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November 27, 2020

Via Email Only
pec@london.ca

Attn: **Maureen Cassidy, Chair**
Planning and Environment Committee
300 Dufferin Avenue
London, ON N6A 4L9

Re: **Protected Major Transit Station Areas (PMTSAs) – Public Participation Meeting on November 30, 2020**

Through the Chair and to Members of the Planning and Environment Committee,

On behalf of Drewlo Holdings Inc., we would like to provide the following comments with respect to the *Protected Major Transit Station Areas (PMTSAs)* report (File: O-9208) submitted to Committee for the Public Meeting on November 30, 2020. We feel that the passing of an OPA to designate Protected Major Transit Station Areas (PMTSA) is premature without discussion of what Inclusionary Zoning (IZ) will look like in the City of London. For that reason, **we request that the Amendment be delayed until Staff has consulted with industry stakeholders. We suggest that direction for PMTSA and IZ should move forward concurrently.**

The *More Homes, More Choice Act* revised the ability to apply Inclusionary Zoning (IZ) in October 2019. Unlike previous legislation, Bill 108 limited Inclusionary Zoning to specific areas known as Protected Major Transit Station Areas (PMTSA). For this reason, the two items are connected and discussion/direction on one should not proceed until consideration has been given to the other.

Inclusionary Zoning (IZ) refers to zoning that requires a portion of new construction to be afforded by people of low or moderate incomes. Without proper consultation and implementation, Inclusionary Zoning can dramatically affect the financial viability of a project and housing costs within the City. It is important to note that the cost of development remains the same, whether the resulting unit will be affordable or market rate. When providing affordable units, the resulting difference is unfairly distributed across the remaining units of the development, which effectively increases the cost of housing in London.

In order to balance the 'cost' associated with the provision of affordable housing, there needs to be sufficient density. As was demonstrated through Bonusing, the successful provision of affordable housing **needs** to be offset by increases in height and density. However, unlike Bonusing - which allowed the Developer to negotiate the offset as well as the specifics of affordability - Inclusionary Zoning can be mandated for all new construction within the areas proposed to be designated as Protected Major Transit Station Areas. Without discussion regarding how Inclusionary Zoning will be implemented in London, the development community cannot determine if the heights/densities contemplated through the proposed Amendment will be sufficient.

There are so many factors of Inclusionary Zoning that are unknown at this time:

- What type/form/height of new construction within the proposed area will be subject to Inclusionary Zoning?
- What percentage of units will be required to be considered affordable?
- What does affordable mean in this context? As we all know there is a spectrum of affordability and a need within each area of that spectrum.
- Who will be responsible for the management of affordable units within the building?
- Does the responsibility change if the building is being constructed for rental or condo?
- How long will the units remain affordable?
- Where do the funds come from for the management and maintenance of affordable units?
- Is there the ability to transfer the requirement for affordable units to other projects in the City?

Without any discussion or consideration for the items noted above, and many others, Developers cannot begin to contemplate if the heights/densities proposed in the amendment will be supportive of the Inclusionary Zoning that will follow. Proceeding with the amendment at this time would result in unnecessary future amendments to the policies and could exacerbate affordability concerns, as hasty approval would result in increased prices for the remaining market units.

We look forward to working with Staff to create comprehensive and effective Inclusionary Zoning policies, and subsequently to reviewing (and potentially revising) this proposal in the future. We believe that a collaborative approach is the best path forward.

If there are any questions, please do not hesitate to contact this office.

Sincerely,
DREWLO HOLDINGS INC.



Carrie O'Brien, Land Planner

cc. Gregg Barrett, City of London
Mike Wallace, LDI
Lois Langdon, LHBA