

City of Toronto Proposed Changes to Securing Affordable Housing Through Section 37 Benefits: Does Affordable Housing For Some Make Housing More Expensive For Others?

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At its meeting of 2 October 2012, Toronto City Council approved the recommendations of the 16 August 2012 Planning Staff Report that the City update its policies on affordable housing by amending the City's Official Plan to:

1. recognize affordable ownership housing and to authorize affordable rental units to be located within a registered condominium, subject to certain conditions, as community benefits through the City's section 37 height/density incentives policies; and
2. provide more flexibility in the housing definitions in section 3.2.1.

According to the Staff Report, the Official Plan has helped to conserve the City's stock of affordable rental housing but has achieved little in the way of creating new affordable housing. To correct this, the City intends to look to developers to "offer more housing choice with better affordability." Recognizing affordable home ownership and releasing the previous prohibition on the provision of rental housing through registered condominiums are seen as effective tools in this effort.

As developers are generally at odds with the City's ever-expanding approach to section 37 benefits, they are not likely to embrace these proposed changes. Moreover, these additional costs of development are likely to be passed on to purchaser through higher market unit pricing, suggesting that those who are subsidizing affordable housing are not the City's citizens at large, but rather those who purchase market condominiums. In the author's view, these new policies

suggest a form of income redistribution within the building itself – giving a whole new meaning to “love thy neighbour.”