ‘affordable’ if the price of housing does not cost too much in relation to the household’s ability to pay. It is generally accepted that if a household spends more than 30% of its pre-tax income on securing housing, it is said to be facing an affordability challenge” (Tyndorf July 2006, 2-9). Toronto’s Official Plan defines affordable rental housing as “housing where the total monthly shelter cost (gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges) is at or below one times the average City of Toronto rent, by unit type” (Tyndorf July 2006, 30). Toronto Community Housing more clearly stated that in the Greater Toronto Area (GTA) a shelter is considered reasonably priced when the cost is 80 percent of the average market price

according to unit type (Burr, personal communication, March 1st, 2013).

In Canada, all levels of government use the income ratio of 30 percent of a household's shelter cost to determine subsidy eligibility. The use of income criteria prevents the incorporation of dwellings with high incomes to be eligible for government subsidies even if 30 percent of their income is spent on housing. In Ontario, the Provincial Policy Statement only considers "households in the lower 60% of the income distribution ('below the 60th percentile') to be those that should be the focus of public policy" (Tyndorf July 2006, 13).

2.1.1 CORE HOUSING NEED

The Canada Mortgage and Housing Corporation (CMHC) defines those with issues of affordability to be in 'core housing need'. CMHC developed this term in order to address the general housing needs in Canada. "Core Need" is defined as those who are unable to find 'appropriate' housing without paying more than thirty percent of their household income on shelter costs. This thirty percent threshold applies to both homeowners and renters. 'Appropriate' housing is determined based on the fulfillment of three defined housing standards.

A household is deemed both adequate and affordable when the following principles are met:

1. An *adequate dwelling* has basic plumbing facilities and it is not in need of any major repairs.
2. A *suitable dwelling* has sufficient bedrooms for the size of the occupying residents (following national standards).
3. An *affordable dwelling* costs less than thirty percent of the combined household income before taxes (Tyndorf July 2006, 12).

If a household does not meet one or several of these standards and cannot find suitable shelter without spending over thirty percent of the household income, they are considered to be in core need. Since the early 1990s, the number of individuals and families in Toronto unable to find adequate homes has been steadily increasing. In 1991, 24 percent of renter households were considered to be in core need and by 2001, 36 percent of

Figure 1: Exclusive Boston sign (<http://www.hks.harvard.edu/centers/rappaport/research-and-publications/policy-briefs/silver-bullet-or-trojan-horse>).

all rental households and 19 percent of all households fell into the category of core housing need (Tyndorf July 2006, 12).

In Canada, affordable housing is often used interchangeably with the terms 'core housing needs', 'social housing' or 'assisted housing'. The target income range is usually aimed at deep subsidy housing, which in Canada, is the bottom 10 to 12 percent of the population. In the United States, affordable housing is directed more toward a shallow subsidy range between the lowest, bottom 10 percent of incomes and the area median income (AMI). In Canada, there seems to be a lack of options targeted for the range of incomes between market housing and social housing (Drdla 2010). In many countries and in Canada in particular, "it is becoming more difficult for employed households and those households with incomes too high to qualify for social housing, but too little to pay for market housing, to find affordable options" (Scanlon & Whitehead July 2007, 7). Due to this shortage there are few options preventing those in the shallow subsidy range from falling into the category of core need. In Europe, the percentage of the population qualified for social housing can vary from as low of 4 percent to as high as 35 percent. In some countries, such as Austria and France the income limits are so high that everyone is eligible for housing assistance (Scanlon & Whitehead July 2007, 17). It may be necessary in the future to revise Canada's approach to affordability in order to specifically address problems within certain cities and create more housing options for all income levels. However, within the scope of this project, the current Canadian definition and approach to affordability will be used in order to focus more in depth on the development of the Canadian housing policies.

Without altering the existing definitions, this study will address programs that can enable the construction of affordable housing in a manner that allows low-income households sufficient access to city life and amenities. Despite government assistance to aid those in core need, the focus with current programs generally only maintains the existing stock of lower cost residences (Burr, personal communication, March 1st, 2013). There are little efforts concentrating on a new supply and so it is critical that an initiative develops that not only pursues new affordable construction, but does so to improve the location and accessibility to the city.

2.2 INCLUSIONARY HOUSING POLICIES: WHY IS THERE A NEED?

EQUAL HOUSING OPPORTUNITY

Figure 2: Inclusionary Zoning (<http://www.advocacymonitor.com/page/2/>).

Low-cost housing has a tendency to be pushed to the peripheries of cities and there exists an inclination to exclude undesirable housing and neighbourhoods. The incorporation of affordable housing within preferable, wealthier areas is often resisted due to assumptions that the property value and appeal of the overall neighbourhood will decrease. However, the creation of segregated neighbourhoods based on income causes social tension and an imbalanced distribution of city services. Residential planning that favours mixed income developments and communities are viewed as extremely beneficial in a number of ways. Establishing economically mixed neighbourhoods throughout the city and in the centres in particular, can reduce commuting for those forced to the communities' outer edges, increase the availability of workers for a full range of employments, and decrease ethnic and income segregation. Allowing for an inclusive attitude toward all income ranges promotes a healthier, more diverse and less fragmented community and engages in a more responsible approach to planning ("Inclusionary Zoning," 2012).

When mass amounts of housing were built following the Second World War, many neighbourhoods, suburban areas in particular, began to develop in an economically homogeneous manner. During this period of extensive suburban growth, many planning ordinances and zoning codes were enacted to preserve local character but unintentionally excluded social housing due to the regulation of larger uniform property sizes and setbacks. These regulations prevented the construction of affordable housing since the large plots of land were financially prohibitive for low cost housing. These regulations favoured wealthier households and restricted the access of lower-income families to live in desirable communities. This exclusive approach to city planning has often resulted in social polarization and in some cases led to isolated areas of concentrated poverty ("Inclusionary Zoning," 2012).

In the past forty years, several states in the U.S. have taken an active role in creating initiatives and programs that aim to counter these exclusive practices. Supporters of these programs have identified that "low income households are more likely to become economically successful if

they have middle class neighbours as peers and role models” (“Inclusionary Zoning,” 2012). Planning neighbourhoods to facilitate diversity of socio-economic status takes a more holistic and inclusive approach to residential development. Providing housing for a mix of income levels within a community also responsibly addresses the prevention of future ghettos and the reduction of existing ones. Where a person lives, has a profound impact on their welfare and future potential, as demonstrated by J. David Hulchanski, a professor in Housing and Community Development in the faculty of Social Work at The University of Toronto.

“There is no doubt, about the importance of neighbourhoods and their effects on health, educational outcomes, and overall well-being” (Hulchanski 2010, 4).

Section 8 is an American policy that was initiated in 1974 that shifted affordable housing away from the high-rise public housing through a housing allowance program (or housing choice voucher program) that assisted families to afford modest housing in the private sector (Calavita & Mallach 2010, 16)

HOPE VI is an American program that demolishes and replaces older, troubled public housing and supports dense communities that are pedestrian oriented and transit accessible (Calavita & Mallach 2010, 16)

There are a number of existing policies globally that have successfully encouraged inclusive affordable housing. The majority of these programs and policies first emerged in the United States during the 1970s. In the early 1970s, there was a policy shift in affordable housing that made an effort to move away from the high-rise public housing of the fifties and sixties. At this time, residential planning became more aware of ideas of social inclusion and began to avoid the construction of massive, isolated, and largely segregated public housing projects (Calavita & Mallach 2010, 3-4). Several programs emerged, such as *Section 8* and *HOPE VI*. Section 8 acted as a housing allowance program to receive federal assistance and HOPE VI acted as a tool to revitalize and renew decrepit public housing and encourage mixed-income neighbourhoods.

In the 1990s, housing prices greatly increased and in some states, home prices more than doubled. These issues of affordability escalated to the point where median-priced homes could not even be afforded by the middle-class. Several states, such as California, began to create and adopt local inclusionary programs, which identified sites for all income levels (Calavita & Mallach 2010, 15-42).

Figure 3: SOMA Grand (<http://www.examiner.com/article/green-high-rise-design-tips-a-seminar-at-soma-grand-san-francisco>)

Density bonuses refer to a “process to allow buildings to exceed the height and density of development otherwise permitted by zoning by-laws in exchange for community benefits, and it often negotiated between and developer and a municipality” (Moore June 7th 2012, 3).

Land dedications refer to the donation of a parcel of land from a developer to a municipal land bank or a community development or non-profit corporation as an alternative to building affordable units (Calavita & Mallach 2010, 1).

Cash-in-lieu (Fees-in-lieu) refers to a cash donation or payment from a developer to a local housing trust fund or other municipal reserve as an alternative to constructing affordable units (Calavita & Mallach 2010, 1).

CALIFORNIA EXAMPLE

In San Francisco, California there are very high costs regarding housing ownership. The local inclusionary zoning program applies to all developments of 5 units and more and affordable units are available to households earning 135% of area median income (AMI). This program offers developers flexibility in how they can meet inclusionary housing requirements:

1. Build units on site (15%)
2. Build units off site (20% and within one mile or less of the initial site)
3. Pay *cash-in-lieu* fee equivalent to 20% of units

Between 1992 and 2008 the inclusionary housing program in San Francisco generated 1,328 units.

SOMA GRAND: 246-unit condo with 29 inclusionary units. Low-income units are affordable to families making 100% of AMI and market-rate units sell between \$500,000 and \$1.9 million.

American housing programs have continued to develop over the past several decades with the goals of resolving issues of social exclusion while building more inclusive cities. These programs in the United States are often referred to as *Inclusionary Zoning*, and they aim “to reduce residential economic segregation by mandating that a mix of incomes be represented in a single development” (“Inclusionary Zoning,” 2012). Inclusionary zoning is a process of using the planning system to generate affordable homes while promoting social inclusion by utilizing resources created through the marketplace. The term refers to “a program, regulation, or law that requires or provides incentives to private developers to incorporate affordable or social housing as a part of market-driven developments, either by incorporating the affordable housing into the same development, building it elsewhere, or contributing money or land for the production of social or affordable housing in lieu of construction” (Calavita & Mallach 2010, 1). Incentives such as *density bonuses* are typically used to encourage private developers to contribute in the form of affordable housing units, *land dedications* or *cash in lieu* donations. When effective, “inclusionary zoning reduces the concentration of poverty in slum districts where social norms may not provide adequate models of success” (“Inclusionary Zoning,” 2012). The programs in the United States are mainly aimed toward a shallow subsidy range. Inclusionary zoning requires that a certain percentage of new residential construction be allotted to housing for those with low to moderate incomes (Calavita & Mallach 2010, 34).

2.2.1 CANADIAN POLICIES & APPROACHES

Similarly to the United States, considerable amounts of public housing were built in the 1950s and 60s, which were usually large, isolated developments, built on lands far from the city centres because they were less expensive. In the 1970s Canadian national housing policies concentrated strongly on social inclusion in housing and co-operatives and mixed-income residences were heavily favoured. Unfortunately by the late 1980s, these commitments were gradually neglected as the federal government shifted the responsibility to the provinces (Calavita & Mallach, 11). Today, Canada's efforts are mainly directed at assistance for targeted incomes in core need, which does not make the integration of new affordable units a priority (Calavita & Mallach, 80-112).

“Canada would appear to offer fertile ground for inclusionary housing policies. High value is given to diversity, the country has a tradition of social responsibility and collective action, and at least some policies have furthered social inclusion in housing, although arguable they are more historical artifacts than current realities” (Calavita & Mallach 2010, 32).

Despite Canada's reputation of having less disparity between social classes, advances with inclusive housing programs are infrequent and uncommon. Canada has experienced many similar issues as the United States with regards to planning affordable housing but Canada has not recently acted as forcefully to develop solutions through programs and policies. Canada has aimed its initiatives at more of a deep subsidy range. This range applies mainly to the bottom ten to twelve percent of the population, or those with core housing needs. Canada currently does not have any programs that focus solely on providing housing for the shallow subsidy range as is the case in the United States (Drdla 2010). Canada also currently lacks any mandatory programs, making the success of their policies depend exclusively on developments seeking changes to zoning or increases from density limitations. Conversely many American programs apply to developments proceeding *as-of-right*. The lack of both provincial

As-of-right refers to developments constructed within the existing planning regulations and zoning by-laws and are not in need of any additional development approvals (Wellesley Institute 2010).

and municipal authority to enable mandatory programs seems to be a central factor impeding the progress of any programs. “The single greatest obstacle to enactment of inclusionary housing bylaws appears to be the absence of enabling legislation at the provincial level” (Calavita & Mallach 2010, 110). Currently, there are three policies in Canada, which emphasize the reintegration of low-income housing into market developments. The three policies are found in the cities of Vancouver, Montreal and Toronto and will be discussed in further detail as case studies in Chapter 2.4.

Vancouver’s 20% Core Need Housing Policy was created in 1988. It initially provided sites for social housing during a period when government funding was more readily available. The policy applies to privately owned developments on large sites of more than two hundred units that are applying for a change of use to residential. A minimum of twenty percent social housing must be incorporated into the development. This twenty percent is aimed specifically for core need households and half of the overall units must be devoted to families (Drdla 2010).

Montreal’s Inclusionary Housing Strategy was enacted in 2005. Montreal’s strategy establishes a guideline that all new large residential developments over two hundred units must provide a minimum of thirty percent of the development as affordable housing. Fifteen percent will be provided as social housing and the other fifteen percent of units will be provided as affordable rental or affordable ownership (Drdla 2010).

Toronto’s Large Sites Policy was passed in 2002. Toronto’s policy aims at supplying a mix of housing in terms of type as well as affordability. However, the policy only applies to sites greater than 5 hectares. The policy also only applies to developers seeking an increase in height and/or density from the municipal limitations. The Large Sites Policy is based on *Section 37* of the Ontario Planning Act, which allows this increase in height and/or density in return for the provision of various community benefits. One of the benefits is providing twenty percent of the additional development units as affordable housing (Drdla 2010).

Section 37 of the Planning Act allows the City to grant an increase in height and/or density beyond that which is permitted through zoning by-laws in return for community benefits. These benefits may include additional parkland, arts, cultural, community and child care facilities, conservation of heritage buildings, transit enhancements and affordable housing (Wright & City Planning Division December 2010, 5-1).

TIMELINE: BRIEF AFFORDABLE HOUSING HISTORY COMPARISON BETWEEN THE UNITED STATES & CANADA

Figure 4: Suburban Sprawl (<http://www.treehugger.com/sustainable-product-design/ten-things-wrong-with-sprawl.html>)

Figure 5: Pruitt-Igoe, St Louis (<http://en.wikipedia.org/wiki/Pruitt-Igoe>)

Figure 6: False Creek, Vancouver (<http://www.bcpnp.ca/>)

Figure 7: HOPE VI Program in High Point, Seattle (<http://www.seattlehousing.org/redevelopment/hope-vi/>)

Figure 8: Conservation Co-op, Ottawa (<http://lowimpacthousing.com/housing/action.lasso?Response=search05.lasso&ID=1423>)

Timeline of History of Affordable Housing is sourced from (Calavita & Mallach 2010, 15-118, and "Timeline: A History of Social Housing in Ontario 1945 – 2011" 2012)

UNITED STATES	CANADA
VETERAN ADMINISTRATION HOUSING LOAN GUARANTEES	VETERAN HOUSING
	1940 46,000 housing units built during & after WWII
EXCLUSIONARY PRACTICES	1949 NATIONAL HOUSING ACT
Suburban sprawl: Economically homogeneous areas, creation of mass, isolated public housing	Joint federal-provincial public housing program
	CANADA MORTGAGE & HOUSING
	1950 Founding of corporation, homeownership increased
1960-1970	1964-1975
Policy shift in affordable housing away from 1950s and 60s high-rise public housing	Public housing developed by Ontario Housing Corporation (OHC), 84,145 units (movement from single family units to duplexes, row housing, co-op)
1969 "ANTISNOB ZONING ACT"	NEW DEMOCRATIC PARTY IN 70S
Effort to address suburban segregation	1965 Aims to foster a broader social & economic mix, avoid concentrated poverty
1970S ENVIRONMENTAL MOVEMENT	1973 NATIONAL HOUSING ACT
Rise in land use activism & management	Redirected toward mixed-income housing (non-government ownership)
INCLUSIONARY ZONING	1980S CONTINUATION OF NON-PROFIT, CO-OP SOCIAL HOUSING
Initial programs as a response to growth control measures	300,000 units built by 1993, 65,000 were co-operatives, greatest development during 1973 to 1983
1974 SECTION 8	MID 1980S
Housing allowance programs	1985 Conservative Party, inclusionary housing slowly abandoned, housing only targeted low-income families in <i>core housing need</i>
MID 1980S & 90S	1988 VANCOUVER'S 20% CORE NEED HOUSING POLICY
Policy shift, programs offer developers offsets (1979 Density Bonus Law) new housing element, mandating housing need for all income levels	1994 ONWARD
1990S ONWARD	Drastic reduction of federal support for social housing
Spread of inclusionary zoning to become major element in American housing policies	2001
1992 HOPE VI	\$680 million in new funds for 5 year Affordable Housing Initiative (rental housing, major renovations)
Revitalization of the worst public housing projects into mixed-income developments	2005
MID 90S TO MID 2000S	EARLY 2000S
Drastic increase in housing prices	Drastic increase in housing prices
HOME BUILDERS ASSOCIATION	2002 TORONTO'S LARGE SITES POLICY
Legalization of programs, non-profit association surveys on inclusionary zoning, resulting in fast policy adoption	2005 MONTREAL'S INCLUSIONARY HOUSING STRATEGY
	2011-2014
	\$1.4 billion new Affordable Housing Initiative

Despite similarities in both the American and Canadian affordable and social housing history, such as drastic housing price increases and movements away from isolated public housing and toward co-operatives and mixed-income developments, Canada has no national policy on mixed-income or inclusionary housing programs (Calavita & Mallach 2010, 79). Although Canada has made admirable housing goals through fostering home ownership, there lacks consistent national goals oriented around affordable housing (Calavita & Mallach 2010, 83). Canada's three programs in Vancouver, Montreal and Toronto indicate the country's modest, yet increasing engagement with inclusionary programs. Unfortunately, not all three programs are effectively and inclusively building affordable housing.

Toronto's Large Sites Policy is the only policy of the three in Canada that has not provided a single unit of affordable housing in the past decade when it was enacted (Drdla 2010). This policy has the greatest number of bureaucratic loop holes and obstacles, which has prevented it from being productive in any way. Due to this policy's inefficiencies, the City of Toronto and the Large Sites Policy will be the focus of this study.

Figure 9: Map of Greater Toronto Area (Canada Mortgage and Housing Corporation November 2012)

2.3 INCLUSIONARY HOUSING IN TORONTO

Figure 10: Toronto Households with an Affordability Problem, 2001 (Tyndorf July 2006, 10)

Since Toronto's Large Sites Policy is the least efficient of the three policies in Canada, the City of Toronto is used as a case study for improving Canadian inclusionary housing methods. This research project concentrates on discovering why the policy hasn't been successful at providing affordable housing. It also proposes and tests criteria for a new policy for Toronto that could be applied in other Canadian cities in the future.

Toronto possesses some of the highest housing prices in Canada. Apartment rents have increased one and a half times more rapidly than inflation since the early 1990s. During 2002 to 2007 alone, the average residential price increased by 36.7 percent (Calavita & Mallach 2010, 87). In 2001, Toronto had the fourth highest shelter cost to income ratio, and Toronto's household shelter costs were the highest within Canada. These increasing high prices have resulted in a number of issues for the city. In 2001 in the City of Toronto, the average household spent 15.9% of their income on shelter (Tyndorf July 2006, 4). Fifteen percent or approximately 137,000 households spent over fifty percent of their income on shelter and (see Figure 11 of Households by Shelter Cost to Income Ratio) one third or 304,690 of Toronto households spent over thirty percent of their income on housing (Tyndorf July 2006, 10).

Figure 11: Households by Shelter Costs to Income Ratio by Tenure, Toronto, 2001 (Tyndorf July 2006, 10)

Figure 12: Percent Change in Household Growth, Toronto, 1971-2001 (Profile Toronto September 2006, 4)

Figure 13: Housing Completions, Toronto, 1981-2005 (Profile Toronto, 9-10)

Figure 14: Rental Completions, Toronto, 1984-2005 (Profile Toronto, 9-10)

According to CMHC's definitions, these statistics indicate that over thirty percent of Toronto's overall households were facing an affordability problem in 2001. Since 1981, problems with housing affordability have only increased in the entire Greater Toronto Area (GTA) and have yet to be resolved (Tyndorf July 2006, 1-21). Despite these issues, the overall supply of rental housing units did not increase proportionately during that time period (see Figures 13 & 14 of Housing Completions). The majority of housing completions since 1996 have been directed toward home ownership, which has left a substantial lack of housing options for households with low incomes (Profile Toronto September 2006, 1).

Toronto's Planning Department declares that "safe, adequate and affordable housing is a basic requirement for everyone. To achieve this goal, the housing policies in Toronto's new Official Plan are committed to preserving and creating a mix and range of affordable housing opportunities to meet the needs of Toronto's

Figure 15: Toronto Condo Boom
(<http://www.torontolife.com/informer/toronto-real-estate/2012/04/12/condo-starts-march-2012/>, <http://www.cbc.ca/news/canada/story/2012/07/02/toronto-condo-boom.html>)

population” (Tyndorf July 2006, 1). Toronto’s Official Plan also mentions that “a key method of implementing affordable housing goals is to require that ‘affordable’ units be provided in new developments, and that affordable rental units that are demolished be replaced by units with affordable rents” (Tyndorf July 2006, 22). These are all admirable goals, but unfortunately the existing policies are not providing these opportunities for affordable housing. Over the last ten years Toronto and the rest of the GTA has experienced a period of strong population and housing growth, but unfortunately not for rental housing.

Toronto City Planning indicates, “The construction of condominium apartment units in Toronto has outstripped all other forms of housing construction. During this same period, the need for affordable housing has continued, with only small gains in the number of additional affordable housing units achieved” (Profile Toronto September 2006, 1).

With such a strong demand for housing and the continuous construction of condominiums, there have been enormous quantities of residential units built in Toronto over the past decade. With all this residential growth, why has Toronto not taken advantage of the condominiums’ success in order to produce affordable housing with an inclusionary housing program? In Joy Connelly’s article, *Condo boom? Why not an “affordable housing boomlet?”*, she addresses the current potential to utilize inclusionary housing programs in Toronto. Connelly is experienced with social housing through managing and developing co-operatives, and consulting for government and non-profit clients. She discusses multiple explanations of why affordable housing is not being developed through housing policies despite the rapid condominium growth.

Connelly states “I just learned that half of North America’s construction cranes are in Toronto this year. So why aren’t they building affordable housing? They could be... Toronto’s condo boom could bring with it a mini-boom in affordable housing” (Connelly 2013).

Connelly also mentions that Toronto City Council has frequently pursued authorities to enact inclusionary housing policies. In 2004, City Council asked the Province to amend the Ontario *Planning Act* in order to allow inclusionary zoning programs. Council asked again over the next 3 years without any success and in 2009, City Council implemented a 10-year affordable housing strategy that again requested for approval to implement an inclusionary housing program (Connelly 2013).

The article also highlights several major objections to implementing a mandatory inclusionary housing program in Toronto. First, there are many negative connotations associated with living next to low-income housing. Even though there is a lack of any concrete evidence, there are assumptions that affordable housing lowers the overall prices and marketability of a neighbourhood.

Second, there are objections that question why low-income individuals and families should expect to dwell in neighbourhoods they cannot afford. In the case of Toronto, many of the new condo neighbourhoods, around Bathurst and King, Queen and Dufferin, and Dundas and Carlaw, were initially working class areas. Many of these areas have gentrified and pushed the existing workers and lower income residents from the area. Inclusionary programs would only ensure that several patches of low-income housing would remain close to employment areas and it would allow for some of the working class to return.

“Preserving affordable housing in the downtown is good for us all. It’s far cheaper to keep the people who depend on transit and other public services downtown than to spend billions bringing them services to the suburbs after they have been pushed out” (Connelly 2013).

Third, developers often object to the idea of being expected to burden the cost of a social program. It has been argued that the public and not a single private sector company should fund these types of programs. Connelly highlights that developers are not correct to frame inclusionary housing as a tax on development or a seizure of their rightful profits. She further explains that any time the City up-zones a property, it’s bestowing a benefit to the owner. Inclusionary zoning begins to ask why the entire

Census tracts are defined by Statistics Canada as “neighbourhood-like” local areas confined by recognizable physical boundaries such as roads, rivers or railway lines. The City of Toronto possesses 531 census tracts as of 2006, each with an average population of 4,700 people (Hulchanski 2010, 4).

value of these public benefits that are transferred to the private sector should remain in the possession of the developers. Section 37 (for definition see Chapter 1.2) provides a start to re-capture a portion of these proceeds and direct them toward public benefits of which one is affordable housing. However, it is important to also consider developments that do not require re-zoning in order to provide affordable units.

2.3.1 THE THREE CITIES WITHIN TORONTO

Along with Toronto’s high residential prices and affordability problems, there are additional pressing issues that have emerged, which further stress the need for effective affordable housing policies.

The City of Toronto, along with many other Canadian cities, has undergone many drastic changes in terms of city planning over the past thirty to forty years. These changes and trends that have emerged greatly influence the way in which affordable housing should be approached. J. David Hulchanski’s research on income polarization in Toronto’s neighbourhoods, *The Three Cities Within Toronto*, highlights that there are three distinctive groups that have emerged from 1970 to 2005 in Toronto census tracts. The three cities of high-income, middle-income and low-income, are all changing at different rates as well as moving further apart. The high-income areas (City #1) are rising in number and moving toward the city centre, while the middle-income neighbourhoods (City #2) are dramatically shrinking in size. Low-income areas (City #3) were once in the inner city and had good access to public transit and services, but now these areas have dramatically grown and the “poverty has moved from the centre to the edges of the city” (Hulchanski 2010, 1). Neighbourhoods in the core have gentrified and existing residents have been pushed outwards by more affluent households. Low-income areas are now concentrated in the northeastern and western areas with poor access to public amenities. Hulchanski’s research draws attention to the strong need to address Toronto’s issues of social polarization.

Figure 16: The Three Cities Within Toronto, Image of City #1, Rosedale (photograph by author)

Figure 17: The Three Cities Within Toronto, Image of City #2, North York (photograph by author)

Figure 18: The Three Cities Within Toronto, Image of City #3, Regent Park's Original Public Housing (photograph by author)

HIGH-INCOME

1970 2005

15% 18%

MIDDLE-INCOME

1970 2005

66% 29%

LOW-INCOME

1970 2005

19% 53%

Hulchanski states, "The segregation of the city by income is not inevitable or irreversible. These trends could be slowed or reversed by public policies that would make housing more affordable to low-income households, by efforts to expand access to transit and services in neighbourhoods where the need is greatest, and by renewing the aging high-rise neighbourhoods scattered throughout City #3" (Hulchanski 2010, 1).

Percentage of Census Tracts in Toronto,
1970 & 2005 (Hulchanski 2010, 28)

Census Tract Average Income Relative to the Toronto CMA Average of \$30,800* (estimated to 2001 census boundaries)

Figure 19: Average Individual Income, City of Toronto, Relative to the Toronto CMA, 1970 (Hulchanski 2010, 4, edited by author)

Census Tract Average Income Relative to the Toronto CMA Average of \$40,704 (estimated to 2001 census boundaries)

Figure 20: Average Individual Income, City of Toronto, Relative to the Toronto CMA, 2005 (Hulchanski 2010, 5, edited by author)

Hulchanski strongly encourages the use of public policies to foster less homogeneous communities. He states that the use of policies at the provincial and municipal level, including inclusionary zoning, could help maintain and promote mixed neighbourhoods (Hulchanski 2010, 21).

Following Hulchanski's recommendations, this study questions how the improvement of Toronto's inclusionary housing program could address the current income polarization while producing a significant supply of affordable housing. This thesis also investigates the idea of re-introducing low-income housing into the high-income areas (City #1) to prevent further social and income exclusion.

2.3.2 THE LARGE SITES POLICY

Despite the increasing need for a program to address Toronto's lacking affordable housing supply and the worsening income polarization, Toronto's Large Sites Policy has only made feeble, unsuccessful attempts to resolve these unhealthy problems. Toronto established its inclusionary housing program, the Large Sites Policy, in Policy 9 of its Official Plan in 2002. Due to a portion of the policy being appealed by the development industry it did not come into full effect until 2006 when clarifications were mutually agreed upon.

In Section 3.2.1 (Housing) of Toronto's Official Plan, Policy 9 is described. "Large residential developments provide an opportunity to achieve a mix of housing in terms of types and affordability. On large sites, generally greater than 5 hectares in size:

a) a minimum of 30 percent of the new housing units will be in forms other than single-detached and semi-detached houses, such as row housing, triplexes and multi-unit residential buildings; and

b) in accordance with and subject to Section 5.1.1 of this Plan [and Section 37 of the Planning Act] where an increase in height and/or density is sought, the first priority community benefit will be the provision of 20 percent of the additional residential units as affordable housing. This affordable housing contribution may take the form of affordable housing constructed on-site or the conveyance of land in the development to the City for the purpose of affordable housing, or, at the discretion of the City:

i) with the agreement of the developer, affordable housing units constructed near the development site or elsewhere in the City;

ii) the conveyance of land to the City for the purpose of affordable housing near the proposed development site; or

iii) cash in lieu for the purpose of constructing affordable housing in or near the proposed development site" (Wright & City Planning Division December 2010, 3-16).

As described in the Official Plan, Toronto's policy aims to supply a mixture of residential forms and prices on large sites. This policy only applies to large sites greater than 5 hectares where the land is publicly owned. This policy uses CMHC's definition of *affordable housing* where rental units are considered affordable when the total monthly shelter cost is at or below one times the average City of Toronto rent, based on its unit type (for full definition, see Chapter 1.2). The Large Sites policy only applies to developers seeking an increase in height and/or density from the municipal limitations. This policy is based on Section 37 of the Ontario Planning Act, which allows an increase in density along with the provision of various "community benefits". One of the numerous potential benefits is the delivery of 20 percent of the additional units as affordable housing. The affordable housing may take the following forms: the production of units on site, within close proximity to the site, or elsewhere in the city; the provision of land on site or near the site; and the contribution of cash in lieu for future construction of affordable units (Drdla 2010).

In Section 5.1.1 (Height and/or Density Incentives) of Toronto's Official Plan, Section 37 is defined, "Section 37 of the *Planning Act* provides one means by which the City can achieve responsible, balanced growth. The City can pass a zoning by-law to grant a height and/or density increase for a particular project that is greater than the zoning by-law would otherwise permit in return for community benefits such as: additional parkland, non-profit arts, cultural, community or child care facilities, public art, conservation of heritage buildings, transit improvements and purpose built rental housing" (Wright & City Planning Division December 2010, 5-1).

Through Section 37, Ontario developers are able to negotiate with the municipality for larger projects than initially authorized in exchange for funding various city benefits. Section 37 provides the City of Toronto with quite a substantial source of municipal funds. From 2007 to 2011

ONLY 6% OF SECTION 37 FUNDS PROVIDE AFFORDABLE HOUSING

there have been a total of 159 Section 37 agreements and 54 percent have been cash-in-lieu contributions. A total of 386 “benefits” have been derived from those agreements and yet only 6 percent of those benefits has gone toward affordable housing (Moore June 2012, 10-13). As a whole, the City mainly focuses on extracting capital improvement and investments, and there seems to only be a focus on providing more visual amenities such as parks, (21 percent of benefits) and roads and streetscapes (18 percent of benefits) (Moore June 2012, 15-26).

Since its enactment during the past decade, the Large Sites Policy has never been applied to any developments. Despite the fact that the Large Sites Policy has never been used, there are no indications of any plans to revise the present requirements found in the Official Plan. As a result, Toronto has not produced a single unit of affordable housing through this program, and most likely will not if the regulations remain unaltered.

2.4 CASE STUDIES

There are many examples of cities using housing policies to better incorporate affordable housing into their communities and new residential developments. Through conducting comparative case studies of a few effective policies in Vancouver, Montreal and Davis, California several key aspects and qualities will be highlighted that could be transferable to Toronto’s policy.

2.4.1 VANCOUVER, BRITISH COLUMBIA

British Columbia is a province where inclusionary housing has strongly been considered as a standard strategy for residential planning. In recent years, British Columbia has experienced some of the highest housing price increases. Even though incomes in the province are not substantially higher than in other provinces, in 2007 residential prices were 43 percent higher than the Canadian average. Due to these high prices along with a large number of immigrants, British Columbia, and Vancouver in particular, has experienced a steady increase in housing needs. Despite these pressures, Vancouver has continued to have a strong economy and has generally maintained a highly regarded quality of life (Calavita & Mallach 2010. 87).

Figure 21: Bayshore in Vancouver, British Columbia is one part of a multi-use complex, which includes 99 low-income rental units for individuals working with the performing arts. Performing Arts Lodge Vancouver, a non-profit developer, raised substantial funds for the project (Calavita & Mallach 2010, 96).

In the late 80s and 90s, local inclusionary housing programs began to emerge. In 1988 the city of Vancouver created a mixed-income program called the *20% core need housing policy*. This policy targeted social housing and aimed to provide shelter for low and modest-income households in all new neighbourhoods. The policy aimed to take advantage of large unused industrial lands as well as the substantially higher density residential growth created by the elevated housing prices. In 1993, large unused areas were re-zoned for high-density developments and utilized to implement inclusionary strategies. Today the policy focuses on large privately owned developments of 200 units and more that are applying for a change of use to residential. It provides a minimum of 20% social housing aimed at core need households and half of the units must be designed for families. These units are typically constructed separately from the market housing (Drdla 2010).

Despite many housing programs and strategies to encourage mixed-income developments and neighbourhoods, Vancouver has suffered the results of income polarization emerging over the past few decades. Professors David Ley and Nicholas Lynch's report, *Divisions and Disparities in Lotus-Land: Socio-Spatial Income Polarization in Greater Vancouver, 1970-2005* (see Figures 22 and 23) highlights similar maps to Hulchanski's where the middle income has drastically decreased. Many neighbourhoods have gentrified such as Yaletown, Fairview and Grandview-Woodland (Jackson November 2012). Ideas have been discussed of making efforts to reverse these trends, where low-income housing projects would be re-introduced in the core of high-income areas such as Yaletown, an expensive condo neighbourhood that used to be an industrial area where all the rail workers lived ("Reverse Gentrification" 2011).

Both Vancouver and Toronto have experienced high housing costs while maintaining strong economies. Both cities are also enduring similar issues of income polarization. Despite these issues of polarization, Vancouver's efforts have still managed to produce substantial amounts of affordable housing. The mixed income housing policy has strongly encouraged a mix of incomes in new neighbourhoods, which is something the City of Toronto could benefit from adopting. Although it is difficult to control where affordable units are constructed, Vancouver's policy has managed to create a substantial supply of low cost housing within the downtown core.

Figure 22: Census Tract Average Individual Income – Neighbourhoods in the Vancouver Region, 1970 (Ley & Lynch October 2012, 16).

Figure 23: Census Tract Average Individual Income – Neighbourhoods in the Vancouver Region, 2005 (Ley & Lynch October 2012, 17).

2.4.2 MONTREAL, QUEBEC

Before Montreal developed a strategy for providing affordable housing in new residential projects, low-income housing was unevenly distributed in the city. The majority of low cost housing was found in the eastern parts of the city and due to negative reactions to social housing, new affordable construction was difficult to produce. In 1990 a local housing strategy began to develop, which encouraged the construction of affordable housing as well as subsidies for first time home buyers. This strategy's goal was to "provide additional affordable housing but as part of a broader neighbourhood revitalization initiative" (Calavita & Mallach 2010, 99). The establishment of Montreal's Inclusionary Housing Strategy began in 2003. Mayor Gerald Tremblay began to reinforce the social benefits for the City by creating an environment of inclusion.

"Social mix at the level of the city and neighbourhoods constitutes a solid base to ensure a better quality of life for Montrealers" (Calavita & Mallach 2010, 101).

Montreal's strategy was also the result of responding to a number of growing pressures in the city. In the early 2000s, housing prices increased and an influx of population created a growing demand for affordable shelter. Over the following decade, the City anticipated an increase of 150,000 households. The reductions in the supply of city-owned land available for affordable housing along with realizations of the uncertainty of future social housing funding greatly contributed to Montreal's prompt actions. Due to these increasing stresses, the City decided to begin to include the private sector in the provisions of affordable housing (Drdla 2010, 1).

Montreal's program was enacted in August 2005. It establishes a guideline that applies to all new large residential developments over 200 units. These developments provide a minimum of 30 percent of all new units as affordable housing; 15 percent as social housing and another 15 percent as affordable rental or ownership. Montreal's model is currently the only model in Canada that provides shelter for both social housing residents and low-income residents living in affordable market housing. This policy focuses on residential developments of at least 200 units because they can

Figure 24: Le Nordelec in Montreal, Quebec was a large industrial site rehabilitated for mixed-use and mixed-income residential. The developer, EL-AD Group Canada, donated two pieces of land for social housing, one for families and one for the elderly. Of the total 1,185 residential units, 15 percent (174 units) are dedicated to social housing and another 15 percent are affordable condos (Calavita & Mallach 2010, 105)

adequately accommodate a mix of housing while providing a substantial quantity of affordable units. Since these units are typically built separately from the market housing, developments under 200 units were not considered to be as effective. Montreal's policy only applies to large developments in need of major changes in planning or zoning, such as an increase in height or density or a change of use to residential. It also applies to developments that are a public investment in environmental improvements or basic infrastructure.

By the end of 2009, twenty-one developments had been approved under the Inclusionary Housing Strategy and another seventeen were in the process of being approved. Montreal's approach is viewed as particularly successful and provides a number of strong qualities that could be transferable to other policies in Canada.

Montreal's Inclusionary Housing Strategy "represents an instructive model for other Canadian big cities. It shows what can be done to effectively support inclusionary housing in the absence of the authority to impose mandatory provisions on all residential developments. The strategy can be seen, not as implementing an entirely new approach, but rather as harnessing the city's available powers, tools, incentives, and other resources in a more coordinated and focused way to provide affordable housing, and specifically within integrated mixed-income developments" (Drdla 2010, 8).

Montreal's Inclusionary Housing Strategy is applicable to the City of Toronto in a number of ways and it would be greatly beneficial while revising Toronto's policy to incorporate aspects from Montreal's model. Montreal's policy takes an extremely responsible approach to city planning through the anticipation of housing price increases and growing demands for affordable housing. Montreal's decision to apply its policy to privately owned lands was very successful and this strategy in particular could be replicated within the Large Sites Policy. Regardless of different

municipality restrictions, Montreal's approach has been the most responsive to affordable housing needs and has been one of the most productive overall.

2.4.3 DAVIS, CALIFORNIA

California was one of the first states in the early 1970s to enact inclusionary housing programs. California has experienced some of the highest house price increases and has accordingly developed strong policies to maintain affordable housing in various cities. Davis is a smaller city in northern California, and is recognized for its advanced planning as well as environmental policies.

Davis established its Affordable Housing Program in the 1990s, which encourages a wider range of housing types and affordability. Davis's policy provides affordable ownership and rental housing along with dedications of land for social housing and special needs residences (Calavita & Mallach 2010, 52). The Affordable Housing Program applies to all new developments, both ownership and rental dwellings, of 5 units or more. The program requires the provisions of 25 percent affordable housing for ownership projects and 35 percent for rentals either built on site or in the form of land donations. Ownership developments over 200 units are obliged to provide half of the 25 percent as land dedications (Calavita & Mallach 2010, 52-53). This policy is an example of a city that does something similar to Montreal's policy where both affordable and social housing are provided. The program in Davis requires developments of more than 75 units to set aside a site at no cost for the development of social or special needs housing.

In 2004 Davis established another program alongside the existing one to address a specific income range. This program, the Middle Income Housing Program, aims to provide adequate housing for the local workforce. This program applies to new ownership developments of 25 units or more (Drdla 2010).

Davis has produced over 2,000 units with its inclusionary programs and approximately one fifth has been dedicated to the elderly and those with disabilities. A large part of the programs' success has been through local collaborations with the city and extremely capable non-profit affordable housing developers. The city typically provides the land through

Figure 25: Windmere Apartments in Davis, California was developed by nonprofit Community Housing Opportunities Corporation (CHOC) in 1994. Land was obtained through land dedications with Affordable Housing Program and it contains 106 two- and three-bedroom rental units accessible to those making 60% of AMI (Calavita & Mallach 2010, 52)

the policies' land donations and the developers receive funds through state grants and federal tax credit programs. Davis' programs do not rely on any form of incentives, such as density bonuses, other than minimal design flexibility (Calavita & Mallach 2010, 53). Through the use of land dedications along with some of the highest requirements in the state, Davis has been able to produce a diverse range of affordability and housing types, including cooperatives and cohousing throughout the entire city.

Many aspects of Davis' programs could benefit the City of Toronto. Utilizing objectives from the Middle Income Housing Program could begin to address Toronto's issues of income polarization and reduce the shrinkage of the middle-income neighbourhoods and re-establish affordable areas for the working class. Davis' programs have also established different criteria for varying sizes of developments, which allows them to receive and create a number of benefits, such as affordable rental and ownership, and social housing. The Affordable Housing Program also applies to extremely small developments of only 5 units, which guarantees a frequent use of the policy and also invites a fairly even distribution of units constructed under the policy.

CASE STUDY SUMMARY

Table 1: Comparison of Inclusionary Policies with Toronto's Large Sites Policy

	Vancouver 20% Core Housing Need Policy	Montreal Inclusionary Housing Strategy	Davis Affordable Housing Program	Toronto Large Sites Policy
Size Threshold	200 units & more	200 units & more	5 units & more	5 hectares & more
Targeted Developments	Developments on private lands needing change of use to residential	Developments on private and public lands needing major changes to zoning or planning	Developments on private and public lands (as-of-right)	Developments on public lands needing an increase in density or height
Set-Aside Obligations	20% of units	30% of units	25% of ownership units, 35% of rental units	20% of additional units from density bonuses
Primary Form of Contributions	Donation of land at reduced price or payment of fees-in-lieu	Donation of land at reduced price	Donation of land at reduced price	N/A
Affordable Housing Provision	Social housing	Social housing and low end of market ownership and rental housing	Low end of market ownership and rental housing. Social housing for large developments	Social housing and below market rental housing
Strengths & Qualities Transferable to Large Sites Policy	Applicable to privately owned lands & lands changing their use to residential	Applicable to privately owned lands & lands changing their use to residential, provides both social housing and low-income housing	Applicable to privately owned lands & to developments proceeding as-of-right, provides both social housing and low-income housing	N/A

“While inclusionary housing has made inroads in British Columbia and has emerged as an important, albeit informal, vehicle for production of affordable housing in Montreal, in most of Canada it remains more of an aspiration than a reality” (Calavita & Mallach 2010, 110).

There are several important differences between the three case studies. One of the most prominent differences between the cases in Canada and the United States is the notion that Canadian inclusionary housing policies are not mandatory. Unfortunately, in Ontario where the Large Sites Policy was enacted, the Ontario Planning Act does not allow municipalities the authority to impose mandatory affordable housing obligations. In Ontario, the City of Burlington had passed a policy in 1991 that required that all developments include 25 percent affordable units. This program was created in response to the 1989 Provincial Policy Statement that advised municipalities to establish policies to allow at least 25 percent of new housing to be affordable. This regulation was removed in 2005 and the City of Burlington was forced to revoke their policy when the program was refuted and it was determined that the Planning Act did not authorize this type of mandatory imposition.

Since Burlington's policy, municipal governments have been hesitant to consider any form of mandatory programs without the clear support and authority from the province. Municipalities in Ontario also do not currently possess the power to create inclusionary zoning as a requirement to produce low-income housing. Most programs in Canada, such as the Large Sites Policy, only have approval when they apply to developments seeking additional rights.

American inclusionary zoning also has a tendency to be stricter than the average Canadian program. Since some American policies have been progressing since the 1970s, they tend to have more demanding requirements and they also typically mix both market and affordable units in the same building. These policies seem harsher for developers but more beneficial and effective overall. Currently, Canadian programs are only able to apply their policies to developments receiving additional rights and the market and affordable units are usually produced as separate buildings. The act of separating market units from lower cost housing seems to defeat some of the goals of creating truly mixed income areas.

CHAPTER 3

METHODS: REFUTING THE EXISTING POLICY

Utilizing Hulchanski's recommendation to use public policies to assist in promoting mixed-income neighbourhoods (Hulchanski 2010, 21), this study inquires how housing policies can reduce Toronto's income polarization through the construction of low-income housing in high and middle-income areas (City #1 and City #2). In this chapter, three mixed methods of inquiry are introduced in order to expose major weaknesses in Toronto's Large Sites Policy. Method 1 discusses the barrier of only applying the policy to sites of 5 hectares by identifying these sites in the city. It is assumed that there are a limited number of these sites and that there will be very few in City #1 where there is the greatest desire to re-introduce low cost residences. This method accordingly identifies smaller sites as well that may allow for more opportunities in City #1 and City #2. Method 2 emphasizes the vast number of condominium units constructed each year in Toronto and accentuates the opportunities missed from applying the policy to only 5-hectare sites instead of applying the policy based on the number of units in large condo developments. Finally, Method 3 elicits significant thoughts and opinions of individuals through the use of semi-structured interviews with key corporations involved with affordable housing.

METHOD 1: IDENTIFYING APPLICABLE SITES

The Large Sites Policy's inability to construct any units since its enactment indicates that the use of only 5-hectare sites is unrealistic and impractical. Since the City of Toronto has not collected any data on the existing 5-hectare sites that could apply to the policy, it is impossible to appropriately judge the future productivity of the Large Sites Policy. Identifying the applicable 5-hectare sites in Toronto demonstrates the potential output of the policy. If there are only a small number of available lands, then the policy can never make a strong impact on the supply of new affordable units.

Policies in Vancouver, Montreal and Davis, suggest that applying the program to smaller sites and developments of 200 units is more effective than 5 hectares. Using ArcGIS, original primary data was collected to identify

a variety of areas in Toronto to determine both the location and number of potential sites. First, aerial maps with residential zoning and property data were obtained from the City of Toronto's Survey and Mapping Services through Carleton University's Maps, Data and Government Information Centre (MADGIC).

Figure 26: GIS Image, aerial view of Toronto with Residential Zoning (GIS bing maps, edited by author)

PID	Shape *	CATEGORY	Area, ha
2058	Polygon	Residential	2.22
2059	Polygon	Residential	1.98
2060	Polygon	Residential	2.08
2061	Polygon	Residential	2.76
2062	Polygon	Residential	2.94
2063	Polygon	Residential	1.15
2065	Polygon	Residential	9.03
2066	Polygon	Residential	5.89
2067	Polygon	Residential	2.04

Figure 27: GIS Image, aerial view of Toronto with Residential Zoning, Identification and area measurement of a site (GIS bing maps, edited by author)

Figure 28: Image of City of Toronto property boundaries (<http://map.toronto.ca/imapit/iMapIt.jsp?app=TOMaps>, edited by author)

Second, the areas of vacant residentially zoned properties were each individually measured in order to identify regions for new future projects on applicable 5-hectare sites or greater (see figure 27). In order to decipher whether the site restriction should be reduced, smaller sites of 2 to 5 hectares as well as 1 to 2 hectares were also individually identified. Based on the availability of each 5-hectare, 2-hectare and 1-hectare site, the future productivity of the policy could be more easily determined.

Third, every identified site of the three variations in properties sizes (5, 2, 1-hectare) were verified with the City of Toronto's maps (City of Toronto 2008) highlighting property boundaries and lands unavailable due to the Ravine and Nature Feature Protection By-law (see figure 28). Any lands that were recognized as parks or protected nature were disregarded as usable sites for future affordable housing projects through the Large Sites Policy.

Fourth, each location of these sites was then transferred to Hulchanski's 2005 map of *The Three Cities Within Toronto* to visualize in which City (City #1, City #2 or City #3) the majority of the sites were found. This was repeated with every 2-hectare and 1-hectare site as well as new condo developments of 200 units to determine at which point applicable sites were found in City #1 and City #2 of high and middle-income. Developments of 200 units were identified from researching a large number of real estate and developer websites to attain the individual addresses and locations of condos under construction since 2005. The results from these maps are presented in the following Chapter (see Chapter 4.1).

METHOD 2: CONDO UNIT CALCULATIONS

The lack of new rental units has caused a great shortage of economically accessible dwellings. Since the majority of housing completions are ownership, and a great deal are condominium units, it would be fruitful to utilize what is most popular to produce affordable units. If the Large Sites Policy applied to condominium developments over 200 units, this would effect a great change and have a significant impact on affordable housing in Toronto. Looking at condominiums being the most prominent form of residences in construction in Toronto, rough calculations can estimate the number of affordable units that could have been built if the policy had been revised in the past few years.

This method examines CMHC's statistics on annual housing unit starts and completions in the City of Toronto from 2005 to 2012, to demonstrate a few scenarios that approximate the missed opportunity of affordable units. If Toronto's policy had reduced its site area limitation during the past ten years, a large number of low cost housing units could have been built. Looking at the programs in Vancouver, Montreal and Davis, setting a limit in overall units, such as 200 units, or as ambitious as 5 units, is a far more productive approach. In Toronto in 2005, 36 percent of private apartment rental units were in buildings over 200 units in size and 96 percent were in buildings over 5 units in size (see Table 2 on the following page). In order to make a real contribution to the affordable housing supply, the applicable development size must be reduced dramatically. To help determine the appropriate development size for Toronto's Large Sites

Figure 29: Percentage of Private Apartment Rental Units by Size, Toronto 2005, Size of Building by Number of Units (Profile Toronto September 2006, 13, edited by author)

Table 2: Private Apartment Rental Units by Size, Toronto 2005

Development Size	Number of Units	Percent of Units
3 to 5*	10, 282	4
6 to 19	18, 841	8
20 to 49	30, 504	12
50 to 99	40, 834	16
100 to 199	60, 173	24
Total	252, 322	100

*CMHC does not survey properties with only 1 or 2 rental units. These are considered to be the Secondary rental market. Total number of units does not add to CMHC's Rental Universe number for private apartment units due to rounding (Profile Toronto September 2006, 13).

Policy, it would be beneficial to consider development size criteria from the successful programs from the case studies in Chapter 2.4. This method will estimate the number of affordable units that could have been built through various scenarios of policy criteria that look at the development size rather than the building's footprint area. The Large Sites Policy only applies to developments seeking additional height or density, but due to the unavailability of data on such requests, these calculations look at all condo completions and not only those seeking additional height or density. It is however assumed that a high percentage of developments in recent years have sought additional density, based on Aaron Moore's doctorate research on Section 37 at the University of Western Ontario (Moore June 7th 2012). The resulting estimates therefore represent an upper limit of the opportunities missed due to the limitations and inefficiencies of the current policy along with expressing the amplitude of recent condominium completions in Toronto.

The following are the various scenarios calculated:

SCENARIO 1 demonstrates the application of Vancouver and Montreal's development size criteria. This scenario will estimate the annual number of missed affordable units by calculating 10 and 20 percent of the total condominium units completed from 2005 to 2012 (Canada Mortgage and Housing Corporation, December 2012 statistics) in developments over 200 units. This calculation assumes that 36 percent of the total condominium completions in Toronto are in buildings of 200 units and more based on 2005, Profile Toronto Statistics.

SCENARIO 1.1

1. Applies to condominium developments of 200 units and more completed between 2005 to 2012
2. 10% of condo unit completions will be provided as affordable housing

SCENARIO 1.2

1. Applies to condominium developments of 200 units and more completed between 2005 and 2012
2. 20% of condo units completions will be provided as affordable housing

SCENARIO 2 demonstrates the application of Davis' development size criteria. This scenario will estimate the annual number of missed affordable units by calculating 10 and 20 percent of the total condominium units completed from 2005 to 2012 (Canada Mortgage and Housing Corporation, December 2012 statistics) in developments over 5 units. This calculation assumes that 96 percent of the total condominium completions in Toronto are in buildings of 5 units and more based on 2005, Profile Toronto Statistics.

SCENARIO 2.1

1. Applies to condominium developments 5 units and more completed between 2005 and 2012
2. 10% of condo units completions will be provided as affordable housing

SCENARIO 2.2

1. Applies to condominium developments of 5 units and more completed between 2005 and 2012
2. 20% of condo units completions will be provided as affordable housing

The results of these calculations are presented in the following Chapter (see Chapter 4.2, Table 2 and 3 for condo start and completion data and affordable housing calculations).

METHOD 3: INTERVIEWS

Semi-structured interviews were conducted with a number of individuals from important public organizations in the housing industry. Interviews are useful at filling gaps in knowledge that other methods are unable to bridge conclusively (Valentine 2005). Qualitative interviews are effective at assembling a diversity of opinions and experiences and can provide insights into the differing attitudes and debates within a group, along with revealing agreements on some issues (Dunn 2010, 102). In order to conduct interviews, clearance from Carleton University Research Ethics Board was received after the completion of the General Ethics Protocol Form describing the project and its perceived risks. It was necessary to create a participant consent form and interview guide to receive Ethics approval (See Appendix A Ethics Clearance Form and Appendix B for Interview Guide and Interview Consent Forms).

Participants were identified based on their expertise in affordable housing and their knowledge of inclusionary programs. Respondents were recruited through e-mail and interviews were then conducted in person. A semi-structured interview guide was used to discuss the following topics with interview participants: Toronto's condo construction, the potential effectiveness of housing policies in Toronto, and the Large Sites Policy. During the interviews, the discussion was audio recorded and the interviewer also took detailed notes. After the interviews were successfully completed, they were analyzed for key themes and opinions and the results are presented in the following Chapter (See Chapter 4.3 for interview details).

CHAPTER 4

RESULTS: EXISTING POLICY CONSTRAINTS & TORONTO OPPORTUNITIES

This chapter presents the results from Methods 1, 2 and 3 from the previous chapter. These methods address the current Large Sites Policy's primary weaknesses and also discusses the future applicability of effective inclusionary programs in the City of Toronto.

Method 1 identified 5 hectare sites and then subsequently identified smaller sites, which may be more fruitful to adopt as a policy criterion. Method 2 calculated the quantity of possible affordable units from the 2005 to 2012 based on Toronto condo starts and completions. Method 3 presents the key themes from the semi-structured interviews conducted with two participants working with Toronto affordable housing.

4.1 THE LARGE SITES POLICY: LIMITATIONS WITH 5-HECTARE SITES

RESULTS FROM METHOD 1: IDENTIFYING APPLICABLE SITES

These results display the sites measured and identified in GIS from the previous chapter. These include the identification of sites that are 5 hectares and greater, 2 to 5 hectares, 1 to 2 hectares and new condominium developments of over 200 units built since 2005.

The various sites discovered were analyzed for a number of important qualities, which determine the usefulness and future productivity of each different site area criterion. Sites are examined in terms of overall quantity, location in proximity to public transportation, distance to the city's centre and placement within Hulchanski's Three Cities of high, middle, and low income areas.

Census Tract Average Income Relative to the Toronto CMA Average of \$40,704 (estimated to 2001 census boundaries)

Figure 30: 5-hectare sites, Toronto (Hulchanski 2010, 5, edited by author)

The first map demonstrates the applicable 5-hectare sites in Toronto. The potential sites are shown among Hulchanski's three cities to demonstrate the prospects of re-introducing low-income households into high-income areas with the current policy. Looking at Figure 30 of 5-hectare sites, there are a limited number of overall sites and very few within City #1. Examining Hulchanski's mapping of the high, middle and low-income areas makes visible the Third City's movement away from the downtown core as well as the City's public transportation.. The majority of the 5-hectare sites identifies are not within a walking distance of 3 to 5km to the City's major subway lines.

Census Tract Average Income Relative to the Toronto CMA Average of \$40,704 (estimated to 2001 census boundaries)

Figure 31: 2-hectare sites, Toronto (Hulchanski 2010, 5, edited by author)

The second map demonstrates the applicable 2-hectare sites in Toronto. Similarly to the first map, the possible sites are displayed among Hulchanski's three cities and show the increasing potential of re-introducing affordable housing into high-income areas with a modified policy. Looking at Figure 31 of 2-hectare sites, there are a larger number of overall sites but still relatively few within City #1 and few within close proximity to the subway lines.

Figure 32: 1-hectare sites, Toronto (Hulchanski 2010, 5, edited by author)

The third map shows the applicable 1-hectare sites in Toronto. Again here, the potential sites are presented with Hulchanski's three cities to establish the possibility of building low-income households in high-income areas with a revised policy. Looking at Figure 32 of 1-hectare sites, there is still a narrow quantity of overall sites and few within City #1.

There are hardly any applicable sites in City #1 or City #2 with the restriction of only using 5, 2 and 1-hectare areas. Using these regulations to build affordable units would result in the creation of more low-income housing in areas that are already trending toward low or extremely low-income areas. The limitation of the locations and overall quantity of large sites available indicates that it is necessary to reduce the development size further in order for the policy to be effective at creating units in high and middle-income areas of the city.

Figure 33: Condo Completions, 2005-2012, Toronto (Hulchanski 2010, 5 & <http://www.livedowntown.ca/map>, edited by author)

Due to the lack of large sites in City #1 and City #2, the fourth map shows areas of applicable condo developments in Toronto over 200 units under construction or completed since 2005 from real estate broker condominium advertisement web sites (Tozcu 2013). The potential development areas are presented with Hulchanski's three cities and visualize the large number of condominium completions from 2005 to 2012. Figure 33 demonstrates that the majority of these completions were constructed in City#1 and City #2.

Chapter 4.1 results conclude that the use of large sites in the City of Toronto does not permit extensive employment of an inclusionary policy. The existing applicability to sites of 5 hectares and greater does not permit many future possibilities for the construction of affordable housing through the Large Sites Policy.

4.2 WHAT COULD HAVE BEEN DONE: MISSED OPPORTUNITIES

RESULTS FROM METHOD 2: CONDO UNIT CALCULATIONS

A *start* is "defined as the beginning of the construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure" (Canada Mortgage and Housing Corporation March 2013, 7)

A *completion* is "defined as the stage at which all proposed construction work on the building has been performed, although under some circumstances a building may be counted as complete where up to 10 percent of the proposed work remains to be done" (Canada Mortgage and Housing Corporation March 2013, 7)

Since the most prominent form of dwelling construction in Toronto is currently condominiums, percentages varying from 10 to 20 percent of CMHC's statistics on condo *starts* and *completions* in the City of Toronto were roughly calculated to estimate the number of affordable units that could have been built. These calculations look at condo completions to calculate most accurately a number of scenarios inspired by affordable housing policies of the previously described case studies. These calculations assume that 36 percent of condo completions are over 200 units based on 2005 statistics (Profile Toronto September 2006, 13). The condo starts and completions are the accumulations of condominium row and apartment dwellings and these numbers are compared with the overall.

Even though the Large Sites Policy only applies to developments seeking additional height or density, these calculations look at all condo completions and not only those seeking additional height or density. It also assumed that a high portion of recently constructed condominiums have sought increases in density. These quantities of units generally express the magnitude of lost opportunity from having an inefficient policy as well as highlight the enormity in the number of condominium unit construction since 2005.

Table 3: Toronto Housing Starts & Completions, 2005-2012

	2005	2006	2007	2008	2009	2010	2011	2012	Total (2005-2012)
Total Housing Starts (units)	15,602	12,726	8,854	19,710*	11,919	13,425	18,972	25,416*	126,624
Condo Starts (units)	12,100	9,172	5,630	16,514*	8,789	10,245	14,933	21,994*	99,377
Condo Start % of Total Housing	78%	72%	64%	84%	74%	76%	79%	87%	78%
Total Housing Completions (units)	15,136	12,420	6,786	13,450*	12,473	13,088	16,850	13,474*	103,677
Condo Completions (units)	10,809	9,433	4,498	10,058*	9,322	10,923	14,568	9,961*	79,572
Condo Completion % of Total Housing	71%	76%	66%	75%	75%	83%	86%	74%	77%

* Indicates a year where the housing starts were significantly higher than the housing completions in the City of Toronto
Housing and Condo Data (Starts and Completions) is from Canada Mortgage and Housing Corporation, December 2012 statistics
(<https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=106&itm=1&lang=en&fr=1357499017515>)

Table 4: Missed Affordable Housing Units

(Scenario calculations based on Toronto Condo Completion, 2005-2012)

	2005	2006	2007	2008	2009	2010	2011	2012	Total (2005-2012)
Scenario 1.1: 10% Developments over 200 units	389	340	162	362	336	393	524	359	2,865
Scenario 1.2: 20% Developments over 200 units	778	679	324	724	671	786	1,049	717	5,729
Scenario 2.1: 10% Developments over 5 units	1,038	906	432	966	895	1,049	1,399	956	7,639
Scenario 2.2: 20% Developments over 5 units	2,075	1,811	864	1,931	1,790	2,097	2,797	1,913	15,278

These statistics demonstrate that from 2005 to 2012 approximately three-quarters of all housing starts and completions in the City of Toronto were condominiums. For starts, a range of 68% to 87% of the total housing starts were condos and for completions, a range of 66% to 86% of the total housing completions were condos. Since such a large portion of all housing starts and completions are condominiums, applying an affordable housing policy to best leverage the condo market could produce the most effective results.

There is a great difference between the number of housing starts and completions in 2008 and again 2012. Where there are significantly higher starts than completions in a year indicates that there are many projects under construction. Since this occurred in 2012, it is assumed that either there were a number of project cancellations, or that there are a large number of housing developments to come over the next couple years. This further iterates the tremendous resource that the condominium market provides for producing affordable housing through an inclusionary policy. Presently, there is such a large amount of condo construction occurring in the City of Toronto. As seen in Table 3 (Toronto Housing Starts & Completions, 2005-2012), a total of 79,573 condominium units were completed from 2005 to 2012. Even if a small percentage of these units had been allocated toward low-income housing, a substantial difference could have been made.

Table 4 (Missed Affordable Housing Units) demonstrates the number of affordable units that could have been produced if a policy similar to Montreal's or Davis' had been implemented by 2005 in the City of Toronto. If an effective policy with Montreal or Vancouver's criteria had been applied to condo developments over 200 units, approximately 2,865 to 5,729 affordable units could have been constructed. If an extremely rigorous, more demanding policy with Davis' criteria had been applied to condo developments over 5 units, approximately 7,639 to 15,278 affordable units could have been built in the past 7 years.

These results emphasize the need to drastically reduce the site criteria for the Large Sites Policy if low-income housing is to be produced in decent amounts. Since there has been a reasonably steady number of condo completions since 2005, it is important to administer a more effective policy while there is still ample housing construction to leverage.

4.3 INTERVIEWS

RESULTS FROM METHOD 3

Interviews were held with two individuals who are strongly immersed in Toronto affordable housing work (see appendix B.1 for interview guide). The first interview was conducted with Mark Salerno, a CMHC Corporate Representative with a background in architecture. He works directly with Toronto's municipal planning department, and the Affordable Housing Office, which is responsible for allocating various funds from federal and provincial subsidies. The second interview was conducted with Tom Burr, the Director of Development of Regent Park's Revitalization at Toronto Community Housing. He comes from a background of working with housing and urban regeneration in England. His main role as Director includes daily accountability for the construction and development projects along with being responsible for meetings with the community, tours of Regent Park and interviews with the media. The key aspects of the revitalization focus on reducing isolation, increasing permeability to the site and reconnecting the neighbourhood with the rest of the city. Both interviewees agreed to being identified and associated with the quotes presented in the following sections. The general topics of discussion during these interviews were:

1. Inclusionary Housing Policies: The ability in Ontario, and in Toronto in particular, to implement housing policies and the private market's ability to accept them
2. Toronto's Large Sites Policy: The development, inefficiencies and methods of improvement
3. Toronto's Condo Boom: An opportunity for an affordable housing boom?
4. Affordable Housing: Issues of social exclusion

The prominent themes that arose from the interviews are presented in the following three sections.

4.3.1 AFFORDABILITY ISSUES & THE NEED FOR INCLUSIVE POLICIES

Both participants strongly agreed that Toronto is facing a significant affordability problem and that inclusionary housing policies could effectively produce low-income housing and positively encourage more of a mix in incomes at the neighbourhood level. Both interviewees discussed the outrageous Toronto housing prices and the concerns with the lack of new affordable places to live.

Tom Burr elaborated on the topic, “I think there is a general issue in Ontario that there hasn’t been enough new supply coming through. The population of the province, in particular in the GTA, has been rising rapidly and the stock of [affordable] housing has been fixed, it hasn’t been growing for 20 years” (Burr, personal communication, March 1st, 2013).

Mark Salerno mentioned that the housing prices have been steadily creeping upward in Toronto to the point where even with a reasonable income, real estate is beyond the reach of many and new Canadians in particular. He said that it’s crucial that the affordability dilemma is dealt with and that it’s imperative for affordable housing policies to develop in response to these issues.

When asked whether inclusionary programs could be effective in Canada and specifically in Toronto, Mark responded, “I think it’s definitely doable, for the sheer fact that affordability is just such a challenge. So for policy makers, they have to do this. The big issue is, if you’re the executive living in the big penthouse suite and on your way to work you stop and get a coffee, where is the person pouring your coffee living? If they live 2 hours away, that’s not sustainable. There needs to

be a way to create this inclusiveness” (Salerno, personal communication, February 28th, 2013).

Tom also expressed that mixed-income neighbourhoods are a healthy approach to planning. He agreed that it’s important that policy begins to encourage these environments and assortment of incomes and housing types.

“If you look at the demographics of a city like Toronto, we can’t just ignore the lower and moderate-income households. There are very interesting studies which show increasing polarization in the City of Toronto and I think it’s critical that policy tries to address that so we’re not just building studios and one-bed condominiums units in high-rise towers and there are no alternative housing options (Burr, personal communication, March 1st, 2013).

4.3.2 SOCIAL & ECONOMIC BARRIERS

During the interview, both participants mentioned that Toronto has not actively used inclusionary programs due to a number of barriers and perceived disadvantages preventing their implementation. Three prominent barriers were discussed throughout the meetings.

First, in the City of Toronto, inclusionary housing projects seem to only occur when there has been some form of disagreement or community displeasure, or when the municipal council was particularly engaged. Inclusionary methods are not currently evenly applied in the city and these projects only seem to emerge from some form of crisis, or through joint efforts such as a partnership between a developer and non-profit organization.

The second barrier addresses potential marketability concerns from developers. If mixed-income residences are constructed, developers must declare up-front to potential buyers that some of the units will be affordable. There is often the perception that it could negatively affect the

market values. Mark stressed that these perceptions can be altered through how the heterogeneous dwellings are marketed.

“Developers need to understand that it’s a benefit; it’s a good thing. Homogeneity is a pipe dream”
(Salerno, personal communication, February 28th, 2013).

He emphasized that ideas of impacting the value of the surrounding units could be something a developer may be hesitant to approach but if they could decipher the best marketing angle, and were bold and up-front about their decisions, there shouldn’t be any real problems. He continued to say that there is a great need for some analysis to clarify the true risks involved in order to overcome this barrier in the future. Ultimately, developers simply want to know in advance how to approach their proforma and simply desire equal treatment and rights as their competitors (Salerno, personal communication, February 28th, 2013). Tom expressed a similar opinion that developers may be tentative and discontent with the application of an inclusionary policy in Toronto. He also agreed that their unwillingness was not a barrier that could not be overcome.

“I think a lot of the development companies wouldn’t like it and they would lobby hard to say we’d kill development, but there have been lots of examples in other cities where if the vision is there at the political level, and the vision is communicated with enough of a lead-in period that everyone knows that it’s coming, then absolutely [inclusionary policies] could apply here” (Burr, personal communication, March 1st, 2013).

The third issue arises with building affordable units within condominiums. Tom states that there are complications with market and low-income units in the same building due to the Condominium Act. It generates issues with facilities with extensive amenities such as gyms and cinemas, which the buying public is prepared to pay for but the cost of

those amenities is not something that can be passed through to the tenants of affordable units. If the price of those facilities is then subsidized, people will question why certain tenants receive access at the public expense. This becomes a difficult issue to manage and has resulted in a limited approach to mixing market and affordable units (Burr, personal communication, March 1st, 2013).

4.3.3 APPLICABILITY & BENEFITS OF A REVISED POLICY IN TORONTO

Despite the barriers highlighted, both interview participants thought that an inclusionary policy in Toronto would be ultimately well received as well as productive. The interviewees said that in Ontario it would take real political will to have true inclusionary zoning, but that it's the next logical step for the province to encourage these programs. Both Tom and Mark emphasized that these programs are necessary in the City of Toronto.

"If you left the market to itself, if you stuck every piece of land in the same wind tunnel of the market without any policy and intervention you'd end up with just studios and one-beds and that's not a healthy mix for the city" (Burr, personal communication, March 1st, 2013).

Mark echoed the need for policies that provide affordable dwellings to develop. He also said that it's extremely important that more authority and tools need to be given to the municipalities to enable these programs.

"Inclusionary zoning or things that accomplish those ends have to happen. Municipalities are on board to do it" (Salerno, personal communication, February 28th, 2013).

Both participants were asked whether it would be well-accepted if Toronto's Large Sites Policy were revised to apply to developments of approximately 200 units seeking an increase in height or density and provided 10 to 20 percent affordable units, similar to Vancouver and Montreal's

inclusionary programs. Both respondents said that they thought this policy would be effective and readily applied to Toronto. Mark continued to say that density bonuses have proved extremely successful and would be a good incentive for developers to build affordable housing.

“I think a policy like that can be applied to any market, it can work. Particularly Toronto has got a very strong real estate market, despite whatever is happening at the moment. Over the last 15 years there’s been a very, very strong market here, lots of people are coming here and the city’s growing fast. You could apply a policy like that to a city like Toronto” (Burr, personal communication, March 1st, 2013).

NIMBY, an acronym for “Not in My Backyard” refers to the opposition of residents to the proposal for a new development because it is within or within close proximity to their community. There are often NIMBY attitudes toward the construction of social housing and affordable residences (“NIMBY” 2012).

Mark Salerno and Tom Burr both stated that despite the various barriers, the *Not in My Backyard* (NIMBY) attitudes, marketing issues and general hesitations, inclusionary policies need to occur, if not now then at least in consideration of future generations. The creation of mixed-income and mixed-use neighbourhoods brings with it a lot of positive community growth.

Tom concluded with the example of the success of Regent Park’s revitalization. The mixing of incomes and re-integration of the project with the remainder of the city has stimulated strong condominium prices along with the revival of local businesses, parks, and other public facilities. He stressed that the creation of more complete, healthy communities, “the whole place-making – it’s an accumulative impact, where the total is more than the sum of its parts” (Burr, personal communication, March 1st, 2013).

CHAPTER 5

DISCUSSION: THE LARGE SITES POLICY, NO UNITS IN TEN YEARS?

As indicated in the review of literature and through the interviews conducted, there is a strong need and desire for inclusionary policies despite the potential barriers impeding their development. The City of Toronto should take guidance from existing successful policies in order to establish a useful tool to build low-income housing evenly throughout the city. Toronto's Large Sites Policy needs to take a more active role in resolving the current issues of income polarization identified by Hulchanski's research, while addressing the need for more affordable housing. Since the policy has never been used, it is difficult to accurately assess its effectiveness. There are a great number of restrictions imposed upon the policy, which have led to the prevention of adequate unit construction. The first portion of this chapter discusses the prevalent elements hindering the progression of inclusionary housing policies in Ontario and how these barriers could be overcome. The second portion highlights each limitation the Large Sites Policy imposes, which has led to its inadequacy to provide any housing.

5.1 INCLUSIVE POLICIES: BARRIERS VS. BENEFITS

There are a number of recurring themes regarding both the positive and negative attitudes toward inclusionary policies and the outcomes they generate. These themes include affordability challenges in Toronto, anticipated resistance from the developer industry, and municipalities' lack of authority to implement housing policies.

Toronto housing statistics and Hulchanski's mapping of income polarization clearly reinforces the current issues regarding the need and inadequate supply of economically accessible homes (Profile Toronto September 2006). Households in core need are growing in number, but a new supply of affordable dwellings is not increasing in accordance. Failing to address this problem may cause further polarization; the continuation of middle-income neighbourhoods falling into categories of low-income can result in the complete disappearance of the Second City and only the First and Third City of high and low-income will remain (Hulchanski 2010, 27).

The First City (City #1) refers to neighbourhoods trending toward an average of high-income. The Second City (City #2) refers to neighbourhoods trending toward an average of middle-income and the Third City (City #3) refers to neighbourhoods trending toward an average of low-income. (Hulchanski 2010).

The need is growing for policies that encourage a more equal geographic distribution of various income groups and a more evenly dispersed affordable housing stock. The sooner these types of policies are enacted, the sooner healthier, nondiscriminatory forms of city and community planning can emerge. Revising Toronto's policy to provide more affordable housing units is the first step toward these goals of reversing Hulchanski's observed trends.

With the implementation of inclusive housing policies, there is often a negative response from developers for a number of reasons. There are objections that it is not the private sector's responsibility to fund social and affordable housing programs. Providing low-income dwellings through inclusionary policies should not be viewed as a tax on development or a seizure of developers' rightful profits. It appears that when a property's zoning regulations are waived to allow for more density, it is awarding the benefit solely to the owner. Developers receive a profit above and beyond what they would otherwise receive from density increases, and the City, in providing the extra density, should share a portion of these benefits with the community and actually provide affordable units with the funds collected (Moore June 2012, 15-26). The use of inclusionary programs justly shifts some of the value of these public benefits toward the community citizens (Connelly 2013).

Municipal governments in Ontario have been reluctant to consider mandatory inclusionary policies since the Planning Act was deemed to lack the authorization (Drdla 2010). Various municipalities, including Toronto, have continuously sought the permission to enact more rigorous, compulsory programs, but these efforts continue to be denied (Connelly 2013). Toronto's Large Sites Policy only has provincial approval since it applies solely to developments receiving additional height and/or density through Section 37. Despite the unfortunate lack of provincial and municipal power to establish mandatory programs, Toronto's policy still has many areas in need of improvements. Without requiring additional municipal powers, the Large Sites Policy could certainly be revised to more easily facilitate the production of economically accessible housing.

On some level, the developers' and the City's unwillingness to accommodate the construction of low cost housing through mandatory programs is only a reflection of the general public's NIMBY attitudes (Burr,

personal communication, March 1st, 2013). Despite the expected refute from the developer industry, if a rigorous program is never even attempted, then the City never even allows itself the opportunity to supply affordable units in market developments. During the past decade, Toronto's housing boom has resulted in an exceptional amount of residential construction. This time period of rapid growth is ideal for the implementation of an inclusionary housing policy. Great opportunities to build affordable units has already been missed by failing to employ a more rigorous program. The present housing boom in Toronto may not last much longer, so it is of the utmost importance to react at once and leverage the current residential growth to produce low-income housing while the opportunity still exists. Implementing a policy with so many limitations that it is never used only creates a false sense of addressing affordability issues. An effective policy should also be productive on its own and shouldn't have to rely on Section 37. It is the responsibility of the City to develop policies that guide and regulate the overall residential development so as not to allow the market to cater exclusively to wealthier households.

In the existing literature and in conversation with individuals actively working with affordable housing there has been a consistent argument that despite resistance from the developer industry and varying levels of disinterest from the general public, inclusionary housing programs need to be seen as a great benefit to the city. When these programs are viewed as an advantage and a real betterment to the city as a whole, housing policies are capable of creating vast quantities of affordable homes.

5.2 LARGE SITES POLICY: LIMITATIONS

Since the Large Sites Policy has never been used, it is challenging to accurately judge the future potential of the policy. Through the constant analysis of other inclusionary programs in numerous of cities, Toronto's policy's inefficiencies became more clear. Through conducting comparative case studies five central areas were identified that are most likely inhibiting the use of the policy:

1. *The Large Sites Policy only applies to sites of five hectares and more.*

First, there isn't any real justification for limiting the policy's use to only large sites. One of the only reasons for using five hectare sites may be to

have a site large enough to build the affordable housing separately from the market housing. The idea of separating the low-income housing from the middle and high-income housing would counter the main principals and goals of inclusionary housing programs.

Second, the size criterion also greatly restricts the application of policy due to a lack of large plots of land remaining the City of Toronto. As demonstrated in Chapter 4.1, sites of 5 hectares are almost non-existent in the core of the city. With such a large site regulation along with the policy's encouragement of providing a minimum of 30 percent of new construction as a mix of housing types other than single-detached or semi-detached houses, it suggests that the policy is mainly intended for large suburban developments. Creating a policy that can only produce affordable housing in certain areas of the city is again an extremely limited approach. Due to the restriction in the site area, this policy does not promote any future possibilities to construct affordable units in the downtown areas. If the only large sites are in the suburban and peripheral areas, it does not facilitate adequate access to the city's core.

Third, due to the nature of the City of Toronto's housing market where condominiums are increasing in popularity, it may not be appropriate to rely on the large site area criterion. It would be more fitting to use height or the overall number of units as criteria since the majority of Toronto's housing stock tends to have a great number of units within a relatively small footprint or site. In order to make the policy apply to a substantial number of developments, the site area criterion should be reduced or the number of units should be used for measurement. A reduction to sites of two hectares or even one hectare may enable the policy to actually be used. The identification of five, two and one hectare sites in Chapter 4.1 indicates the rarity of large sites in close proximity to the city's core and conveys that in order for affordable units to be produced in downtown areas, the policy must apply to a broader range of developments.

Since a large portion of private apartment rental units were over 200 units in 2005 Toronto statistics (Profile Toronto September 2006, 13), in order to make a real contribution to the affordable housing supply, it would be beneficial to apply the Policy to large condominium developments of at least that size or smaller. Similar to the approaches in both Vancouver and Montreal, setting a limit in overall units would be

far more productive and using the requirement of developments of 200 units has proved effective in both of those case studies.

2. *The Policy's Housing Obligation is only imposed on developers seeking additional density and/or height from the accepted regulations.*

This limitation prevents the policy from being applied to all developments of a certain size and will not affect developments following the standard allowance. It also limits the actual quantity of units produced since Toronto's Large Sites Policy will only provide 20 percent of the additional density acquired and not of the overall development. American inclusionary zoning does not always rely on incentives to generate affordable housing, which has led to an increased number of units constructed compared to those reliant on density bonuses. Ontario does not currently allow the application of such policies on developments following regulation so it is unlikely that this condition will change in the immediate future.

3. *The policy is enacted through Section 37 that allows an increase in density with the provisions of "community benefits". Community benefits have been predetermined by the City of Toronto and the provision of affordable housing is one among many.*

There are many other community benefits such as the provision of parks and improvements of streetscapes and recreational amenities, which are often favoured over affordable housing (Moore June 2012, 10-13). The favouring of providing visually apparent benefits gives the impression that these funds are making contributions to the public. Despite the Official Plan stating that affordable housing will be a priority community benefit, this is clearly not the case since the policy has never been used. In order for this policy to be productive, affordable housing must be made an actual priority.

Of the numerous Section 37 agreements from 2007 to 2011 only 6% of the funds have been contributed toward affordable housing (Moore June 2012, 10-13). As a whole, the city mainly focuses on extracting capital investments through cash-in-lieu payments, and there seems to only be a focus on providing visual amenities in the city (Moore June 2012, 15-26). Affordable housing is an extremely valuable community

benefit since it greatly affects the city's inhabitants as a whole. Raising the standards and quality of life of the struggling, most impoverished sector of society improves the overall well-being of all. Supplying sufficient housing options for all citizens is vital in building healthy neighbourhoods and needs to take precedence as a community benefit.

4. *The Policy dictates that when supplying affordable housing, developers have the choice of two on-site options, either constructing the units or dedicating a parcel of land.*

This limits the quantity of units built because often when given a choice, developers have a tendency to donate land since it is the simpler and more straightforward option. Contributions of land are still useful, but they often anticipate government funding will be available (Drdla 2010). Davis' Affordable Housing Program has been successful at making use of land donations by providing funding outside of federal assistance. Davis' example demonstrates that it can be advantageous to give developers numerous options, but the important issue whether parcels of land are donated or units are actually constructed is to be aware of the means necessary to complete the affordable dwellings. Since federal funding has become limited since the 1990s ("Timeline: A History of Social Housing in Ontario 1945 – 2011" 2012), Ontario should consider other funding options or emphasize the actual construction of units by the private sector.

5. *The Large Sites Policy only applies to publicly owned property.*

There should not be any justification for limiting the policy's use only to parcels of land owned by the city. This restriction doesn't allow for any access to the private market, which is the majority of the development. If Montreal's example was followed and private lands were eligible for the use of the policy, there would be an enormous increase in opportunity.

Toronto's Large Sites Policy has a number of aspects that greatly limit its use and potential to minimize exclusive practices in residential planning. Highlighting these limitations has identified the areas in need of improvements, which are necessary in order to create a more productive policy. This policy has such a great number of restrictions that it is impractical

and unlikely to be fruitful in the future. With all the imposed constraints, it would appear that there is a lack of interest in ensuring the productivity of the Large Sites Policy. During the very few cases where the policy could have been applied to a development, the sites were disregarded and the policy was not enforced. The indirectness and roundabout nature of the policy offer too many opportunities to deflect constructing affordable units. The policy has not been properly tested or revised since its enactment ten years ago, so it is important that any adjustments or criticisms of the policy are thoroughly tested in some form in order to anticipate its real potential and future productivity.

Creating a more ambitious and forceful policy presents the prospect of addressing some larger scale issues in Toronto that Hulchanski has addressed. The revision of Toronto's policy is a key strategy that can begin to resolve multiple issues regarding Toronto's affordable housing. An effective inclusionary housing program can produce more low-income residential units, assist in creating mixed-income neighbourhoods, and assist in the prevention of further income polarization. Although there seems to be a wide array of issues obstructing the policy's progression, the number of successful programs indicate that with the guidance of a strong political vision, these barriers can be overcome.

In the second portion of this study (Part 2), the Large Sites Policy and its potential revisions are tested in a Toronto neighbourhood. The following chapters will delve into how the policy should be revised in the future to enable a successful program that promotes healthier communities.

**PART 2: TESTING INCLUSIVE HOUSING POLICIES
IN LIBERTY VILLAGE**

CHAPTER 6

TOWARD A NEW HOUSING POLICY

Toronto's Large Sites Policy has a number of aspects that greatly limit its use and potential to minimize exclusive practices in residential planning. Highlighting these limitations has identified the areas in need of improvements, which are necessary in order to create a more productive policy. This policy has such a large number of restrictions that it is impractical and unlikely to be fruitful in the future. With all the imposed constraints, it would appear that there is a lack of interest in ensuring the productivity of the Large Sites Policy. During the very few cases where the policy could have been applied to a development, the sites were disregarded and the policy was not enforced. The policy has not been tested or revised since its enactment ten years ago. Any adjustments or criticisms of the policy need to be tested in some form in order to anticipate its real potential and future productivity.

Testing several variations to the existing policy will indicate the different possibilities in affordable unit productivity and will determine how the policy could have been more useful during the past decade and how it could be more effective in the years to come. A neighbourhood in Toronto that is experiencing substantial residential growth will be selected to test a variety of policy revisions and scenarios.

6.1 TESTING IN A TORONTO NEIGHBOURHOOD: SITE SELECTION

Within the focus of this study, the site selected must possess certain qualities. The area in which testing will occur must be located within a neighbourhood that could successfully incorporate a revised affordable housing policy.

First, the site should be located within Hulchanski's City #1 or City #2. Hulchanski's research clearly visualizes Toronto's current and impending issues with income polarization. Following Hulchanski's advice, the use of a public policy could begin to reverse these trends and avoid a complete disappearance of the middle-income areas (Hulchanski 2010, 1). It is clear through Hulchanski's mapping of the *Three Cities Within Toronto* that

creating more affordable housing in lower-income neighbourhoods would only further polarize the existing extremes in incomes. It would be more beneficial to re-introduce affordable housing into areas of high or middle-income in the First or Second City. Re-integrating low-income housing into wealthier, more desirable communities could diminish income polarization as well as prevent middle-income areas from diminishing and becoming exclusively high or low-income housing. Since Hulchanski's maps indicate that the majority of high-income households reside in close proximity to the city's core, creating affordable housing within those wealthier communities would give households in need better access to the city's services.

Second, the area should be experiencing a substantial amount of growth and should possess the space and potential for new housing construction in the future. Since the Large Sites Policy is dependent on the housing sector's ability to construct new developments in order to build affordable units, it is crucial that the area of study is producing new residential units.

Third, when considering an area for testing a housing policy, it is of great importance to be aware of some potential social problems that could arise from building low-income housing in high-income neighbourhoods. Despite the fact that the housing would be reasonably affordable for those with below average incomes, the overall lifestyle of the community may be beyond their means. In neighbourhoods where the average income is high and shelter costs are expensive, it is anticipated that the local retail, groceries, services and entertainment would also be fairly costly. It would be counter-productive to place individuals and families in communities where they are unable to reside due to high costs of living. It is ineffective and unfair to impose an unaffordable lifestyle on low-income households. It may result in an outsider status and an inability to ever fully integrate socially with their surroundings. Accounting for the potential of inducing social exclusion, it is necessary to provide relatively inexpensive services for low-income households living in prosperous communities. This study will focus on testing the initial phases of implementing a revised policy. The test will then accordingly occur in a middle or high-income area that has accessibility to affordable services or is in close proximity to a low-income neighbourhood. It is assumed that if the policy was successfully applied to an area, in the future it may encourage a broader range of housing and

amenity affordability in multiple communities. This would enable the policy to be applied to a large number of neighbourhoods in Toronto along with other cities without causing poor social integration.

For the purpose of this thesis, it is important to test the policy within an area possessing the specific characteristics described above in order to foster an environment likely to accept the policy successfully.

6.2 LIBERTY VILLAGE

Figure 34: Liberty Village, 2009 (http://www.blogto.com/city/2012/02/what_liberty_village_looks_like_before_the_condos/)

Figure 35: Historical Site Photographs of Inglis industrial buildings (<http://www.bricoleurbanism.org/category/development-in-toronto/page/3/>)

Liberty Village is a neighbourhood in Toronto that could easily facilitate an assessment of the policy's improvements (See method 1, Chapter 7 for site selection details). Since this neighbourhood exemplifies the desired criteria previously discussed, it is a favourable site to demonstrate and validate the beneficial outcomes of a more efficient housing program.

Liberty Village is a 45-acre brown field site in the central waterfront area, north of Exhibition Place and immediately west of downtown Toronto. The neighbourhood is bordered by King Street West, Dufferin Street, the Gardiner Expressway, Strachan Avenue and the Canadian Pacific railway tracks.

Until the early 1990s, the site was occupied by the Inglis industrial manufacturing plants, railway line and transportation yards. The decline of the industry and closure of the Inglis plants in 1989 led to the influx of a small population of artists, who were attracted by the low rents and warehouses. In the mid 90s, the redevelopment of these industrial lands boomed.

“Municipal deregulation of land uses in the King Street West area in 1994 contributed to the attraction of the area for developers and real estate speculators... Many small businesses and low-income tenants were evicted to allow property owners to renovate their buildings. The deregulation of zoning bylaws had increased the pressure to redevelop industrial lands and put planners under constant pressure to allow the conversion of old industrial buildings for residential or office use”
(Flack 2013)

LAND USE DESIGNATIONS

Neighbourhoods	Other Open Space
Apartment Neighbourhoods	Institutional Areas
Mixed Use Areas	Regeneration Areas
Natural Areas	Employment Areas
Parks	Utility Corridors

Figure 36: Land Use Map of Liberty Village, 2010 (Toronto's Official Plan 2010)

Figure 37: Map of Toronto, Liberty Village Site (image by author)

During the 1990s, the site was viewed as an important opportunity to develop a new residential neighbourhood along with employment areas, creating a “live-work” environment. Since the early 2000s, the neighbourhood has experienced tremendous growth, which includes the redevelopment of industrial buildings and the new construction of a multitude of condominiums and lofts, new offices, parks, and an eclectic assortment of retail and restaurants (“Liberty Village” 2012). The neighbourhood has a strong presence of local artists due to the effort of Artscape, a non-profit urban development organization. Artscape revitalizes buildings and communities through the arts and makes an effort to provide studio and living spaces for artists in Liberty Village and elsewhere in the city.

Liberty Village is shown in Hulchanski's 2005 map of Toronto as an area trending toward a high and middle-income area although in 1970 it was trending toward low-income. This neighbourhood is currently experiencing substantial redevelopment and is becoming one of Toronto's desirable condominium communities. The area has sufficient access to public transportation and is also within close proximity to Toronto's downtown core. Due to its desirable location close to the waterfront as well as within walking distance to King Street West's entertainment, fashion and gallery district, this area is expected to continue to grow and develop. An area in the process of growth, that has not yet become too expensive

Figure 38: Sketch of Liberty Village eastern new development (http://www.toronto.ca/planning/king_liberty.htm)

and unaffordable is the ideal area for introducing and testing a housing policy. The neighbourhood is also situated directly beside an area of lower-income, Parkdale, where low-income Liberty Village residents could very easily access more affordable groceries, retail and services.

Due to its increasing desirability and current state of industrial redevelopment, a vast number of condos have been constructed in the eastern side of the neighbourhood. The residential construction in the past 5 to 10 years alone will amount to well over 2200 residential units (Heikki Walden 2012).

Figure 39: Site Photographs of Liberty Village and new condos (<http://www.libertyvillagecondo.com/liberty-village-parks>)

Figure 40: Liberty Village and new condos (<http://www.libertyvillagecondo.com/liberty-village-parks>)

Figure 41: CAD Current Site map of Liberty Village, Building Uses (image by author)

CHAPTER 7

METHODS: IMPLEMENTING & TESTING A REVISED POLICY

Toronto's Large Sites Policy has not been tested or modified over the entire course of its existence. If the policy is to be revised, alterations need to be tested in some form in order to accurately predict its future productivity and avoid creating another policy that fails to create any low-income housing. As a continuation from the first section, three additional methods, 4 to 6 have been employed for the identification and testing of an appropriate site. Method 4 highlights the necessary criteria for the site selection for the test. A focus on one particular neighbourhood will allow for a more detailed and accurate test that can later illustrate the policy's effect on the rest of the city. Method 5 describes the collection of data for the chosen neighbourhood. Lastly, Method 6 tests several variations to the existing policy to indicate the different possibilities in affordable unit productivity in the neighbourhood of study.

METHOD 4: CRITERIA FOR SITE SELECTION

The site selected for testing policy revisions must possess three main qualities in order to be a neighbourhood that could successfully incorporate the housing policy (for a further description of criteria see Chapter 6.1).

1. The site's location needs to be within Hulchanski's City#1 or City #2 of high or middle-income. With Toronto's increasing income polarization, a public policy could reverse these trends by allowing an even dispersion of low cost residences among the three cities (Hulchanski 2010, 1). Creating more affordable housing in lower-income neighbourhoods only further polarizes the existing extremes in the city and to reduce these effects it is necessary to construct affordable housing in areas of high or middle-income. Hulchanski's map of the three cities implies that most of the high-income households live in the vicinity of the city's core. Building affordable units in the more affluent neighbourhoods gives better access to the city's core and services to those most in need.

2. The area needs to be undergoing a significant amount of residential growth and should have sufficient space to allow for further new housing developments. Inclusionary policies are dependent on the private housing sector's production of new units in order to produce affordable homes.
3. The neighbourhood needs to be relatively close to an area with access to lower priced goods and services. With an inclusionary housing program, the housing would be reasonably affordable for those with below average incomes, but the overall lifestyle of a high-income community may be too expensive to properly integrate. It is ineffectual to place low-income households in communities where they are unable to afford the high costs of living.

METHOD 5: COMPLETING MAP OF LIBERTY VILLAGE

After the neighbourhood of Liberty Village was selected as the site, data on the residential construction was determined through several site visits along with general research on the current and future developments in the area. Since the rate at which condominiums are being constructed is so rapid in Liberty Village, most maps of the area from 2005 to 2008 show little if any of the current developments. Data regarding the number of units, number of floors, height and year of expected completion of each condo in the neighbourhood was gathered to illustrate as accurately as possible the outcomes of the policy revisions. Since many residential buildings are still under construction and there are a number still to be constructed, there is a limitation in the accuracy of data regarding the number of units per development. For condos where the overall number of units was not available, estimated were based on site visits, which considered the height and volume of the unknown building in comparisons with adjacent buildings where the data was known (see Appendix C for Liberty Village Condo Data and data assumptions).

METHOD 6: LIBERTY VILLAGE TEST OF POLICY REVISIONS

The sixth method tests several variations to the existing policy to indicate the different possibilities in affordable unit production. This test demonstrates how the policy could have constructed units during the past decade and how it could be more effective during the upcoming years. This

test was conducted on a neighbourhood in Toronto, Liberty Village, that is currently experiencing substantial residential growth and could be largely impacted by revisions to the Large Sites Policy.

Due to the enormous amount of condominium construction in Liberty Village over the past decade, a substantial opportunity to provide affordable housing has been lost. The test in Liberty Village comprised of two parts. The first, Method 6A, illuminates the lost opportunity through 3D modeling of Liberty Village's additional density created from the affordable units and calculations of the number of missed units through the policy scenarios below. The second, Method 6B, focuses on the future opportunity that could occur with policy revisions. This opportunity is also demonstrated through 3D modeling of the neighbourhood, and visualizes the additional density of units. This method also calculates the number of affordable units that could be constructed based on scenarios depicting different ways to revise the policy.

Figure 42: 3D model of Liberty Village, New Residential, 2002-2012 (image by author)

Figure 43: 3D model of Liberty Village, Future Residential (image by author)

The following are the criteria tested in Liberty Village for both Method 6A: The Missed Opportunity with newly constructed condominiums as well as Method 6B: The Future Opportunity for upcoming residential construction. Four scenarios have been chosen to test based on the attitudes expressed by the interviewees in Chapter 4.3 along with the previous success found in the case studies in Chapter 2.4 where the policies targeted developments of 200 units building approximately 20% affordable units. Method 6A tests the first three scenarios: the current Large Sites Policy, an intermediate step toward a policy similar to that in Montreal or Vancouver, and then a policy with more rigorous criteria. Method 6B tests all four scenarios, which also includes more demanding criteria for smaller developments similar to Davis' policy. These scenarios attempt to portray varying stages of applicability from a seldom-used policy to a policy with broad, extensive usage. These scenarios demonstrate the lost and future opportunities while clarifying which set of criteria is most appropriate for Toronto.

Each scenario demonstrates:

1. The additional units that could be constructed
2. The increase in density to the neighbourhood
3. The effect on the streetscape, height of buildings, sunlight
4. Which buildings have surpassed the height restrictions

Figure 44: 3D model of Liberty Village, depicting additional density in New Residential, 2002-2012 (image by author)

The scenarios also explore the varying effects of the policy within a development and the typical locations for affordable units versus the most favourable ones. Affordable units are generally constructed in the least desirable location within a building or site. Since the ground floors are usually highly valuable space and often oriented for public uses, such as retail, the affordable units would typically be built above these floors. Although it is difficult for policy to dictate where the low-income units are built, these scenarios will attempt to show a more equal distribution throughout the building to reinforce the underlining goals of inclusionary housing policies. Scenarios will show the volume of affordable units as:

1. A horizontal slab of condensed units at the lowest possible height
2. Dispersed within the entire building
3. A separate building

SCENARIO 1 (EXISTING POLICY)

1. Applies to residential developments of 5 hectares and more
2. 20% of additional development units as affordable housing

**Show sun-shading diagram*

SCENARIO 2 (POLICY APPLIES TO DEVELOPMENTS OF 200 UNITS)

SCENARIO 2.1

1. Applies to residential developments of 200 units and more
2. Minimum of 10% of development units as affordable housing

SCENARIO 2.2

1. Applies to residential developments of 200 units and more
2. Minimum of 20% of development units as affordable housing

SCENARIO 2.3

1. Applies to residential developments of 200 units and more
2. Minimum of 20% of development units as affordable housing
3. Units must be dispersed throughout the overall development

SCENARIO 3 (POLICY APPLIES TO DEVELOPMENTS OF 100 UNITS)

SCENARIO 3.1

1. Applies to residential developments of 100 units and more
2. Minimum of 10% of development units as affordable housing

SCENARIO 3.2

1. Applies to residential developments of 100 units and more
2. Minimum of 20% of development units as affordable housing

SCENARIO 3.3

1. Applies to residential developments of 100 units and more
2. Minimum of 20% of development units as affordable housing
3. Units must be dispersed throughout the overall development

**Show sun-shading diagram*

SCENARIO 4 (POLICY APPLIES TO DEVELOPMENTS OF 10 UNITS)

SCENARIO 4.1

1. Applies to residential developments of 10 units and more
2. Minimum of 10% of development units as affordable housing

SCENARIO 4.2

1. Applies to residential developments of 10 units and more
2. Minimum of 20% of development units as affordable housing

SCENARIO 4.3

1. Applies to residential developments of 10 units and more
2. Minimum of 20% of development units as affordable housing
3. Units must be dispersed throughout the overall development

CHAPTER 8

RESULTS: LIBERTY VILLAGE TESTING

This chapter highlights the results for Methods 6A and 6B. These results demonstrate the lost and future opportunities of revising the Large Sites Policy through 3D models of Liberty Village.

Identifying Toronto sites of five hectares, two hectares and 1 hectare in Chapter 4.1 revealed a lack of large sites within City #1 and City #2. Within the higher income areas in the core of the city there are few large areas of vacant residential land. Applying the policy to only such massive sites cannot produce a substantial amount of affordable housing in the long term. It would be more fruitful to use the developments' number of units as a measure for the policy's criteria. This chapter highlights the poor results of the existing Large Sites Policy criteria in Liberty Village and subsequently tests scenarios that apply to developments of 200 units and 100 units for the missed opportunities in buildings already constructed. This is repeated to make evident potential in future residential developments in Liberty Village. In addition to testing developments of 200 and 100 units, the future residential tests will also look at developments of 10 units. All of the multiple scenarios of policy revisions highlight the difference between applying a mandatory program that applies to all residential developments of a certain size, and incentive based programs that only utilize developments seeking additional height and/or density and exceeding as-of-rights.

8.1 MISSED OPPORTUNITY

RESULTS FROM METHOD 6A: LIBERTY VILLAGE TEST OF POLICY REVISIONS ON NEW RESIDENTIAL (2002-2012)

This chapter will highlight the lost opportunity in the neighbourhood of Liberty Village over the past 10 years. Liberty Village has recently experienced a significant surge in condominium construction, which could have been ideal for the employment of an effective inclusionary housing program. Since the neighbourhood was originally zoned for industrial use, in order to convert the area to residential, the density limitations have been significantly increased (Wright & Community Planning, Toronto and East

York District January 14th 2008). In 2003, the Liberty Village zoning by-law “converted the 3.0 times the industrial density for the entire lands to residential/mixed-use” (David & Community Planning, Toronto and East York District May 10th 2010, 4). As part of these initial zoning amendments (By-law 684-2003), the height restriction was increased to 60 metres or approximately 20 storeys (David & Community Planning, Toronto and East York District May 10th 2010, 5).

In documents describing the terms of a Section 37 agreement with future Liberty Village buildings, it is stated that “To date, almost every development parcel in Liberty Village has either been built out, obtained approval or has an application in for review (David & Community Planning, Toronto and East York District May 10th 2010, 4).

Since such a considerable number of developments have surpassed the density restrictions, if a program utilizing density bonuses had been made applicable to the average sized condo in Liberty Village, a great number of affordable units could have been built over the past decade. The results from Method 6A scenarios are presented in the following section.

Figure 45: CAD Current Site map of Liberty Village, New Residential, 2002-2012 (image by author)

RESULTS FROM METHOD 6A: NEW RESIDENTIAL (2002-2012)

Figure 46: 3D model of Liberty Village, New Residential, 2002-2012 Current Large Sites Policy (image by author)

SCENARIO 1 (EXISTING POLICY)

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 5 HECTARES AND MORE
2. 20% OF ADDITIONAL DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT: ALL
 +DENSITY
 NO UNITS

SUMMARY OF SCENARIO 1

Scenario 1 demonstrates the lack in production of affordable units through the existing Large Sites Policy where it is only applicable to 5-hectare sites and developments seeking additional density. Since 2002, a total of 3999 residential units have been constructed in Liberty Village (see Appendix C for Liberty Village Condo Data). This quantity of construction over the past decade is an immense loss for the production of affordable units through the use of an inclusionary policy. The sun shading diagrams indicate the amount of sunlight the site currently receives in the extremes of January 1st and July 1st.

Figure 47: Sun diagrams, 3D model of Liberty Village, New Residential, 2002-2012 Current Policy (image by author)

☐ NEW RESIDENTIAL CONSTRUCTED (2002-2012) ☒ NEW RESIDENTIAL EXCEEDING AS-OF-RIGHTS (+DENSITY)
☒ AFFORDABLE UNITS: ADDITIONAL DENSITY

90.9% OF NEW DEVELOPMENTS AFFECTED

81.8% OF NEW DEVELOPMENTS SEEKING ADDITIONAL DENSITY AFFECTED

Figure 48: 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 200 units, 10% (image by author)

SCENARIO 2 (POLICY APPLIES TO DEVELOPMENTS OF 200 UNITS)

SCENARIO 2.1

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 200 UNITS AND MORE
2. MINIMUM OF 10% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT - ALL
385 UNITS

RESULT - DENSITY
317 UNITS

☐ NEW RESIDENTIAL CONSTRUCTED (2002-2012) ☒ NEW RESIDENTIAL EXCEEDING AS-OF-RIGHTS (+DENSITY)
☒ AFFORDABLE UNITS: ADDITIONAL DENSITY

90.9% OF NEW DEVELOPMENTS AFFECTED

81.8% OF NEW DEVELOPMENTS SEEKING ADDITIONAL DENSITY AFFECTED

Figure 49: 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 200 units, 20% (image by author)

SCENARIO 2.2

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 200 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT - ALL
770 UNITS

RESULT - DENSITY
635 UNITS

- NEW RESIDENTIAL CONSTRUCTED (2002-2012)
- NEW RESIDENTIAL EXCEEDING AS-OF-RIGHTS (+DENSITY)
- AFFORDABLE UNITS: ADDITIONAL DENSITY
- AFFORDABLE UNITS: DISPERSED WITHIN BUILDING

90.9% OF NEW DEVELOPMENTS AFFECTED

81.8% OF NEW DEVELOPMENTS SEEKING ADDITIONAL DENSITY AFFECTED

Figure 50: 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 200 units, 20% (image by author)

SCENARIO 2.3

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 200 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING
3. UNITS MUST BE DISPERSED THROUGHOUT THE OVERALL DEVELOPMENT

RESULT - ALL: 770 UNITS

RESULT - DENSITY: 635 UNITS

SUMMARY OF SCENARIO 2

Scenario 2 demonstrated the production of affordable units through criteria similar to policies of Montreal and Vancouver. This scenario tested the applicability of new residential developments over 200 units that were constructed since the enactment of the Large Sites Policy in 2002. Each scenario displayed the implementation of the policy on all developments of at least 200 units as well as only on those surpassing the height and/or density limitations of Liberty Village. Of the new residential buildings constructed a total of 8 developments have been found to have Section 37 agreements with the City of Toronto, or they exceed the 60 metre height restriction for Liberty Village zoning. Since such a large portion of the new residential developments sought additional density, there was not a substantial difference in the quantity of affordable units produced.

☐ NEW RESIDENTIAL CONSTRUCTED (2002-2012) ☒ NEW RESIDENTIAL EXCEEDING AS-OF-RIGHTS (+DENSITY)
☒ AFFORDABLE UNITS: ADDITIONAL DENSITY

100% OF NEW DEVELOPMENTS AFFECTED

81.8% OF NEW DEVELOPMENTS SEEKING ADDITIONAL DENSITY AFFECTED

Figure 51: 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 100 units, 10% (image by author)

SCENARIO 3 (POLICY APPLIES TO DEVELOPMENTS OF 100 UNITS)

SCENARIO 3.1

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 100 UNITS AND MORE
2. MINIMUM OF 10% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT - ALL
400 UNITS

RESULT - DENSITY
317 UNITS

☐ NEW RESIDENTIAL CONSTRUCTED (2002-2012) ☒ NEW RESIDENTIAL EXCEEDING AS-OF-RIGHTS (+DENSITY)
☒ AFFORDABLE UNITS: ADDITIONAL DENSITY

100% OF NEW DEVELOPMENTS AFFECTED

81.8% OF NEW DEVELOPMENTS SEEKING ADDITIONAL DENSITY AFFECTED

Figure 52: 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 100 units, 20% (image by author)

SCENARIO 3.2

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 100 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT - ALL
800 UNITS

RESULT - DENSITY
635 UNITS

- NEW RESIDENTIAL CONSTRUCTED (2002-2012)
- NEW RESIDENTIAL EXCEEDING AS-OF-RIGHTS (+DENSITY)
- AFFORDABLE UNITS: ADDITIONAL DENSITY
- AFFORDABLE UNITS: DISPERSED WITHIN BUILDING

100% OF NEW DEVELOPMENTS AFFECTED

81.8% OF NEW DEVELOPMENTS SEEKING ADDITIONAL DENSITY AFFECTED

Figure 53: 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 100 units, 20% (image by author)

SCENARIO 3.3

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 100 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING
3. UNITS MUST BE DISPERSED THROUGHOUT THE OVERALL DEVELOPMENT

RESULT ALL 800 UNITS

RESULT - DENSITY 635 UNITS

SUMMARY OF SCENARIO 3

Scenario 3 demonstrated the implementation of a program aiming at a broader range of developments sizes than Montreal or Vancouver's policies. This scenario tested the applicability of new residential developments over 100 units that were constructed since 2002. With this scenarios criteria, only one additional development became usable for affordable units production.

The sun shading diagrams illustrate the shading effects from the increase in height. These diagrams of an additional 20 percent of density to development over 100 units indicate there is not a significant difference from the original diagrams in scenario 1.

Figure 54: Sun diagrams, 3D model of Liberty Village, New Residential, 2002-2012 Policy Revisions - 100 units, 20% (image by author)

Figure 55: Missed Opportunity in Liberty Village New Residential, Mandatory Programs vs. Additional Density Programs, 2002-2012 (image by author)

OVERALL SUMMARY OF RESULTS

All the condominiums were affected with the application of criteria where developments of 100 units and more provide 20 percent of the overall units as affordable. This criteria in scenarios 3.2 and 3.3 produced the highest quantities of affordable units for both mandatory programs and incentive based programs.

Since a large portion of the new developments have exceeded the neighbourhoods density limitations, there isn't an extremely noticeable difference between the application of the two programs.

Generally massing in the neighbourhood ranges from 20 to 24 storeys that maintain a 25 metres separation distance from one another to maintain adequate access to sunlight and sky view for all residents, and especially those on the northern portion (David & Community Planning, Toronto and East York District May 10th 2010, 12). As indicated from the sun shading diagrams for scenario 1 and scenario 3.3 depicting the highest possible density from the tests conducted, the additional density does not seriously disrupt the existing neighbourhood massing.

8.2 FUTURE OPPORTUNITY

RESULTS FROM METHOD 6B: FUTURE RESIDENTIAL

This chapter highlights the future opportunity in the neighbourhood of Liberty Village from 2012 onward. Liberty Village's condominium growth is expected to continue, and this construction could greatly contribute to the affordable housing stock if the Large Sites Policy's site criteria are revised.

In LVBIA design charrettes and Toronto City Planning documents depicting Section 37 agreements with future buildings for the neighbourhood, it is mentioned that a large portion of the western industrial building will be redeveloped over the next few years. The majority of these buildings will become mixed-use office, commercial and residential buildings (David & Community Planning, Toronto and East York District May 10th, 2010, 1-36).

Although the exact height for many future buildings is currently unknown, future plans indicate that a great number of developments will exceed the density allowance for Liberty Village. In the following scenarios, there is a fairly low percentage of developments shown as building beyond the height limitations. It is however expected that in the next few years, as plans become more finalized, a very high portions of future developments will have Section 37 agreements to increase their density (Liberty Village Business Improvement Area January 21st, 2013). The results from Method 6B scenarios are presented in the following section.

Figure 56: CAD Current Site map of Liberty Village, Future Residential (image by author)

RESULTS FROM METHOD 6B: FUTURE RESIDENTIAL

Figure 57: 3D model of Liberty Village, Future Residential, Current Large Sites Policy (image by author)

Figure 58: Sun diagrams, 3D model of Liberty Village, Future Residential, Current Policy (image by author)

SCENARIO 1 (EXISTING POLICY)

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 5 HECTARES AND MORE
2. 20% OF ADDITIONAL DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT (ALL +DENSITY):
NO UNITS

SUMMARY OF SCENARIO 1

Scenario 1 demonstrates the production of affordable units through the existing criteria of the Large Sites Policy. There are no applicable 5-hectare sites in Liberty Village, and as a result no units will be produced. It is expected that in the near future, Liberty Village will construct an additional 3754 residential units through additional condo towers and the redevelopment of the western portion of the neighbourhood (see Appendix C for Liberty Village Condo Data). This is an enormous resource of housing, that could begin to contribute toward affordable units. Of the future residential buildings, a total of 4 developments have been found to have built beyond the density zoning by-laws.

FUTURE RESIDENTIAL

FUTURE RESIDENTIAL EXCEEDING
AS-OF-RIGHTS (+DENSITY)

AFFORDABLE UNITS:
ADDITIONAL DENSITY

29.4% OF FUTURE
DEVELOPMENTS
AFFECTED

23.5% OF FUTURE
DEVELOPMENTS SEEKING
ADDITIONAL DENSITY
AFFECTED

Figure 59: 3D model of Liberty Village, Future Residential, Policy Revisions - 200 units, 10%
(image by author)

SCENARIO 2 (POLICY APPLIES TO DEVELOPMENTS OF 200 UNITS)

SCENARIO 2.1

1. APPLIES TO RESIDENTIAL
DEVELOPMENTS OF 200 UNITS
AND MORE
2. MINIMUM OF 10% OF DEVEL-
OPMENT UNITS AS AFFORD-
ABLE HOUSING

RESULT (ALL):
240 UNITS

RESULT (+DENSITY):
215 UNITS

FUTURE RESIDENTIAL

FUTURE RESIDENTIAL EXCEEDING
AS-OF-RIGHTS (+DENSITY)

AFFORDABLE UNITS:
ADDITIONAL DENSITY

29.4% OF FUTURE
DEVELOPMENTS
AFFECTED

23.5% OF FUTURE
DEVELOPMENTS SEEKING
ADDITIONAL DENSITY
AFFECTED

Figure 60: 3D model of Liberty Village, Future Residential, Policy Revisions - 200 units, 20%
(image by author)

SCENARIO 2.2

1. APPLIES TO RESIDENTIAL
DEVELOPMENTS OF 200 UNITS
AND MORE
2. MINIMUM OF 20% OF DEVEL-
OPMENT UNITS AS AFFORD-
ABLE HOUSING

RESULT (ALL):
481 UNITS

RESULT (+DENSITY):
431 UNITS

Figure 61: 3D model of Liberty Village, Future Residential, Policy Revisions - 200 units, 20% (image by author)

SCENARIO 2.3

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 200 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING
3. UNITS MUST BE DISPERSED THROUGHOUT THE OVERALL DEVELOPMENT

RESULT (ALL):
481 UNITS

RESULT (+DENSITY):
431 UNITS

SUMMARY OF SCENARIO 2

Scenario 2 displayed the production of affordable units through criteria similar to policies of Montreal and Vancouver. These scenarios tested the applicability of a policy for future Liberty Village condos where developments over 200 units would provide 10 or 20 percent of the overall units as affordable. Of the future residential buildings to be constructed a total of 4 developments have been found to have Section 37 agreements with the City of Toronto, or they are expected to exceed the 60 metre height restriction for Liberty Village zoning. Scenario 2 indicates fairly similar affordable units results from the application of mandatory programs and programs reliant on density bonuses.

Figure 62: 3D model of Liberty Village, Future Residential, Policy Revisions - 100 units, 10% (image by author)

SCENARIO 3 (POLICY APPLIES TO DEVELOPMENTS OF 100 UNITS)

SCENARIO 3.1

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 100 UNITS AND MORE
2. MINIMUM OF 10% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT (ALL):
370 UNITS

RESULT (+DENSITY):
215 UNITS

Figure 63: 3D model of Liberty Village, Future Residential, Policy Revisions - 100 units, 20% (image by author)

SCENARIO 3.2

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 100 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT (ALL):
741 UNITS

RESULT (+DENSITY):
431 UNITS

Figure 64: 3D model of Liberty Village, Future Residential, Policy Revisions - 100 units, 20% (image by author)

Figure 65: Sun diagrams, 3D model of Liberty Village, Future Residential, Policy Revisions - 100 units, 20% (image by author)

SCENARIO 3.3

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 100 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING
3. UNITS MUST BE DISPERSED THROUGHOUT THE OVERALL DEVELOPMENT

RESULT (ALL):
741 UNITS

RESULT (+DENSITY):
431 UNITS

SUMMARY OF SCENARIO 3

Scenario 3 illustrates criteria that applies inclusionary zoning to developments of 100 units and more. The application to this size of developments affected all but one condo and generally had high results for affordable unit production. Since a smaller number of developments are shown to construct beyond the zoning by-law, scenario 3 indicates a larger difference between the application of mandatory programs and programs reliant on density bonuses.

Figure 66: 3D model of Liberty Village, Future Residential, Policy Revisions - 10 units, 10% (image by author)

SCENARIO 4 (POLICY APPLIES TO DEVELOPMENTS OF 10 UNITS)

SCENARIO 4.1

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 10 UNITS AND MORE
2. MINIMUM OF 10% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT (ALL):
375 UNITS

RESULT (+DENSITY):
215 UNITS

Figure 67: 3D model of Liberty Village, Future Residential, Policy Revisions - 10 units, 20% (image by author)

SCENARIO 4.2

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 10 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING

RESULT (ALL):
751 UNITS

RESULT (+DENSITY):
431 UNITS

Figure 68: 3D model of Liberty Village, Future Residential. Policy Revisions - 10 units, 20% (image by author)

SCENARIO 4.3

1. APPLIES TO RESIDENTIAL DEVELOPMENTS OF 10 UNITS AND MORE
2. MINIMUM OF 20% OF DEVELOPMENT UNITS AS AFFORDABLE HOUSING
3. UNITS MUST BE DISPERSED THROUGHOUT THE OVERALL DEVELOPMENT

RESULT (ALL):
751 UNITS

RESULT (+DENSITY):
431 UNITS

SUMMARY OF SCENARIO 4

Scenario 4 displayed the production of affordable units through criteria similar to Davis' policy. These scenarios tested the applicability of a policy for future Liberty Village condos where developments over 10 units would provide 10 or 20 percent of the overall units as affordable. The application of the policy to this development size affected all future residential buildings. Similarly to scenario 3, scenario 4 presents a significant difference between the implementation to all developments and only those seeking an increase in height and/or density.

Figure 69: Missed Opportunity in Liberty Village Future Residential, Mandatory Programs vs. Additional Density Programs (image by author)

OVERALL SUMMARY OF RESULTS

Similarly to the tests on the new residential already constructed, a very high number of the condominiums were affected with the application of criteria where developments of 100 units and more provided 10 to 20 percent of the overall units as affordable. Scenarios 3.2 and 3.3 applied to all except one of the developments. Scenarios 4.2 and 4.3 applied to all developments and produced the highest quantities of affordable units for the mandatory programs.

Since a small portion of the future developments are anticipated to exceed the neighbourhoods density limitations based on the LVBLA 2012 design charrette, there is a fairly noticeable difference between the results of the two programs. Based on the 2013 release of Liberty Village future plans, which could not be included in these tests, it is indicated that a substantial number of projects will exceed the density limitations.

Table 5: Liberty Village, Policy Criteria Scenarios

	Missed Opportunity (Mandatory Program)	Missed Opportunity (Program reliant on Density Increases)	Future Opportunity (Mandatory Program)	Future Opportunity (Program reliant on Density Increases)
Total Condo Units	3999 Units Constructed (2002-2012)		3754 Units to be Constructed (2012 onward)	
Scenario 1: Existing Large Sites Policy	0	0	0	0
Scenario 2.1: 10% Developments over 200 units	385	317	240	215
Scenario 2.2: 20% Developments over 200 units	770	635	481	431
Scenario 3.1: 10% Developments over 100 units	400	317	370	215
Scenario 3.2: 20% Developments over 100 units	800	635	741	431
Scenario 4.1: 10% Developments over 10 units	N/A	N/A	375	215
Scenario 4.2: 20% Developments over 10 units	N/A	N/A	751	431

Liberty Village Condo Data is from August 23rd, 2012 design charrette sponsored by the Liberty Village Business Improvement Association (<http://www.lvbua.com/sites/default/files/aug23presentation.pdf>) along with various Developer websites (<http://www.ibigroup.com/projects/liberty-village>)

As discussed in the previous tests, scenario 3.2, highlighted in blue, proves to be the most effective scenario, with the overall highest quantity of affordable units constructed looking at both the missed and future opportunities (see Appendix C, Table 6 & 7 for full Liberty Village Condo Data for existing and future residential developments). Applying the policy to all developments of 100 units affected 100 percent of new residential and 94.1 percent of future residential. As displayed in the 3D models of new condos built over the past ten years and discussions of future plans for Liberty Village, a high percentage of developments are exceeding the neighbourhood's zoning by-law regarding height and density restrictions.

Based on the Toronto condo start and completion data along with conversations with interview participants, the amount of construction in Liberty Village befittingly represents the current magnitude of condominium construction in Toronto. Liberty Village's scenario calculations further emphasize the impact of possible revisions to the Large Sites Policy and iterate the need to make these alterations promptly.

CHAPTER 9

DISCUSSION: LIBERTY VILLAGE TESTING & POLICY IMPROVEMENTS

This chapter discusses the results from the various Liberty Village tests and indicates how the Large Sites Policy should be improved. Suggestions of how to realistically make the policy more effective are centered on existing successful implementations of policies in other cities along with the outcomes from the missed and future opportunity scenarios in both Part 1 and Part 2.

9.1 RECOMMENDED CHANGES TO THE LARGE SITES POLICY

The successes from the three case studies in Montreal, Vancouver and Davis and the tests within Liberty Village have indicated how the Large Sites Policy is in need of modifications. Based on the inability to produce any affordable units, this policy must take a more assertive approach to addressing the need for low-income housing in Toronto. The policy's requirements need to be more conducive to producing affordable units in order to be more realistic and most importantly, more functional.

This chapter discusses the five central factors inhibiting the use of the policy reviewed in Chapter 5.2, and suggests ways of diminishing these obstructions.

- 1. The first priority in altering the policy to more easily facilitate affordable housing construction is to expand its application by reducing the site area criterion. The Revised Large Sites Policy should apply to developments of 100 to 200 units and more instead of 5 hectares.*

Applying the policy to this size of development would affect almost all the condominiums in Liberty Village, both existing and future residential. Statistics in Chapter 3 (Table 2: Private Apartment Rental Units By Size, Toronto 2005) indicate that in 2005, 24 percent of rental units were in developments from 100 to 200 units and 36 percent of private apartment rental units were in developments over 200 units. A total of 60 percent of all private apartment rental units were in developments over 100 units. If condo developments have similar percentages to the private apartment

rental statistics, a large portion of Toronto housing could be affected by this alteration. Looking at the new construction in Liberty Village, almost all the condos built in the past 10 years have been over 100 units. Aiming the policy at this size of development has proved successful in a number of cities, including Vancouver and Montreal. Applying an inclusionary policy to developments of this size also effectively produces a considerable number of low-income units per individual project.

2. *The second priority is to address the application of the policy to developers seeking additional density and/or height from the standard allowance. The policy also needs to increase the quantity of units that it provides as a percentage of the total development units.*

Density bonuses are one of the most effective means of building affordable units. All the existing affordable housing policies in Canada rely on developer incentives such as density bonuses to enact their programs. According to 91 percent of programs in the United States, density bonuses are undoubtedly the most popular incentive (Calavita & Mallack 2010, 48). Using developer incentives is a useful tool to provide affordable housing without imposing a mandatory policy. Although cities should not have to rely on developers seeking additional density to build affordable units, this method proves to be effective. Method 6 scenarios in Chapters 7 and 8 highlighted that a large portion of residential development in Liberty Village surpassed the existing height and/or density restrictions. Since a great number of developments in Toronto are surpassing the height regulations, administering a policy that applies to buildings seeking additional density would be effective and a mandatory program would not be necessary to successfully produce units.

The 3D model sun shading diagrams in Chapter 8 also illustrate the inconsequential nature of the additional density created from inclusionary housing policies. The addition of 20 percent of the overall units does not lead to any severe concerns to the overall quality of the street, neighbourhood and natural light exposure. Ultimately, these towers will be built regardless of inclusionary policies so the additional density should at least produce affordable housing.

3. *The third priority is to address Section 37. The policy was enacted through Section 37 of The Planning Act and states that if an increase in density is sought that it will be allowed with the provisions of “community benefits”. Community benefits are determined by the City of Toronto and one of them is the provision of affordable housing.*

The Revised Large Sites Policy must make affordable housing a top priority through Section 37 or create a policy that is completely independent. In order to actually construct an effective number of units, the provision of low-income housing must be considered of higher importance than other “community benefits” for the City of Toronto. The City is not wisely or evenly allocating their funds from Section 37 benefits, and their priorities need to be reordered (Moore June 7th, 2012). As long as the Large Sites Policy relies on Section 37, its goals cannot be in-line with real inclusionary housing policies and the policy will continue to struggle, competing against a long list of other community “priorities”.

Recently, Toronto City Planning has stated “Toronto is not an as-of-right city” (OAA May 16th 2012, 2). This statement describes the current situation where Toronto’s zoning is purposefully created so as to require a vast number of developments to seek additional rights, which need to be negotiated and dissected by the City and Community. Often these negotiations result in the City gaining some benefit or payment. This type of system leads to biased and inconsistent approaches to city density and planning but is becoming the standard process of building (OAA May 16th 2012, 2). It is advised that the Large Sites Policy become independent of this process and Section 37 and develop its own clear regulations, which are not based on case by case bargaining with the City.

4. *The fourth revision for the Large Sites Policy addresses the developers’ choice of two on-site options: constructing the affordable units or dedicating a development parcel.*

The Large Sites Policy should be revised to prioritize the construction of the affordable units. There are already too many ways to avoid building low-income units through the Large Sites Policy. Once the policy is applied to a development, there should be strong requirements

compelling the production of the actual housing units. For donated parcels of land or off-site construction, there should be some control over the location (Drdla 2010). Setting parameters that the land or units must be within approximately 5km from the original site can ensure that the affordable units are not built in completely undesirable, isolated areas in the outskirts of the city.

5. *A final revision is that the Large Sites Policy should apply to both privately and publicly owned property.*

It is completely ineffectual and unrealistic for the policy to only affect publicly owned lands. Unless the policy applies to private developments, the program will usually only produce small amounts of affordable housing in one-off projects when the public land becomes available and a collaboration between a non-profit organization and the City occurs (Salerno, personal communication, February 28th, 2013). To make a substantial impact on the low-income housing stock in order to really address the issues of affordability and income segregation, the policy needs to have access to privately owned properties.

Examining the different portrayals of affordable unit density represented in the Liberty Village tests (a condensed slab of floors near the base of the building, evenly dispersed throughout the building, or a separate building) a mixing of affordable and market units within a single development should be favoured when revising Toronto's policy. Both Montreal and Vancouver's programs consistently build the units separately, but with many American policies the units are typically designed within the same building. In order to provide truly socially inclusive communities, it is important for residential segregation based on socioeconomic statuses to cease being the only form of planning. Considering the increase in density illustrated in the Liberty Village 3D scenarios, it is essential not to use this additional height as a deterrent and excuse not to use inclusionary housing programs. The policy's greatest impact will not be on the skyline of condominium towers, but on the ground at the level of the community.

It is important at this time to harshly assess the results of Toronto's first attempt at implementing an inclusionary housing policy. The Large

Sites Policy's failure to build any units in ten years indicates that the policy's criteria are so inaccessible that it is difficult to believe the policy ever really intended to be an effective tool to construct affordable units. If the City really wishes to induce change in the issues of affordability and income polarization, the existing policy needs to be revised so that it stands on its own as a tool to solely produce low-income housing.

There are many neighbourhoods in Toronto experiencing this unprecedented rise in condominium development, but this surge in construction may not continue for much longer. Although there has been a fairly steady quantity of housing completions from 2005 to 2012 (See Table 3: Toronto Condo Completions, 2005-2012) this growth is bound to subside in the near the future, due to market cooling, overbuilding, or an economic downturn. It is critical to revise the Large Sites Policy before the eventual decline in condo construction or there may not be another similar opportunity to create a significant impact in the stock of affordable housing.

With any revisions to the policy, it is important to test these revisions and make realistic goals for improving the existing affordable housing stock. The City needs to actively determine how many low-income units need to be constructed in the next 5 to 10 years in order to increase the supply, promote mixed-income communities and lessen economic segregation and exclusive planning. The policy then needs to be adjusted in order to fulfill these goals and make them a reality.

CHAPTER 10

AFFORDABLE HOUSING: FINAL DISCUSSION AND CONCLUSION

This chapter highlights the findings of this study and also draws attention to numerous areas in Toronto, similar to Liberty Village, that could easily benefit from revisions to the Large Sites Policy. There are many areas throughout Toronto that are undergoing massive residential growth and a number of industrial lands experiencing large-scale revitalizations. These areas are ideal for utilizing an effective affordable housing policy since a copious amount of housing is under constant production. Beginning now, even if a small percentage of all the housing growth in Toronto was allocated toward economically accessible homes, the affordable housing stock would noticeably increase. It would be prudent to inspire low-income housing to grow alongside the rapidly developing condo supply. Implementing a policy in which developments over 100 to 200 units seeking additional density are required to provide 20 percent affordable units would certainly begin to provide a realistic and powerful tool for new affordable dwelling construction.

10.1 APPLICABILITY TO THE CITY OF TORONTO

There are a several areas in Toronto that could greatly benefit from an effective inclusionary housing policy. There are many neighbourhoods experiencing this exceptional increase in condominium development along with a number of City-owned lands in the process of redevelopment. The quantity of these sites indicate that revising the Large Sites Policy to apply to large condominium developments could create a tremendous amount of affordable housing growth, and a large portion in the core of city.

1. NORTH YORK (CITY #1 & CITY #2)
Experiencing condo boom	4. LIBERTY VILLAGE (CITY #2)
42-acre industrial site rezoned for residential, experiencing condo boom	6. WEST DON LANDS (CITY #2)
City-owned lands undergoing redevelopment
2. YONGE & EGLINTON (CITY #1)
Experiencing condo boom	5. WATER FRONT (CITY #1 & #2)
City-owned lands undergoing redevelopment	7. PORT LANDS (NO DATA)
City-owned lands undergoing redevelopment
3. YONGE & BLOOR & BLOOR WEST VILLAGE (CITY #1 & CITY #2)
Experiencing condo boom		

Figure 70: Sites of Future Opportunity in the City of Toronto (image by author)

Information regarding neighbourhoods from (Salerno, personal communication, February 28th, 2013) & (<http://www.livedowntown.ca/map>)

The neighbourhoods and areas high-lighted are experiencing the full effect of the condo boom or are expected to undergo substantial redevelopment and residential construction.

The majority of these sites are in the First and Second City with good access to the major subway lines and in close proximity to the city's centre. If the Large Sites Policy were to be revised to include these neighbourhoods, there is the potential for an extremely large number of affordable units that could be constructed in desirable locations in the city with proper access to public services and amenities.

10.2 LARGE SITES POLICY: SUGGESTED REVISIONS

The following are the suggested Large Sites Policy alterations based on the case study comparisons with Vancouver, Montreal, and Davis' programs and the tests in the neighbourhood of Liberty Village:

1. The first priority is to change the site area and apply the policy to developments over 100 units seeking additional height and/or density.
2. The provision of 20% of the overall units will be provided as affordable, and the priority will be to build the affordable and market units in a single development.
3. The contributions may be in the form of on-site unit construction, off-site unit construction but within 5km of the original site, donations of land, or cash-in-lieu.
4. The construction of units will be prioritized and land and cash donations will be reserved solely for affordable housing and not for any other Section 37 city benefits.
5. The policy will apply to both publicly and privately owned lands.

These suggestions demonstrate the possibility for a policy with much higher standards than the current policy and would provide the greatest opportunity to leverage the current condominium boom to make a significant impact on the affordable housing stock in Toronto and community interactions and quality of life. These revisions portray the most desired program for Toronto, but it is understood that all of these alterations may not be achievable in one attempt and it may be necessary to enact such rigorous criteria through several intermediate steps or phases. In this case, the priorities should be to reduce the site area and detach the Large Sites Policy from Section 37. Looking at the various Liberty Village tests and the affordable unit production results, the remaining criteria can be tailored to the needs of the City depending on the desired housing production. The application to developments of 200 units with the provision of 10% of the overall units as affordable could be a realistic and suitable first step toward the ideal revisions stated above.

10.3 FINAL CONCLUSION

The aim of this study was to reveal whether inclusionary housing practices could be effectively used in Canadian cities and to decipher how Toronto's Large Sites Policy could become a capable tool to produce affordable homes and promote heterogeneous communities.

Canada would appear to foster a healthy and lively environment for encouraging mixed income communities and producing affordable housing in an inclusive manner. Unfortunately, other than the efforts in Vancouver and Montreal, there are few opportunities that allow for public policies to aid in the construction and distribution of low cost housing. Cities in Canada are becoming increasingly fragmented in the way in which income levels are dispersed. In Toronto, the economic segregation has become so extreme that the middle income areas are disappearing and the low-income areas are drastically growing while simultaneously being forced into the cities' peripheries, with poor access to public amenities (Hulchanski 2010). It is irresponsible planning and inconsistent with Canadian values of equality and fair-mindedness to allow for the wealthier communities to thrive in desirable areas of the city while the impoverished areas are left in isolation with unequal access to basic city facilities and services such as public transportation. It is of the utmost importance to address these issues and redirect efforts toward reversing these trends.

In Ontario, and in Toronto in particular, the efforts to develop affordable housing policies have not been successful. Toronto's Large Sites Policy has not been capable of constructing any units and is in need of many revisions in order to be productive and effect change in the affordable housing supply. The Large Sites Policy has overall been ill conceived and ultimately poorly monitored for an entire decade. Toronto's policy has made its regulations such that it only applies to a very limited range of sites, and if applied to a development, the number of affordable units produced would be a very low percentage of the overall units. The development size criterion needs to be reduced since the application to 5-hectare sites has proved to be completely fruitless. The original research and identification of these large sites in Chapter 4.1 demonstrated the restricted amount of available land along with the tendency to only be located in the Third City of low-income. To balance out the allocation of housing amongst people of different

socioeconomic backgrounds, Toronto's policy needs to be applicable to a fuller range of sites, evenly found throughout the city and in the core. If the policy had applied to large developments of 100 to 200 units throughout the condo boom during the last 10 years, extraordinary progress in affordable unit production could have been made. Chapter 4.2 calculations reiterate the tremendous loss of up to 15,278 unbuilt affordable units from failing to revise the policy to apply to more accessible forms of developments.

It is important for Ontario, and Toronto specifically, to look at other successful policies for inspiration. Existing policies that have constructed considerable amounts of affordable housing tend to be more strict and have more direct and straightforward regulations. In the United States, many programs are mandatory, and programs relying on developer incentives do not offer too many options to avoid building the units.

With regards to Liberty Village, the tests conducted with 3D modeling reinforce the substantial number of residential development currently occurring in Toronto. The Liberty Village scenario results indicate the high level of productivity of utilizing condos of 100 to 200 units. The results also visualize the speed in which many Toronto neighbourhoods are growing, which further stresses the need to act with equal rapidity.

The LVBIA's plans for the future of neighbourhood indicate a complete redevelopment of the entire western portion of the neighbourhood and suggest a continuation of growth and expansion. It is important to revise the Large Sites Policy promptly in order to seize the current opportunities of immense construction in Liberty Village.

There are vast numbers of neighbourhoods in Toronto experiencing this unprecedented rise in condominium development, but this surge in construction may not persevere for much longer. Although there has been a fairly steady quantity of housing completions in the past number of years, this growth is bound to subside in the near future. It is critical to revise the Large Sites Policy before the decline in condo construction or there may not be another similar opportunity to create a significant impact in the stock of affordable housing.

Figure 71: Condo Boom in the City of Toronto (http://www.flickr.com/photos/earl_reinink/6216318902/, edited by author)

Although existing American inclusionary zoning policies cannot simply be directly implemented to Toronto or other Canadian cities due to differences in government allowances, change must occur, and municipalities and provincial governments need to be given the authority to implement better policies to create more holistic, healthy communities. Cities should not have to rely on policies such as Section 37 to build affordable housing, and these programs should be able to exist as a program on their own. It is important at this time to harshly assess the results of the first attempt at implementing an inclusionary housing policy. In ten years of ample housing construction and building 79,572 condo units in the past seven years alone, the Large Sites Policy has failed to construct a single affordable unit. The policy's deficiencies indicate that the policy's criteria are so inaccessible that it is difficult to believe the policy ever really intended to successfully construct affordable units. If the City really wishes to induce change in the affordability issues and income polarization, the existing policy needs to be revised so that it is a complete and stand-alone tool to produce low-income housing.

With thorough revisions, Toronto's policy could produce ample

amounts of affordable housing and in desirable neighbourhoods in close proximity to the city's core. A renewed policy could also effectively reduce income polarization if low cost housing is evenly distributed throughout the city. Creating more economically heterogeneous neighbourhoods promotes healthier, more holistic communities, which do not exclude or discriminate against households with lower incomes.

With any revisions to the policy, it is important to test these alterations and make realistic goals for improving the existing affordable housing stock. The City needs to actively create affordable housing goals in order to increase the supply, promote mixed-income communities and lessen economic segregation and exclusive planning. The policy then needs to be adjusted in order to fulfill these goals and make them a reality. The policy suggestions listed in the previous chapter make light of a number of starting points for a discussion with Toronto's Policy and Planning Department along with other cities across Canada in need of inclusionary programs.

It is important for future research, to more thoroughly investigate the sites applicable to the policy - to look at the surrounding neighbourhoods, accessibility to transportation, moderately priced groceries, retail and entertainment, green spaces to ensure that the majority of affordable shelters are built in environments where low-income families can thrive. It is the hope that the creation of several key mixed income neighbourhoods in the core and in the First City areas could initiate a mixing of incomes in the rest of the city. With the re-introduction of low-income into high-income areas, more affordable amenities could be more evenly dispersed as well.

Other than looking solely at the number of units produced, it is difficult to measure the success of all the different goals of inclusionary housing programs. Social inclusiveness is a community quality that is difficult to quantify and accurately assess. With the implementation of inclusionary zoning programs and with adjustments throughout its application, regular monitoring needs to occur, which involves the communities' participation. Toronto's Large Sites Policy's lack of routine surveillance of the programs productivity has resulted in its continual poor performance.

As Hulchanski stated in his findings on *The Three Cities Within Toronto*, there is a clear indication of the importance of neighbourhoods and community life and their effects on overall well-being (Hulchanski

2010, 4). It is in the best interest of the City to strive toward objectives of social inclusion and the creation of healthy communities and it should be a strong priority to implement public policies that achieve these goals and promote a higher quality of life for all citizens. The sooner these types of policies are enacted; the sooner healthier, nondiscriminatory forms of city and community planning can emerge. Revising Toronto's policy is the first step toward these goals and developing a Canadian approach to inclusionary programs.

APPENDICES

APPENDIX A: ETHICS CLEARANCE FORM

Carleton University Research Office
Research Ethics Board
1325 Duntton Tower
1125 Colonel By Drive
Ottawa, ON K1S 5B6 Canada
Tel: 613-520-2517
ethics@carleton.ca

Ethics Clearance Form

This is to certify that the Carleton University Research Ethics Board has examined the application for ethical clearance. The REB found the research project to meet appropriate ethical standards as outlined in the *Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans, 2nd edition* and, the *Carleton University Policies and Procedures for the Ethical Conduct of Research*.

☒ **New clearance**

☐ **Renewal of original clearance**

Original date of clearance:

Date of clearance	13 February 2013
Researchers	Kara Robinson, Master's student
Department	Architecture and Urbanism
Supervisor	Prof. Shelagh McCartney, Architecture and Urbanism
Project number	13-1045
Title of project	Toward Inclusive Affordable Housing: Toronto's Large Sites Policy – Just a Formality?

Clearance expires: **31 May 2013**

All researchers are governed by the following conditions:

Annual Status Report: You are required to submit an Annual Status Report to either renew clearance or close the file. Failure to submit the Annual Status Report will result in the immediate suspension of the project. Funded projects will have accounts suspended until the report is submitted and approved.

Changes to the project: Any changes to the project must be submitted to the Carleton University Research Ethics Board for approval. All changes must be approved prior to the continuance of the research.

Adverse events: Should any participant suffer adversely from their participation in the project you are required to report the matter to the Carleton University Research Ethics Board. You must submit a written record of the event and indicate what steps you have taken to resolve the situation.

Suspension or termination of clearance: Failure to conduct the research in accordance with the principles of the *Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans, 2nd edition* and the *Carleton University Policies and Procedures for the Ethical Conduct of Research* may result in the suspension or termination of the research project.

Andy Adler, Chair
Carleton University Research Ethics Board

Louise Heslop, Vice-Chair
Carleton University Research Ethics Board

APPENDIX B: INTERVIEWS

INTERVIEW GUIDE

Title of research project: Toward Inclusive Affordable Housing: The Large Sites Policy – Just A Formality?

Researcher: Kara Robinson

Date of ethics clearance: February 13th, 2013

Ethics Clearance for the Collection of Data Expires: May 31, 2013

Interviewees:

1. **Tom Burr** (Toronto Community Housing, Director)
2. **Mark Salerno** (CMHC Corporate Representative)

Introduction:

1. Personal Introduction
 - I am currently in my 2nd year of my masters in Architecture at Carleton University
2. Introduction of the research project and the research objectives
 - My thesis is researching how the use of housing policies could create more mixed-income neighbourhoods in Toronto while providing a more substantial supply of new affordable housing. It looks at policies as a tool to reduce income polarization by including a percentage of lower income units within new market developments, creating a mix of income levels within a single dwelling (Examples of Inclusionary Zoning in the States/Housing in Canada). This project will focus on Toronto's *Large Sites Policy* and explores how the improvement of the policy could affect the city as a whole and begin to offer more opportunities for affordable housing in the core of the city.
 - With the substantial new condos, Liberty Village will be the site for testing adjustments to the policy
3. Inform participants of their rights
 - You may withdraw from the project any time before March 31st, 2013 (by contacting me through phone or email)
 - Your name and position of employment will be used within the research data. You will have the opportunity to request that certain responses remain non-attributable.
 - You may refuse to answer any questions if you feel uncomfortable
 - This interview will be audio recorded, but only I will have access to the recording and notes from our meeting.
 - Some of your comments will be included as part of the thesis' research findings, which will be presented and reviewed by the Architecture faculty at Carleton University at my final thesis defence.
4. Signature of participant's consent form

Categories and Topics of Interest:

1. Toronto's Large Sites Policy: The development, inefficiencies and methods of improvement
2. Inclusionary Housing Policies: The ability in Ontario, and Toronto in particular, to enforce housing policies and the private market's ability to accept them
3. Toronto's Condo Boom – Affordable Housing boom?

Question Guide:

1. Briefly describe your current work experience?
2. Describe some of your experience with affordable housing. What are your thoughts about how low-income housing is approached in Toronto?
3. In your opinion (from a marketing/developer point of view) do you think it's beneficial to have mixed income neighbourhoods and a variety of incomes within a building? What do you think are some of the barriers preventing this type of development from becoming more common?
4. In your experience do you think "Inclusionary Housing" programs (Using incentives to build a % of affordable units in market developments) would be effective in Canadian Cities and in the City of Toronto in particular with all the condo construction? Is this an ideal opportunity to create affordable units?
5. What do you think are some potential barriers preventing the use of the inclusionary housing policies?
6. Describe your experience with Toronto's Large Sites Policy. Can you elaborate on any particular reasons how it developed and do you have any thoughts regarding why it has not produced any affordable housing units?
7. In your opinion, how have Toronto Developers reacted to Toronto's Large Sites Policy? How do you think Developers would react to a policy where 10% to 15% affordable housing was applied to all housing developments over 200 units? Would this type of policy be easily accepted?
8. What types of incentives do you think would be necessary for developers to accept a policy where 10% to 15% affordable housing was included in their developments? Would density bonusing be the most effective?
9. Do you have any additional comments?

Concluding Remarks:

1. Thank participants
2. Allow time of post-interview discussion

B.2 CONSENT FORMS

Canada's Capital University

Consent Form

Title of research project: **Toward Inclusive Affordable Housing: Toronto's Large Sites Policy – Just a Formality?**

Researcher: Kara Robinson

Date of ethics clearance: February 13th, 2013

Ethics Clearance for the Collection of Data Expires: May 31, 2013

Dear Research Participant,

The research project **“Toward Inclusive Affordable Housing: Toronto's Large Sites Policy – Just a Formality?”** will be conducted by Kara Robinson, an Architectural Masters student at Carleton University in Ottawa, Ontario. The purpose of this research project is to investigate how the use of housing policies could create more heterogeneous cities in Canada while providing a more substantial and integrated supply of new affordable housing. The thesis focuses on city planning and housing policies, which aim to diminish income polarization and social exclusion. The policies researched center on reducing polarization through creating a mix of income levels within a single development and including a percentage of lower income housing in new market developments. This project will focus on the City of Toronto as a case study. An analysis of Toronto's existing *Large Sites Policy* will explore how the improvement of the policy could increase the supply of affordable housing units and foster an environment for mixed-income communities.

I intend to conduct my research through semi-structured interviews with the key members of Toronto's community involved with affordable housing. This will mainly include Toronto Developers, members of Toronto Community Housing and members of the City of Toronto's Planning and Policy Department.

This letter is to inform the interviewee candidates of the proposed research and what is to be expected during our meetings. The interviews will be scheduled at the participants' convenience and will be no longer than an hour. The questions will focus on the use of Inclusive Housing Policies in Canada, private developer incentives to produce affordable housing, the development of Toronto's Large Sites Policy and issues of income polarization in the City of Toronto.

As a research participant, you have the right to:

- Decline the interview
- Refuse to answer questions if you feel uncomfortable

- Participants may withdraw from the project at any time before March 31st, 2013; they may do so by contacting Kara Robinson through phone or email.
- There are no major perceived risks from participating in this interview. No physical, psychological, or emotional harm will come to participants. Please be aware that there will not be any compensation for this research study.
- Interviews will be scheduled at your convenience and your location of choice where you are most comfortable.
- Participants will not be video recorded or photographed. Your comments will be audio recorded and written during the interview. A digital file of the audio recording and notes taken will be stored on my personal external hard drive. This data will be stored until the completion of my thesis at Carleton University. I will be the only individual with access to the external hard drive. I will also be the only individual with access to your audio recording and notes of our meeting. Please be aware that some of your comments will be included as part of the thesis' research findings. The research will be presented and reviewed by the Architecture faculty at Carleton University at my final thesis defence.
- Your name and position of employment will be used within the research data. You will have the opportunity to request that certain responses remain non-attributable.

The research project has been reviewed and has received ethic clearance by Carleton University Research Ethics Board. Should you have any questions or concerns relating to your involvement in the research project you may contact the REB chair or vice-chair. Their names and contact information is as follows:

Professor Andy Adler, Chair
 Professor Louise Heslop, Vice-Chair
 Research Ethics Board
 Carleton University Research Office, Carleton University
 1125 Colonel By Drive
 Ottawa, Ontario K1S 5B6
 Tel: 613-520-2517 E-mail: ethics@carleton.ca

You may contact myself at the email and/or number provided below if you have any questions or concerns:

Kara Robinson
 Azrieli School of Architecture and Urbanism
 Tel: E-mail: kararobinson@carleton.ca

I Mark Salerno volunteer to participate in an interview for the study on the zoning and planning of affordable housing in Toronto, Canada.

Signature of participant

Feb 28 / 13
 Date

Signature of researcher

Feb 28th / 2013
 Date

- Participants may withdraw from the project at any time before March 31st, 2013; they may do so by contacting Kara Robinson through phone or email.
- There are no major perceived risks from participating in this interview. No physical, psychological, or emotional harm will come to participants. Please be aware that there will not be any compensation for this research study.
- Interviews will be scheduled at your convenience and your location of choice where you are most comfortable.
- Participants will not be video recorded or photographed. Your comments will be audio recorded and written during the interview. A digital file of the audio recording and notes taken will be stored on my personal external hard drive. This data will be stored until the completion of my thesis at Carleton University. I will be the only individual with access to the external hard drive. I will also be the only individual with access to your audio recording and notes of our meeting. Please be aware that some of your comments will be included as part of the thesis' research findings. The research will be presented and reviewed by the Architecture faculty at Carleton University at my final thesis defence.
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The research project has been reviewed and has received ethic clearance by Carleton University Research Ethics Board. Should you have any questions or concerns relating to your involvement in the research project you may contact the REB chair or vice-chair. Their names and contact information is as follows:

Professor Andy Adler, Chair
 Professor Louise Heslop, Vice-Chair
 Research Ethics Board
 Carleton University Research Office, Carleton University
 1125 Colonel By Drive
 Ottawa, Ontario K1S 5B6
 Tel: 613-520-2517 E-mail: ethics@carleton.ca

You may contact myself at the email and/or number provided below if you have any questions or concerns:

Kara Robinson
 Azrieli School of Architecture and Urbanism
 Tel: E-mail: kararobinson@carleton.ca

I Tom Burk volunteer to participate in an interview for the study on the zoning and planning of affordable housing in Toronto, Canada.

 Signature of participant

March 1, 2013
 Date

 Signature of researcher

MARCH 1st, 2013
 Date

APPENDIX C: LIBERTY VILLAGE CONDO DATA

Table 6: Liberty Village Condo Data - New Residential (2002-2012)

NEW CONDOS (2002-2012)	DEVELOPER	ADDRESS	UNITS	STOREYS	HEIGHT (M)	SECTION 37 AGREEMENT/ SURPASS HEIGHT OR DENSITY	COMPLETION
Battery Park (Block 3)	Monarch (1 st phase)	50 Lynn Williams	250*	23		*	Began 2004
ZIP Condos (Block 3)	Monarch (2 nd phase)	80 Western Battery	301	25		*	2011
Vibe (Block 3)	Monarch (3 rd phase)	100 Western Battery	250*	24		*	2012
Liberty Village Urban Towns (Block 1)	CanAlfa (1 st phase)	Gateway Park	464	4			2004
Bliss Condos (Block 2A)	CanAlfa	55 east Liberty St	276	20 & 10 (loft-style)		*	2011
Liberty Towers (Block 2A)	CanAlfa	59 East Liberty St	261	24		*	2011
Liberty on the Park (Block 5)	CanAlfa	69 Lynn Williams St	211	15	45		2013
Liberty Place (Block 7)	CanAlfa (IBI group)	150 East Liberty St	421	30	61	*	2014
Toy Factory Lofts (Block 4)		43 Hanna St	215	7		*	2008
King West Life (Block 11A/2B)	PlazaCorp	65 East Liberty St	1200	25	55	*	2013
Liberty Market Lofts	Lifetime (<i>Rudy Wallman</i>)	5 Hanna Ave	150*	14			2013

Total New Residential	3999 units
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* Data assumptions based on site visits

Table 7: Liberty Village Condo Data - Future Residential

FUTURE CONDOS	DEVELOPER	ADDRESS	UNITS	STOREYS	HEIGHT (M)	SECTION 37 AGREEMENT/ SURPASS HEIGHT OR DENSITY	COMPLETION
Liberty Market Tower	Lifetime	171 East Liberty St	291	32		*	
The Tower (Block 6)	Plazacorp	125 Western Battery	300*	26	70	*	2013
Tower East of Urban Towns		19 Western Battery	530	29	88	*	
Liberty Central (Block 2A)	CanAlfa	14/Strachan 51 East Liberty St	1033	25	76	*	2014*
A. R. Williams Machinery (Block 8)	Historical bldg. (Liberty Storage Warehouse)	130 East Liberty Street	250*		52		
2 Buildings West of Toy Factory Lofts		Liberty Street & Atlantic Avenue	200*		37*		
4 Buildings West & South of Police Station		Liberty Street & Hanna Avenue	350*		37*		
6 Buildings South West of Allan Lamport Stadium		Liberty Street & Fraser Avenue	800*		37*		
Total Future Residential	3754						

* Data assumptions based on site visits and LVBIA Master Plan

All Condo Data sourced from the following references: (David & Community Planning, Toronto and East York District May 10th, 2010, 1-36), (Liberty Village Business Improvement Area, August 23rd, 2012), (Tozcu 2013), (Wright & Community Planning, Toronto and East York District January 14th 2008, 1-3)

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