

INCLUSIONARY ZONING IMPLEMENTATION GUIDELINES

Integrated City Planning

October 2026

BRAMPTON

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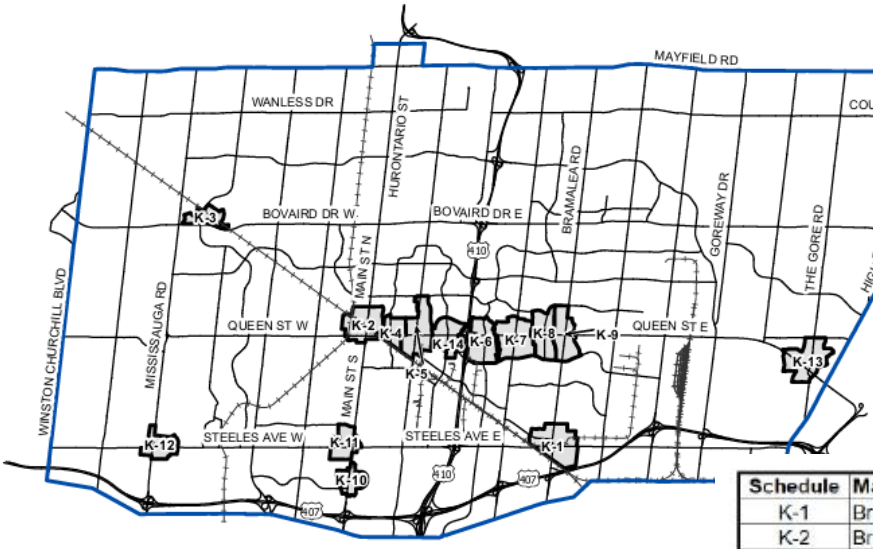
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01 INTRODUCTION

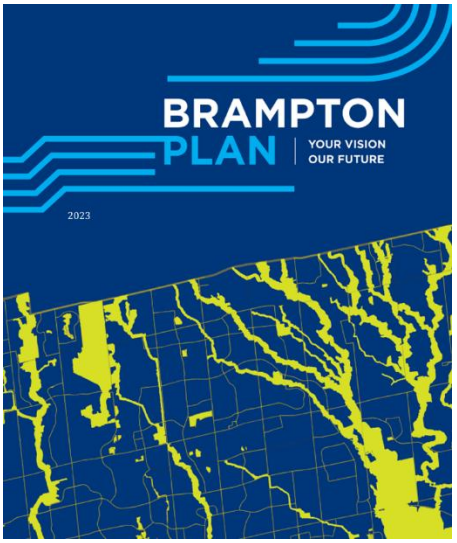
On April 11, 2018, the Province of Ontario passed Ontario Regulation *232/18*, amending the *Planning Act* (subsection 16(4) and section 35.2) to enable municipalities to implement Inclusionary Zoning (IZ). This legislation permits municipalities to require through their Official Plans and Zoning By-Laws that new residential developments within Protected Major Transit Station Areas (PMTSAs) include a fixed percentage of affordable housing units targeted to mid-range income households.

IZ is a planning tool designed to create affordable housing options within new residential developments, promote mixed-income communities and address affordable housing shortages, particularly for mid-range income households. In Brampton, IZ applies within the City's 14 PMTSAs where there is a high demand for housing and intensification due to transit accessibility.



Schedule	Major Transit Station Area
K-1	Bramalea GO
K-2	Brampton GO
K-3	Mount Pleasant GO
K-4	Centre St.
K-5	Kennedy
K-6	Laurelcrest
K-7	Dixie
K-8	Central Park (Bramalea Terminal)
K-9	Bramalea
K-10	Ray Lawson County Court
K-11	Gateway Terminal
K-12	Steeles at Mississauga
K-13	The Gore
K-14	Rutherford

The City of Brampton Council adopted By-Laws 39-2026, 40-2026 and 41-2026 on February 25, 2026, implementing the City's IZ policies. The new IZ policies and by-laws will apply to development applications within the City's PMTSAs, received on or after January 1, 2028, with 50 or more residential units.



These guidelines complement the *Planning Act* and its supporting policies. Although the City policies and by-laws jointly establish the locations and scale to which the IZ applies, the policies do not address the delivery of IZ affordable housing, unit mix household eligibility, maintenance of the affordable units, and marketing.

These guidelines work in conjunction with the IZ policies found in Brampton Plan and supporting IZ by-laws. Staff will update Council every two years as per *O. Reg 232/18* once the IZ program is in effect. The guidelines will be updated periodically to ensure the program is delivered efficiently and effectively, respond to the housing needs of moderate-income households in the City of Brampton and address any legislative updates.

02 KEY STAKEHOLDERS & RESPONSIBILITIES

The success of the IZ program depends on the collaboration between the following parties. Below describes the roles and responsibilities of each party involved in the program.

City of Brampton (COB)

- Designates Protected Major Transit Station Areas (PMTSAs) where IZ units are to be delivered
- Establishes and amends IZ policies to deliver IZ units adapting to the housing market conditions
- Identifies the number of IZ units required from the developer during the development phase
- Coordinates with the Region of Peel to get annual income thresholds for the IZ program
- Publishes the eligibility requirements and income thresholds on the City's IZ webpage
- Prepares legal agreements with the developer to secure IZ units
- Monitors the IZ units to ensure compliance with the IZ requirements over the length of the program
- Updates Council on a regular basis regarding the program's progress and reports to the province as outlined in the IZ regulations
- Maintains enforcement authority through municipal by-laws and agreements to ensure compliance with the IZ program

Region of Peel (ROP)

- Maintains a dedicated webpage and other communication channels to advertise all below market housing opportunities and provide clear information on unit specifications and application requirements
- Screens, prioritizes and matches applicants to the IZ units in accordance with the income thresholds, municipal priorities, and the Region's occupancy standards.
- Provides a shortlist of eligible applicants to the developers or property managers to support their tenancy screening processes
- Works with the City of Brampton to prepare a Memorandum of Understanding (MOU) to share data regarding the IZ program
- Manages unit turnover by securing tenancies of existing IZ units that have become vacant
- Monitors units to confirm the IZ units are fulfilling the program requirements

- Reports to Region Council on program activity/outcomes, key performance indicators/metrics, applicant demand, unit availability, recommendations for program adjustments and resource needs

Developers & Property Managers

- Works with City staff to determine the number of IZ units to be secured as part of the development applications submitted within the PMTSAs
- Enters into legal agreements with the City securing and delivering the IZ units
- Leases IZ units to eligible tenants/households
- Conducts tenancy screening, including credit checks and landlord references
- Complies with program requirements set by the local municipality
- Provides data and reporting to the City and/or ROP on an annual basis as required and submits annual statutory declarations confirming the IZ units satisfy program requirements
- Submits building plan(s) to the City illustrating IZ unit access and advises the City of vacancy notices and unit turnover on a regular basis



Non-Profit Housing Organizations

- The developer and/or property manager may lease to or enter into a long-term referral agreement with a non-profit housing provider to address the housing needs of lower income households to self-administer units where capacity is demonstrated subject to municipal oversight.

03 IMPLEMENTATION PRINCIPLES

The following principles apply during the planning and development review process, with the exception of purpose-built rental housing and condominium developments:

- ✓ The proposed development represents good planning supporting the creation of diverse, mixed-income communities
- ✓ Results in affordable housing units built and available for moderate income households
- ✓ Below are the City's criteria to rollout the IZ program:
    a) The implementation of the IZ requirements will be gradually phased in starting on **January 1, 2028**, unless indicated otherwise by a market assessment to be completed in Q3 2027.
    b) Table of IZ set-aside rates in PMTSAs

Inclusionary Zoning Area	2026	2027	2028	2029	2030
K-1 Bramalea GO	0%	0%	1%	2%	3%
K-2 Brampton DT GO	0%	0%	2%	3%	5%
K-3 Mount Pleasant	0%	0%	1%	2%	3%
K-4 Centre Street	0%	0%	1%	2%	3%
K-5 Kennedy Road	0%	0%	1%	2%	3%
K-6 Laurelcrest	0%	0%	1%	2%	3%
K-7 Dixie Road	0%	0%	2%	3%	5%
K-8 Central Parkway Drive	0%	0%	2%	3%	5%
K-9 Bramalea Road	0%	0%	1%	2%	3%
K-10 Ray Lawson	0%	0%	1%	2%	3%
K-11 Gateway	0%	0%	2%	3%	5%
K-12 Steeles Ave & Mississauga Road	0%	0%	1%	2%	3%
K-13 Gore Road	0%	0%	1%	2%	3%
K-14 Rutherford Road	0%	0%	1%	2%	3%

*** The bolded Inclusionary Zoning Areas represent Urban Centers where higher concentrations of residential growth and mixed-use opportunities are expected***

*** IZ set aside rates are subject to change following the 3-year period in the initial phase of implementation (2028-2030) based on market conditions***

- ✓ IZ units will be secured on the subject property. Off-site units for the subject property will not be accepted.
- ✓ Cash-in lieu of the IZ units will not be accepted.
- ✓ Developer is responsible for setting aside the IZ units for each building to be constructed.
- ✓ The applicant is responsible for working with Policy Planning staff at site plan submission to determine the number of affordable units and mix that are required to set aside as part of the development within the PMSTAs.
- ✓ IZ units must be identified on the site plan drawings prior to the drawing being approved/stamped by the Director of Development Services and Design.
- ✓ The developer is required to enter into a legal agreement with the City identifying the IZ units prior to building permit issuance.
- ✓ The implementation of IZ requires collaboration amongst all parties involved in delivering affordable housing units.
- ✓ The progress of the IZ program will be informed by ongoing monitoring and periodic financial assessment based on provincial requirements at a minimum.
- ✓ If necessary, amendments to the IZ policies will strive to balance the need for affordable housing with the changing market realities and allow for the housing developers to adequately plan for future requirements.
- ✓ The IZ units will be secured in an agreement registered on title to the applicable lands pursuant to Section 35.2 (7) of the *Planning Act.*
- ✓ Affordability Framework: Affordability standard is defined as a household with a total gross annual income within the fourth to sixth income deciles.
- ✓ Affordability levels for IZ units may be secured at varying affordability levels, including 100% or 125% Average Market Rent (AMR).
- ✓ Period of affordability: IZ units are to remain affordable for a period of 25 years from the date of the IZ unit is occupied for the development in compliance with *O. Reg 232/18.*
- ✓ Condominium developers can choose to provide IZ units either through rental or ownership tenure.
- ✓ The development is encouraged to provide a mix of bedroom sizes (i.e. one, two and three bedrooms) for the IZ units.
- ✓ IZ units shall be indistinguishable from the market units with shared access to the building, access to building services and amenities on the same terms and conditions as residents of market units.
- ✓ All IZ units shall have access to the same equal use and enjoyment of all building amenities and services. No restrictions, requirements, or rules shall be imposed on IZ units that are not imposed on market units.
- ✓ If amenities, services, upgrades, ownership or rental of parking spaces and other facilities are offered as an option at an upfront and/or recurring cost or fee to the market units, such amenities, services or upgrades shall be made available to the IZ units at the same (or lower) upfront or recurring cost. If there is no cost or fee

charged to the residents of the market units, there shall not be a fee/charge to the residents of the IZ units.

- ✓ If available within the proposed development, storage lockers shall be provided and made available to residents of the IZ affordable housing units on the same terms and conditions as residents of the market units.
- ✓ Indoor and outdoor amenity space must be provided in accordance with the zoning by-law(s) and shall be made available for everyday use by residents of the IZ affordable housing units on the same term and conditions as residents of the market units.
- ✓ Residents of IZ affordable housing units may be charged reasonable and customary charges for the private booking of a party room, guest suite, or other similar services and amenities, but only if such charges do not exceed the amounts charged to residents of the market units.
- ✓ IZ affordable housing units shall include as many universal design features as possible to create housing that is suitable for individuals and families of all ages, abilities, sizes, and stages of life.
- ✓ Maximum monthly rent – to provide affordable rents, the maximum monthly rent will be determined by the applicable renter household income decile in the year which the initial lease is entered into with the current tenant. The maximum monthly rent shall be inclusive of utilities, condominium and occupancy related fees.
- ✓ If the proposed development contains one or more condominium dwelling units and the IZ affordable rental units are proposed, the Owner shall, at the time of registering a description under the *Condominium Act*, convey easements of the defined term and at a nominal cost to the owner of the IZ affordable rental units to the satisfaction of the Commissioner of Planning, Building and Growth Management.



04 FINANCIAL INCENTIVES

Any development applications that is subject to IZ affordable housing requirements shall not be eligible for the City's financial incentives or subsidies, except as mandated through provincial legislation.

05 EXCLUSIONS

Inclusionary Zoning requirements within PMTSAs will not apply to the following:

- ✓ Any development or redevelopment applications deemed complete by the City on or before December 31, 2027;
- ✓ Developments or redevelopments of less than 50 units;
- ✓ Purpose-built rentals;
- ✓ Supportive Residential Housing Types 1 and 2, residential care homes, community housing, retirement communities, special needs housing, subsidized housing, lodging homes and single room occupancies;
- ✓ Region of Peel or Peel Housing Corporation projects;
- ✓ A building which will be owned or operated by a non-profit housing provider where the non-profit housing provider has one hundred percent interest;
- ✓ Legally existing buildings established prior to December 31, 2027, except where any addition or extension to, or change of use within, a legally existing building results in 50 or more new dwelling units;
- ✓ Exemptions in accordance with the *Planning Act*, associated regulations *O.Reg* 232/18, and any other exemptions noted in the Official Plan and Zoning By-Laws.

Note: Rental developments that are registered as a condominium, or rental buildings that cease to meet the definition of purpose-built rental within PMTSAs, will be subject to IZ requirements and will be required to enter into a legal agreement with the City.

06 BUILDING DESIGN



The Ontario Building Code requires that fifteen (15) percent of apartments in a multi-unit residential apartment building include barrier-free accessibility features. Accessibility requirements shall be distributed proportionally throughout market and IZ units. Developers are encouraged to, where possible, provide a higher proportion of accessible units than required by the Building Code, and/or ensure that all IZ units are adaptable to enable future retrofits to include accessibility features if needed.

07 TENURE OF INCLUSIONARY ZONING UNITS

IZ units secured through a (re)development within the City's PMTSAs do not have to be in the same tenure as market units. Condominium developers can choose to provide IZ units as either ownership or rental tenure.

Purpose-built rental developments are not subject to IZ requirements

Ownership Units

- ✓ Affordability period – 25 years (*O.Reg 232/18*)
- ✓ Maximum Sale Price –Condo $535,613 COB (TREB) / $605, 964 Peel (TREB) 2026 ** *Note: The maximum sale price of IZ units will be updated on an annual basis and posted to the City's IZ webpage***
- ✓ Marketing IZ units – ROP
- ✓ Expression of Interest and Selection – ROP
- ✓ Screening Applicants – ROP/Developer
- ✓ Resale Process and Price Increases – ROP
- ✓ Agreements Registered on Title – COB
- ✓ Timing of Occupancy – at the time of building permit occupancy (COB/Developer)

Maximum Sale Price of IZ Units

To provide a range of affordable prices, the maximum prices will be determined based on the applicable size of the unit (number of bedrooms) and the applicable income decile of Brampton (refer to IZ webpage).

Ownership IZ units may be subject to requirements for ongoing contributions to common expenses and maintenance fees that are required by the owners of market units based on the size of the IZ unit.

Resale Process and Price Increases

Ownership IZ units may be sold to eligible purchasers or title transferred to one or more immediate family members, spouses, or partners during the 25-year affordability period. Should an IZ unit owner(s), or their executor(s), wish to sell the IZ unit and/or transfer title during the 25-year affordability period, they shall first inform the City and the Region of the desire to sell/transfer title to the unit.

Where the owner is proposing a title transfer, the City or Region shall ensure that the transferee satisfies all current applicable household eligibility requirements.

Where the owner is proposing to sell the IZ unit, the owner shall submit an IZ unit resale plan to the City and the Region for review and approval satisfying the IZ Market requirements noted below and a copy of the condominium declaration.

The City and/or the Region may verify the contents of the IZ unit resale plan, through site inspection or otherwise (i.e. inspection by qualified professional), prior to advertising and marketing IZ unit.

Net Proceeds

The City shall receive a portion of the net proceeds from all sales of an ownership IZ unit during the affordability period, as an administrative fee, and the first market price sale after the affordability period, as a reinvestment in affordable housing.

The resale price of the unit during the 25-year affordability period will be capped at the original affordable purchase price, plus annual allowable increases benchmarked to the Consumer Price Index.

The City will receive no more than 20 per cent of the net proceeds of the sale of an affordable ownership housing unit sold during the 25-year affordability period, equivalent to no more than 2 per cent of the sale price, for administration fees, with net proceeds determined based on the difference between the purchase price and the resale price of the affordable ownership unit.

For the first market price sale beyond the affordability period, the City will receive fifty percent (50%) of the net proceeds (the difference between the purchase price and the resale price of the ownership IZ unit, less any legal, administration or real estate commission fees) of the sale.

Rental Units

✓ Condominium developers who choose to provide rental IZ units may:
- Own and operate the rental IZ units in a registered condominium;
- Own the rental IZ units in a registered condominium and secure an approved third-party operator to oversee the rental IZ units; or
- Sell the rental IZ unit to a non-profit organization (note: the required set-aside would still be at the rental discounted rate despite being sold as the units will operate as rental IZ units throughout the affordability period and not to be owned by households).

✓ In all cases, the parties will be required to enter into (an) agreement(s) securing the rental IZ units for the duration of the affordability period to the satisfaction of the City. Any agreement(s) between the owner and a third party must be entered into prior to the execution of the owner's agreement with the City.

✓ Affordability period – 25 years

✓ Maximum Monthly Rental Fees (as per CMHC data 2024) ***Note: Monthly rental fees will be updated on an annual basis and posted on the City's IZ webpage***
- 1 Bedroom $1,682 (COB) / $1,714 (Peel)
- 2 Bedroom $1,909 (COB) / $1,917 (Peel)
- 3+ Bedroom $2,024 (COB) / $2,054 (Peel)

✓ Marketing IZ units – ROP

✓ Expression of Interest and Selection – ROP

✓ Screening Applicants – ROP / Developer

✓ Annual Rent Increases – COB / ROP

✓ Agreements Registered on Title – COB

✓ Timing of Occupancy – COB

Affordability Period

Rental IZ units shall be maintained at affordable rents for a minimum period of 25 years calculated from the date of first occupancy.

If a rental IZ unit becomes vacant and is re-rented to a new tenant during the initial 25-year affordability period, the rent (inclusive of all utilities), condominium, maintenance, occupancy or related fees for the new tenant shall be no higher than the City's current affordable rent threshold based on the size of the IZ unit.

If the rental IZ unit becomes vacant in accordance with a notice of termination from the tenant, or an agreement between the landlord and the tenant to terminate, after the 25 years of the affordability period, and the unit is re-rented to a new tenant, the rent for the new tenant may be at the market rate.

A rental IZ unit may only be sold to a household at the end of the 25-year affordability period. If the owner is facing hardship and must sell the IZ rental unit at any point during the 25-year affordability period, it must seek City approval. If sold, the rental IZ unit(s)

must continue to serve as affordable rental housing, subject to the standard terms and conditions for the entirety of the affordability period.

Maximum Monthly Rent

To provide a range of affordable rents, the initial maximum monthly rent will be determined by the applicable renter household income decile and the year in which the initial lease is entered into with the current tenant. The maximum monthly rent shall be inclusive of utilities, condominium, maintenance, occupancy and other related fees.

The current maximum monthly rent will be posted annually on the City's website.

Rent Increases

The rent charged to a household occupying a rental IZ unit may increase on an annual basis by no more than the provincial guideline, as set out in Section 120 (2) of the *Residential Tenancies Act*, for the duration of such household's tenancy, irrespective of whether the rental unit is exempt from rules relating to rent pursuant to Section 6.1 (2) of the *Residential Tenancies Act*.

If a rental IZ unit becomes vacant and is re-rented to a new tenant during the initial 25 years of the affordability period, the rent for the new tenant shall be no higher than the City's current affordable rent threshold based on the size of the IZ unit (number of bedrooms).

08 ADMINISTRATION

Developer is responsible for owning and operating the IZ during the affordability period. The IZ units may be sold as a rental block to rental housing providers or transfer units to a non-profit housing provider to own/operate the IZ units.

Delivery of IZ Units

The delivery of IZ units will occur at the same time, or in advance of, associated market units. Cash-in-lieu of the provision of affordable housing is not permitted, as per Section 35.2 (6) of the *Planning Act*.

Legal Agreements

Standardized legal agreements will be prepared and executed for each development application requiring the delivery of IZ units.

A Memoranda of Understanding (MOU) with the Region may be executed between the City and Region to define respective requirements of sharing data and/or responsibilities pertaining to IZ program.

Household Eligibility Requirements for Owner/Rental of IZ Units

To be eligible for a IZ unit, a household shall, at the time of application to lease and initial occupancy of an IZ unit, satisfy the following requirements:

- ✓ At least one member of the household shall be 18 years of age, or
- ✓ A member 16 or 17 years of age and no longer living with a parent.
- ✓ Each member of the household shall be either:
  - Canadian citizen
  - Permanent resident of Canada or temporary resident who has applied for permanent resident status
  - Refugee claimant or Convention refugee
- ✓ The household's gross annual income shall be no greater than the 6th income decile for the applicable renter or ownership households in Brampton. Household income will be determined using the most recent Revenue Canada's Notice of Assessment for each household member. Where a Notice of Assessment is not available, the household will be required to provide other documentation sufficient to determine the household's gross annual income.

Conflict of Interest Restriction:

- No member of the household may be related (including kinship, business, or close personal relationship) to any person with a current or former interest in the land or development.
- Households must currently be renting their housing and no individual in the household shall own, in whole or in part, any form of residential real estate in Canada or abroad.
- The household must occupy the IZ unit for the duration of the lease. No member of the household shall rent a room or any part of the IZ unit as a long-term or short-term rental. Any rental activity would lead to the tenant/ household becoming ineligible to occupy the IZ unit.

Marketing of Ownership/Rental IZ Units

Region of Peel will be coordinating the marketing of IZ units on behalf of the City of Brampton. Homeowners/tenants for the IZ Units would be living or working in Brampton, are on Peel's central wait list or currently reside in community housing and are within the 4th and 6th income deciles.

At least 6 (six) months prior to the first occupancy of any IZ unit, an IZ access plan shall be submitted to the City for review. The IZ access shall, at a minimum, identify the following:

- Building location (address and nearest intersection)
- Building amenities (i.e. storage lockers, vehicles and bicycle parking)
- The number of IZ units by bedroom type, including the number of fully accessible IZ units and the estimated time of occupancy
- The initial rent of each IZ unit, including any adjustments for utilities that would be included in the rent, and any other additional charges (i.e. storage, parking, condominium fees) available to the IZ unit residents
- Description of unit amenities (i.e. appliances, laundry)
- Any unique project considerations such as, proposed partnerships with one or more non-profit housing providers

Protocols and Screening of Tenants

The Region of Peel will be administering and coordinating the selection of tenants for the IZ units.

09 ENFORCEMENT

Enforcement will be conducted in accordance with the IZ Agreement(s) and in accordance with applicable City By-Laws. The Region will report non-compliance concerns to the local municipalities as information is collected through monitoring and compliance program. The City will work with IZ operator to bring the IZ unit back into compliance with the requirements registered on titled. If the IZ unit is not brought back into compliance with the IZ program the IZ operator is subject to paying fines in accordance with Part VII, General, Section 67, Penalty of the *Planning Act.*



10 ANNUAL REPORTING

IZ Ownership Units

For ownership IZ units, the respective homeowner shall submit an annual declaration to the City or designate, confirming that they occupy the unit and it is their household's primary residence. If the unit has been resold or title transferred to an immediate family member in the preceding year, the declaration shall indicate the effective date and resale price. The City and/or Region shall review the annual declaration to ensure compliance with the applicable agreement(s) between the owner and City.

IZ Rental Units

For multiple rental IZ units under single ownership, the owner shall submit an annual report to the City, or its designate, verifying all IZ units under their ownership are in compliance with the City's IZ requirements. Annual reports and rent rolls shall be provided to the City, or its designate, to confirm the total occupancy cost by bedroom type of each IZ unit. Rent rolls shall include a detailed report of turnover and occupancy dates for each IZ unit. The City and/or Region shall review rent rolls to ensure rent increases comply with the applicable agreement(s) between the owner and City.

For individual rental IZ units that are under single ownership, the owner shall submit an annual declaration to the City and/or Region, verifying that all the IZ units under their ownership are in compliance with the City's IZ requirements. The declaration shall include the total occupancy cost by bedroom type, turnover and occupancy dates, and household information details, where appropriate.

11 MONITORING

The City will be responsible for monitoring the IZ program in delivering affordable ownership and rental housing units and mitigating the negative impacts on the housing supply. IZ policies and supporting by-laws will be informed by ongoing monitoring and periodic financial impact assessments to create and maintain affordable housing stock without negatively impacting overall development activity.

The City will, as per the *Planning Act*, undertake the following requirements:

- Complete an assessment report update within five (5) years of the date of the most recent updated assessment report as described in *O.Reg 232/18* and Section 16(10) of the *Planning Act*.
- Prepare an IZ status report for Council at least every two (2) years as described in *O.Reg 232/18* once the IZ requirements are implemented.