



Co-operative Housing Federation of Canada  
Fédération de l'habitation coopérative du Canada

January 19, 2026

Planning and Housing Policy Branch  
13th floor, 777 Bay Street  
Toronto ON

**RE: Proposed amendment to Ontario Regulation 232/18 - Inclusionary Zoning**

Thank you for the opportunity to provide feedback on the proposed amendment to Ontario Regulation 232/18 - Inclusionary Zoning (IZ). CHF Canada represents more than 550 non-profit housing co-operatives in Ontario, home to over 125,000 people who live in a good quality, community-based mixed-income community. As a member-based organization, our housing co-operatives support and urge all orders of government to act on Ontario's housing challenges and build more affordable housing.

We are writing to share our concerns regarding the proposed amendment to the regulation to pause the implementation of IZ so that proposed developments with a complete application for a zoning by-law amendment, site plan approval, or a building permit on or before July 1, 2027 would not be subject to it. Our concern is that once this housing is built, the opportunity for lasting inclusive affordability is gone forever. Instead of pausing the implementation of inclusionary zoning, the province should investigate ways to financially support these new affordable units, remove the 25-year limit on affordability and create permanently affordable homes.

Ontario's housing system is failing to meet the needs of all residents<sup>1</sup>. The province has committed to build 1.5 million homes by 2031. To have real impact, we know a significant

---

<sup>1</sup> United Way Greater Toronto and CHF Canada. August 2025. *Built for Good: Delivering the Housing Ontario Needs*. <https://www.unitedwaygt.org/our-work/public-policy-and-mobilization/built-for-good/>



portion of those homes need to be built at shelter costs that people can actually afford. As of 2025, it was estimated that 301,340 households were waiting for subsidized housing in Ontario and more than 85,000 were known to be experiencing homelessness<sup>2</sup>.

Market conditions have made it more challenging for many developments to build in the recent period, but the need for affordable housing has increased. The Government of Ontario responded to the current economic context with the May 2025 amendments to reduce the affordability period to 25 years and set a 5 per cent cap. The further delay of the Inclusionary Zoning regulation would have a detrimental impact on creating the affordable housing units that communities need. A better step for the province than either of these actions would be to financially support the development of these affordable units and ensure they end up in a co-op or non-profit in perpetuity.

Investing in affordable housing during a period of private sector retrenchment is an economic lever that has been used successfully by Canadian governments of all stripes. Most recently during the 2008 recession, governments used affordable housing investment to shore up confidence in the real estate market, protecting jobs in vital industries while creating long-term community assets. Ontario has the opportunity to do the same thing today.

It is worth noting that a number of CHF Canada's member housing co-ops in Toronto were created as turnkey projects by private developers to meet their affordable housing requirements at the time. If these homes were subject to a 25-year affordability period in the private market, they would no longer be affordable options for families, seniors, and individuals who need lower cost housing. These homes remain a valuable part of Ontario's rental housing supply because they have remained as co-op housing.

Ontario needs to continue to boost its overall housing supply, and the province can do so by supporting such projects that are at risk of cancellation. Rather than delaying inclusionary zoning for proposed developments in the Protected Major Transit Station Areas (PMTSAs), the province should come to the table with funding for the affordable units. These ideal transit-connected areas are prime locations to add significant density and affordability, and many such projects will boost Ontario's economy.

If implemented properly, inclusionary zoning has the potential to be an important source of new affordable homes - including co-op homes. It is imperative that the province and

---

<sup>2</sup>AMO, NOSDA, and OMSSA. January 2026. *Municipalities Under Pressure One Year Later: An Update on the Human and Financial Cost of Ontario's Homelessness Crisis* <https://www.amo.on.ca/policy/health-emergency-and-social-services/homelessness-crisis-ontario-continues-worsen>



municipalities use the tools available – like inclusionary zoning – to address serious housing needs in our communities. Strong provincial, municipal, private, and community sector partnerships are needed to deliver the housing Ontario needs.

---

### **About CHF Canada**

The Co-operative Housing Federation of Canada (CHF Canada) is the national voice of co-op housing, representing over 2,200 co-operatives, home to a quarter of a million people in every province and territory. In Ontario, alongside the five regional co-op housing federations, we represent more than 550 non-profit co-ops, home to approximately 125,000 people. For over 50 years, co-ops have provided good quality, affordable housing owned and managed by the community members who live there.

---

For more information please contact:

Simone Swail,  
Senior Manager, Government Relations  
CHF Canada  
416-605-4432  
[sswail@chfcanda.coop](mailto:sswail@chfcanda.coop)