Jim Watson
Mayor Maire

CITY OF OTTAWA
110 Laurier Avenue West
Ottawa ON K1P 1J1
Tel: 613-580-2496 Fax: 613-580-2509
Jim.Watson@ottawa.ca
www.ottawa.ca

VILLE D'OTTAWA
110, avenue Laurier Ouest
Ottawa ON K1P 1J1
Tél : 613-580-2496 Téléc : 613-580-2509
Jim.Watson@ottawa.ca
www.ottawa.ca

May 27, 2019

Hon. Steve Clark
Minister of Municipal Affairs and Housing
17th Floor, 777 Bay Street
Toronto, Ontario M5G 2E5

Dear Minister Clark:

Re: City of Ottawa comments and request for changes to Bill 108

The purpose of this letter is to provide formal comments and requested revisions to Bill 108, which we understand is to proceed to the Standing Committee on Justice Policy as early as Friday, May 31, 2019. Given the short time available for comment, this correspondence has been approved by Planning Committee on May 23, 2019 but has not yet been approved by Council as a whole.

The City of Ottawa (the "City") supports the intent of "Ontario's Housing Supply Action Plan." In fact, the City has been proactive in addressing the local housing supply in the manner outlined in this provincial document. By working together through open dialogue and coordinated efforts, all levels of government will be better placed to address the overall supply of housing for all, and in particular the supply of affordable housing for those most in need. Bill 108 is an important step towards these goals; however Members of Council believe that there are a number of areas beyond this Bill that will also require further discussion and intergovernmental co-operations.

Attached you will find a detailed table of comments and requested amendments to the legislation (Attachment 1) that are technical in nature, and would streamline the operational implementation of the legislation. We sincerely hope that the Province will consider these minor amendments through the legislative revision period for Bill 108. Attachment 2 is staff technical analysis of the legislation for consideration by Ministry staff.

The City has also identified a number of significant concerns with specific aspects of the legislation. For this reason, we request that the Province take time to further consider the changes to Sections 3 and 12 of the legislation dealing with the Development Charges regime and the new Community Benefits Charges. We urge the province to remove these

amendments from Bill 108 so that the Province can undertake a more fulsome review with municipalities on how to achieve the Province's objectives in a manner that is operationally efficient and will not have any unforeseen negative impacts on medium and small municipalities.

We would also like to emphasize that some of the concerns related to the affordability of housing are not a province-wide phenomenon, and therefore, a one-size-fits all solution will have a disproportionate negative effect on municipalities outside of the Greater Toronto Area.

Below are Ottawa's main concerns:

- The Province appears to be putting measures in place to lower development charges in some areas of the province. However, it is Ottawa's position that our current development charges are reasonable, and they only represent between 5-7% of the cost of new housing. Development charges are legitimate charges required for growth to pay for growth. In the absence of reasonable development charges as a source of funding, the costs of growth will shift to the broader property tax base.
- Soft services represent less than seven percent of Ottawa's current Development Charges. Replacing soft services in the existing *Development Charges Act* with an administratively burdensome duplicate process, the Community Benefits Charge under the *Planning Act*, is in inefficient use of public resources and contrary to the spirit of streamlining operations. The City feels that if the Province took more time to consult with municipalities, the existing *Development Charges Act* could be modified in a number of ways to establish benchmarks for soft services to manage affordability, while avoiding duplication of process. Having said that, in Ottawa we feel our modest soft service charge is not a problem for affordability, particularly since it affords essential services to new and intensifying communities.
- Limiting the soft charges to a percentage of property values could have a very negative effect on municipalities in eastern, southwestern and northern Ontario where relative property values are much lower than in the GTA even though the costs of providing services are comparable.
- The City strongly objects to intermingling the parkland dedication and cash in lieu of parkland in this discussion of soft services in Development Charges/Community Benefit Charges. The current system works, and communities value these amenities as an essential component of quality of life. The development industry, in the City's experience, also recognizes the positive benefits to land values associated with the presence of green space in and near developing communities, which the current system provides efficiently. We urge the Province to withdraw those changes in the legislation.

- The City feels that existing Section 37 provisions are an appropriate tool for accruing community benefits in areas with rapid intensification, particularly for benefits that development charges would not necessarily cover. The City prefers that this regime be left intact, even if the Province would limit its application to situations where additional density is granted through an Official Plan Amendment (since the City understands that the Province may find it unreasonable to continue the current practice where Zoning is inconsistent with the Official Plan). Should the Province decide to remove the existing Section 37 provisions, the City would ask that the percentage of land value limit for Community Benefit Charges should be higher in situations where an OPA is granted for increased density.
- The City strongly opposes the timelines for spending the Community Benefit Charges (60 % within one year). The proposed timeline would significantly impact the type of project that can be funded and the scale of park and green space that could be developed.
- The Bill would limit the use of inclusionary zoning to designated Major Transit Station Areas or to provincially-designated Development Permit Areas. The City believes that implementation of inclusionary zoning is likely to focus on transit station areas in the near term, which is consistent with what is permitted under the proposed amendment. However, because the City has not fully studied the implementation of inclusionary zoning, it cannot rule out that areas outside of major transit station areas would also be appropriate candidates for inclusionary zoning in the mid- to long- term. The City prefers that this amendment be deleted from the Bill, so that it may retain discretion to apply inclusionary zoning more broadly, if appropriate, or in the alternative requests a mechanism to apply to the Ministry to include areas other than Major Transit Station Areas in the future without having to pursue a development permit process.

Finally, the City appreciates the intent of the amendments to the *Ontario Heritage Act* and we feel that they could add some beneficial process certainty. However, there are a few practical issues with the content of the legislation that would make administration extremely difficult. We have recommended a few modest amendments that will streamline the implementation at the municipal level.

We would be pleased to discuss our requests in further detail, and in that regard, I would be pleased to host a meeting to go through our comments in further detail. Should the legislation go before a standing committee of the Legislature for review, the City also intends to request an opportunity to make representation.

Sincerely,

Jim Watson
Mayor
City of Ottawa

City of Ottawa, 110 Laurier Avenue West, Ottawa, ON K1P 1J1 Ville d'Ottawa, 110, avenue Laurier ouest, Ottawa (ON) K1P 1J1

Attachment 1: Requested Amendments to Bill 108 from the City of Ottawa

A. New Development and Community Benefits Charges Regimes

Comment	Proposed Change
1. The City urges the Province to delete the portions of Schedules 3 and 12 of Bill 108 which would remove the ability to collect development charges on so-called "soft" services and introduce a new Community Benefit Charge regime.	Remove from Bill 108 those sections which would amend Subsections 2 (3), and (4), 5 (1) through (5), of the *Development Charges Act*, being specifically the following sections of Bill 108, Schedule 3: Section 2, Section 3 except subsection 3 (4), Section 11, and Subsections 13 (3)(4), and (5), with transition provisions to be amended accordingly as required. AND Remove sections of Schedule 12 to Bill 108 that create a "Community Benefits Charges" regime to replace "soft service" development charges, parkland dedication/cash-in-lieu of parkland, section 37, specifically: Section 9, 10, 12, 15, and Subsections 17 (1) and (5)

Rationale: These proposed changes would remove the ability to collect development charges on soft services (i.e. those which are currently subject to a statutory 10% reduction) and replace this with a "Community Benefits Charges" (CBC) regime, under the re-enacted section 37 of the *Planning Act*. The City does not at this time have full information about the proposed CBC regime, but it appears that these changes would have significant impacts. The creation of a new, parallel CBC regime to replace the system that was previously captured under soft service development charges will create duplication of administrative resources. Placing a cap on CBC charges to land value will create further administrative complexity as the City will be forced to respond to "payments under protest" and the ensuing arbitration process (new subsection 37 (13)). Both of these factors will lead to a significant revenue impact on the City. Further the amendments have the potential, depending on the prescribed maximum rate for the purposes of subsection 37 (12), to shift growth-related costs (for example, corporate studies used to pay for the Infrastructure and Transportation Master Plans) from development charges to the property tax base. These "soft" service charges form a significant part of City revenues used to fund park and other critical infrastructure; In 2018, the City received approximately $32 million for soft services.

The City urges the Province to withdraw or delay this portion of Bill 108. The City submits that the Province should take more time to consult with municipalities on appropriate ways to contain growth-related costs for soft services. If development charges in some areas of Ontario are perceived to be too high, it would be far more effective to introduce new rules in the existing Development Charges legislation rather than introducing a parallel process. That said, the City believes that growth should continue to pay for growth and that its current soft services charges are reasonable and well-justified charges tied to growth.

If the Province is committed to proceeding in spite of Ottawa's opposition, we urge the Province to consider the following comments in the alternative to Comment 1:

Alternative Comment	Alternative Change
1.1 Remove the maximum cap on Community Benefit Charges or alternatively ensure that municipalities are consulted in setting such maximum rates to ensure that they do not result in a shift of the cost of growth to taxpayers.	Remove proposed section 37 (12) of the *Planning Act* by deleting it from subsection 9 of Schedule 12 to Bill 108

Rationale: The maximum rate of land value that is to be prescribed for the purposed of Community Benefit Charges has not yet been made public. The City is not aware of a policy rationale for tying the share of soft servicing charges to land value – for example, the City is not aware of evidence that properties with lower land values necessarily contribute less to the usage of "soft" services, per dwelling unit. If these maximum rates are set at a level where they would have the effect of reducing the total charge payable for such services, these services would not be fully funded and the deficit would have to be made up by the taxpayer. This is not consistent with the principle that growth should pay for growth.

Alternative Comment	Alternative Change
1.2 Remove subsection 37 (27) from the proposed legislation - the requirement to spend 60% within one year.	Remove proposed subsection 37 (27) of the *Planning Act* by deleting it from subsection 9 of Schedule 12 to Bill 108

Rationale: Bill 108 would require municipalities to spend or "allocate" 60% of monies received as community benefits charges on an annual basis. This poses a significant planning restraint on municipalities such as Ottawa. Depending on how the word "allocate" is defined, which is not clear, it could hinder multi-year planning for larger projects and inefficient spending.

Alternative Comment	Alternative Change
1.3 Retain a separate parkland dedication (or cash-in-lieu) provision and exclude parkland dedication from the Community Benefit Charge.	Retain current section 42 (Conveyance of Land for Park Purposes) of the *Planning Act* by deleting section 12 from Schedule 12 of Bill 108. AND Amend subsection 37 (5), as currently proposed in Bill 108, to add new paragraph 1.1: 1.1 Conveyance of land for park purposes or cash-in-lieu thereof which could otherwise be obtained through a by-law made pursuant to section 42 (1). AND Remove subsections 12 (1) through (12) inclusive of Schedule 12 of Bill 108.

Rationale: Parkland dedication should not be viewed as competing with other soft services for budgeting priority (which would be the case if the maximum CBC amounts were exceeded and thus soft servicing growth was not fully funded by CBC revenues). Both community members (who enjoy access to parklands) and the development industry (who benefit from increased property values) should agree that preservation of parklands should continue to be a priority.

Alternative Comment	Alternative Change
1.4 Retain the existing section 37 height/density bonusing by-law tool, independent of any Community Benefits Charge regime, or in the alternative provide for a higher maximum cap on Community Benefits Charges in situations where an Official Plan amendment is granted for increased height or density.	Preferred: Retain current section 37 of the *Planning Act* and re-number the new Community Benefits Charges provisions in Schedule 12 to Bill 108 accordingly. OR (if preferred change, above, is not adopted): Through regulation, prescribe a higher maximum cap on Community Benefits Charges in situations where an Official Plan amendment is granted for increased height or density.

Rationale: • The City feels that existing Section 37 provisions are an appropriate tool for accruing community benefits in areas with rapid intensification, particularly for benefits that development charges would not necessarily cover. The City prefers that this regime

be left intact, even if the Province would limit its application to situations where additional density is granted through an Official Plan Amendment (since the City understands that the Province may find it unreasonable to continue the current practice where Zoning is inconsistent with the Official Plan). Should the Province decide to remove the existing Section 37 provisions, the City would ask that the percentage of land value limit for Community Benefit Charges be higher in situations where an Official Plan amendment is granted for increased height or density.

B. Comments on the return to the pre-Bill 139 regime for certain *Planning Act* appeals

Schedules 9 (*Local Planning Appeal Tribunal Act*) and 12 (*Planning Act*) reverse many of the changes to the procedure and grounds for appeals from new Official Plans and Zoning By-laws, Official Plan Amendments, Zoning By-law Amendments, and certain Plan of Subdivision appeals. Ottawa City Council has not adopted a consensus position on these changes at this time. More time should be taken to consult on the changes contained in these sections to Bill 108.

C. Comments on the remainder of Bill 108

Schedule 3 (Other Development Charges Act specific amendments):

Comment	Proposed Change
2. The City supports the addition of "Waste Diversion" services as a service for which no statutory 10% reduction applies.	If the proposed change in Comment 1 above is accepted, retain section 1 (Waste Diversion definition) and implement the following change to Schedule 3 to Bill 108 to preserve this effect: **Subsection 5 (5) of the Act is amended by adding the following paragraph:** 7.3. Waste Diversion Services.

Rationale: The amendment will allow the City to collect full amount of increases in costs for waste diversion, an important cost related to growth.

Comment	Proposed Change
3. While they will create short-term cash flow challenges, the City does not oppose	None. ▪

the provisions providing for payment of development charges in six installments for certain uses (rental housing, institutional, industrial, commercial, and non-profit housing).	

Rationale: These changes will have a cash flow impact on the City's collection of development charges, such as for water and waste water services that must be built in advance of development. However, these changes should not effect total collections over time given that the City may collect interest. The City has an interest in promoting non-profit and purpose-built rental housing. There may be an economic development benefit to deferrals of charges for industrial and commercial uses.

Comment	Proposed Change
4. The Bill should specify the time period – the City recommends three years as the upper limit – for the purposes of new subsection 26.2 (5) of the Act in that subsection, rather than prescribing a time period in the regulations.	Replace subsection 26.2 (5), which is currently proposed to be enacted by s. 8 (1) of Schedule 3 to Bill 108, with the following: **Exception, three years elapsed** (5) Clauses (1) (a) and (b) do not apply in respect of, (a) any part of a development to which section 26.1 applies if, on the date the first building permit is issued for the development, more than three years has elapsed since the application referred to in clause (1) (a) or (b) was approved; or (b) any part of a development to which section 26.1 does not apply if, on the date the development charge is payable, more than three years has elapsed since the application referred to in clause (1) (a) or (b) was approved.

Rationale: Bill 108 provides that if a development is subject to site plan approval, the development charge rate will be determined as of the date of the application for site plan approval. Should the development not be subject to site plan approval, the date for the determination of the amount of development charges is the date of an application for a zoning by-law amendment. If neither of these two apply, it would be the date of the issuance of a building permit.

New subsection 26.2 (3) to the *Development Charges Act* would permit interest on the charge and subsection 26.2 (5) which provides that after a prescribed time has elapsed, development charges are calculated as of the date of the first building permit.

Even with the new subsection 26.2 (5) expiry provisions, linking the applicable development charge rates to the timing of site plan or zoning applications will fundamentally alter the matching principle by which growth-related expenses over the by-law period are required to be matched with the revenues generated by the fees. Inevitably, a significant discrepancy in timing will develop that will impact the City's ability to deliver the capital projects that were the basis for the development charge calculation.

A wide range in timing gap between zoning and building permit issuance and the impact on revenues makes for difficulties in long-range capital planning and forecasting DC revenues.

There should be a mechanism in place to require applicants to pay their development charges as quickly as possible rather than to be allowed to submit an initial application and then wait several years to obtain their first building permit. The City will also have to develop a new tracking system to administer the complex process.

Comment	Proposed Change
5. The Act ought to provide legislative authority to register Section 27 agreements (agreements for early or late payment of development charges) on title.	Amend Schedule 3 of Bill 108 to provide: **Section 27 of the Act is amended by adding the following subsection:** (4) A party to an agreement under this section may register the agreement or a certified copy of it against the land to which it applies.

Rationale: Other agreements authorized by the Act are permitted to be registered on title, such as front-ending agreements. Registration will serve the dual purpose of preserving a municipality's interest in the deferred payment and notifying subsequent owners of the outstanding charge in respect of the property, of which they may not otherwise be aware.

Schedule 5 (Endangered Species Act):

Comment	Proposed Change
6. Further consultation is required, in particular with respect to the changes to section 18 (dealing with authorizations/permits under other legislation) of the Act in order for the City to fully understand how the proposed changes will impact City operations and interests, if at all.	Consult further with municipalities and other stakeholders.

Rationale: At this time the City does not have information about which other regulated activities will be prescribed for the purposes of re-enacted section 18 of the Act. The City is concerned that the proposed changes to Section 18 of the Act may enable future downloading of responsibility for endangered species protection onto the City, if the Province later decides to make *Planning Act* approvals into "regulated activities" under the ESA (i.e., the City's planning approval would essentially also constitute approval under the ESA). This would place greater pressure on our planners to ensure that species at risk were appropriately considered and thereby potentially increase the administrative costs and processing time of such applications.

Schedule 6 (Environmental Assessment Act):

Comment	Proposed Change
7. The City supports the amendments which prevent low-risk "Schedule A" and "Schedule A+" municipal projects from being subject to Part II Order requests.	None. The City supports this amendment.

Rationale: While the City is interested to see the regulations that will fully implement the amendments to Class Environmental Assessments, it supports preventing Schedule A and A+ municipal projects from being subject to Part II order requests. This should streamline the EA process and low-risk municipal projects.

Schedule 11 (Ontario Heritage Act):

Comment	Proposed Change
8. In order to make the procedure for listing a property in the Heritage Register under re-enacted section 27 (3), the City suggests adopting changes to the proposed procedure to prevent repeat council consideration of the same proposal and increase efficiency.	Amend section 6 of Schedule 11 to Bill 108 such the re-enacted section 27 of the *Ontario Heritage Act* provides a process whereby: 1. The Municipality shall provide initial notice of the municipality's intention to designate a property pursuant to s. 27 (3) to the owner and any other prescribed party, along with supporting information, 2. After a minimum of 20 days have passed from service of notice, the municipality shall hold a statutory public meeting at which all interested parties may make oral or written submissions; 3. After holding a public meeting, Council shall consider submissions and if satisfied may list the property pursuant to s. 27 (3); 4. Any party that made a written or oral submission may appeal the decision to list under subsection (3) to the LPAT. In the alternative: Amend current subsection 6 (7) of Schedule 11 to Bill 108 by adding the words "within thirty days of receipt of a notice under subsection 6 (5)," after the word "shall," such that the amended subsection 6 (7) reads: **Objection** (7) The owner of a property who objects to a property being included in the register under subsection (3) shall, within 30 days of receipt of a notice under subsection 6 (5), serve on the clerk of the municipality a notice of objection setting out the reasons for the objection and all relevant facts.

Rationale: The current proposed procedure for listing of properties in the Heritage Register would require two Council approvals – one to determine to list the property after

which Notice is served, and one to consider an objection to the Notice. A more efficient process is suggested above which would provide notice prior to the final determination of the listing, an opportunity to participate in a statutory public meeting prior to a decision by council, and appeal rights to the LPAT. This is similar to the procedure for adoption of heritage conservation district plans or for zoning by-law amendments under the Planning Act.

In the alternative, if the procedure for listing of properties in the register currently described in Bill 108 is retained, the City notes that there is no provision for a timeline within which an objection must be brought. This creates uncertainty for municipalities as listings would always be subject to challenge. Thirty days is suggested as it is consistent with other such timelines in the Act (e.g. s. 29 (5))

Comment	Proposed Change
9. If all *Ontario Heritage Act* designation appeals are to be forwarded to LPAT in the future, members with expertise in cultural heritage should be appointed to the Tribunal	Consider adopting a policy of appointing LPAT members with specific expertise in heritage matters.

Rationale: The current Conservation Review Board members have expertise in cultural heritage resources and Regulation 09/06. Staff would comment that if all Ontario Heritage Act appeals are to be forwarded to LPAT in the future, members with expertise in cultural heritage should be appointed to the Tribunal. The representative from the MTCS mentioned that the intention was to seek such members, but there was no clear commitment.

Comment	Proposed Change
10. The City recommends procedural changes to the objection and appeal process with respect to decisions to designate a property under proposed section 29, to prevent repeat council consideration of the same property designation.	Amend subsections 7 (4), (5), and (6) of Schedule 11 to Bill 108 such the re-enacted section 29 of the Ontario Heritage Act provides a process whereby: 1. The Municipality shall provide initial notice of the municipality's intention to designate a property pursuant to s. 29 (1) to the owner and any other prescribed party, along with supporting information, 2. After a minimum of 20 days have passed from service of notice, the municipality shall hold a statutory public meeting at which all interested parties may make oral or written submissions;

	3. After holding a public meeting, Council shall consider submissions and if satisfied may designate the property pursuant to s. 29 (1); 4. Any party that made a written or oral submission may appeal the decision to designate the property under subsection (1) to the LPAT.

Rationale: As noted with respect to the comment on the procedure for listing a property on the heritage register per subsection 27 (3), the process for designation under subsection 29 (1) as currently proposed is unnecessarily cumbersome. Implementing a process such as that outlined above would be considerably less costly in terms of public resources and would still achieve the Province's goals with respect to this section of the bill, in the City's view.

Comment	Proposed Change
11. Interpretation of the new Heritage Conservation District (HCD) provisions should be clarified, as it is unclear whether the intention is to describe the attributes of every heritage building in an HCD. If so, this change should be avoided as it would create a substantial burden to update existing HCD descriptions.	Clarify the intent of sections 18 and 19 of Schedule 11 to Bill 108 and provide for appropriate transition provisions.

Rationale: The proposed Section 41(1) 3 implies that HCD Plans must include a description of heritage attributes for every property in an HCD.

Subsection 41.1 (5) sets out what a HCD Plan shall contain. Ottawa, and other municipalities, have long interpreted subsection (c) of that subsection to require that the HCD Plan set out a list of properties in the district and a list of heritage attributes applicable to the district. Ottawa's HCDs are drafted based on that interpretation, predominately. Revisions to these plans to include this "heritage attribute" information about individual properties would be a costly and time-consuming undertaking. In the interim, properties in HCDs could be at risk if their attributes have not been specifically defined in the applicable HCD Plan.

Comment	Proposed Change
12. The City requests that the Province either delete the new subsection 29 (1.2) which creates an obligation to issue a Notice of Intention to Designate within 90 days of a prescribed event, or alternatively provide a generous transition period to permit the City to bring its procedures into compliance with this new requirement.	Preferred: Delete subsection 7 (3) of Schedule 11 to Bill 108, which would have added a new subsection 29 (1.2)

Rationale:

New section 29(1.2) of the proposed legislation requires that issuance of a Notice of Intention to Designate a property under Part IV of the Act must be issued within 90 days of a "prescribed event" occurring.

Though information about which events will be prescribed is not yet available, it is the City's understanding that the Province is considering including certain *Planning Act* applications such as those for plans of subdivision, official plan amendments and zoning by-law amendments. The linking of designation to *Planning Act* applications will put pressure on staff to proactively designate properties rather than work with property owners to consider development and heritage issues. The limited time frame will hinder the ability of municipalities to find solutions that protect the resources and allow development concurrently.

If the Province chooses to proceed with this approach notwithstanding the City's comment above, the City requests that a generous transition period be provided before subsection 29 (1.2) would come into effect, to permit the City to implement significant policy changes required to protect heritage resources.

Schedule 12 (Other Planning Act-Specific Amendments):

Comment	Proposed Change
13. The City supports the intent of the amendment, but the City requests that it be changed so that the City can choose to permit either a secondary unit or a coach house, but prohibit both, in those areas of the City where it would appropriate.	Replace subsection 2 (1) to Schedule 12 to Bill 108 with the following: **Additional residential unit policies** (3) An official plan shall contain policies that authorize the use of additional residential units by authorizing one or both of, (a) the use of two residential units in a detached house, semi-detached house or rowhouse; or

	(b) the use of a residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse.

Rationale: The City already permits "secondary dwelling units" in detached, linked-detached, semi-detached or townhouse dwellings in most residential zones. However, where a secondary dwelling unit is located on a lot, neither a garden suite, coach house, nor any rooming units are currently permitted on that lot.

The amendment would require the City to permit *both* a second dwelling unit and an ancillary detached dwelling unit (such as a coach house) in all zones. While the City supports the intent of the amendment, permitting single dwelling unit lots to become lots with three dwelling units may not be appropriate in all areas of the City. The amendment suggested above would not preclude the City from permitting additional secondary units in those areas of the City where this increased density is appropriate.

Comment	Proposed Change
14. The City requests that the Province retain the existing wording of section 16 with respect to inclusionary zoning, in order to maintain long-term planning flexibility.	Delete subsection 2 (2) of Schedule 12 to Bill 108.

Rationale: The amendment would limit inclusionary zoning for municipalities like Ottawa (which are not prescribed for the purposes of subsection 16 (4)) to Major Transit Station Areas only. Previously the City had the option to adopt inclusionary zoning policies anywhere within the municipality.

The City appreciates the policy rationale for encouraging affordable housing near transit and intends to encourage this in our Official Plan. However, the City has not yet fully studied the potential impacts of the inclusionary zoning tool, and cannot confirm that limiting inclusionary zoning to *only* Major Transit Station Areas is the preferred approach.

While section 70.2.2 provides the ability to designate a development permit area subject to inclusionary zoning responds to the City's concerns articulated in this comment, implementing a development permitting system would be administratively more complicated and costly than an official plan amendment and would result in less flexibility being afforded to municipalities to respond to the requirements for inclusionary zoning. For that reason, the City supports removing this amendment.