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| To: | **Committee of the Whole** |
| Agenda Section: | Corporate Services |
| Division: | Engineering, Planning and Environment |
| Department: | Planning |
| Item Number: | **CCW - 2022-097** |
| Meeting Date: | April 12, 2022 |
| Subject: | Ontario Housing Affordability Task Force Report Review and a review of the Legislative Policies and Tools to Increase the Supply of Housing |

## Recommendation

That Item CCW-2022-097, dated April 12, 2022 regarding County planning staff's preliminary analysis of various provincial initiatives to increase the supply and affordability of housing, be received; and

That County staff work with local municipal planning staff to inform a County Planning response to the Environmental Registry of Ontario postings regarding increasing the supply and affordability of housing prior to the deadline of April 29, 2022, as generally outlined in CCW-2022-097; and

That a consultant be hired to assist with developing a Simcoe County-specific Attainable Housing Strategy as generally outlined in Item CCW-2022-097; and

That Item CCW-2022-097 be forwarded to all of the lower-tier member municipalities, for information.

## Executive Summary

The purpose of this report is to provide a high-level overview of current housing attainability issues in Ontario, and Simcoe County specifically, as well as potential solutions to these issues in the form of tools, programs and policy actions. The first section of the report discusses the recently released Ontario Housing Affordability Task Force Report recommendations and the potential implications for Simcoe County. The second section of the report provides an overview of current proposals posted for comment on the Environmental Registry of Ontario (ERO) related to increasing the supply and affordability

of housing in Ontario. County planning staff intend to engage with our local municipal planning colleagues to distill the proposals and determine an approach for providing a Simcoe County-specific response through the ERO consultation. The third section evaluates existing legislative tools that can be used to increase the supply of housing in Simcoe County. The fourth section of the report briefly outlines the recent release of the 2021 Census Data on population and growth in an effort to more clearly understand the importance of increasing the supply of housing in Simcoe County.

Simcoe County-specific attainable housing policy actions and tools will need to be developed and implemented to increase the supply of housing of various built forms and densities. These actions will support Simcoe County residents with their financially attainable housing needs. Addressing attainable housing will assist with workforce needs within the County.

In the fifth and final section of this report, staff are recommending that a Simcoe County-specific Attainable Housing Strategy be developed to assist in determining what tools, policies, and actions are needed to address market housing attainability for Simcoe County residents. The Strategy will provide guidance and direction on increasing the supply and attainability of market-housing in Simcoe County.

**Background/Analysis/Options**

**Section 1: Ontario Housing Affordability Task Force Report Review**

A nine-member Task Force was convened by the Provincial government in December 2021 to explore ways to increase the supply and affordability of market housing in Ontario. The Task Force's mandate was to "explore measures to address housing affordability, including increasing the supply of market housing, reducing red tape and accelerating timelines, and supporting economic recovery and job creation". After consulting with 140 organizations and individuals, the Task Force released a recommendation report on February 8, 2022 (attached as Schedule 2). The Report provided fifty-five recommendations or options that the provincial government could pursue to address housing affordability in Ontario and accelerate the process to get more housing units approved and built.

The Task Force's recommendations, hereinafter referred to as the Recommendations, are grouped into themes which are:

1. require greater density;
2. reduce and streamline urban design rules;
3. depoliticize the process and cut red tape;
4. fix the Ontario Land Tribunal (OLT); and,
5. support municipalities that commit to transforming the system.

It is important to note that the Task Force's mandate did not extend to providing recommendations to increase the supply of affordable housing units that are provided at

below-market rates with government support. The Task Force report acknowledges that below-market housing is an extremely important issue, but one that is being addressed through other provincial initiatives.

The Recommendations are aimed primarily at actions that will result in the most market housing units approved and built in the shortest time but also include recommendations that deal with issues that may take more time to resolve or that may have an indirect impact on housing supply.

According to the Task Force's findings, the average price to purchase a house in Ontario was $923,000 at the end of 2021, whereas the average price in 2011 was $329,000. Average house prices have increased 180% while the average incomes of Ontario residents have grown approximately 38%.

County planning staff note that subsequent to the release of the Task Force recommendation report, on March 30 the province has begun consultations through the Environmental Registry of Ontario (ERO) on proposed legislation to assist in increasing the supply and affordability of housing in Ontario. An overview of the province's current consultation proposals through the ERO is included as Section 2 to this report.

While most of the proposed changes through the current ERO posting are not directly tied to the recommendations in the Task Force report, the province has indicated that the Task Force findings do represent the long term intentions and roadmap for addressing housing supply in the province. In that regard, County planning staff have reviewed the Task Force's report and recommendations to determine potential implications and impacts for the County and its 16 member municipalities. The Recommendations in the Task Force's report are extensive and, in some cases, have the potential to significantly alter the way that housing is approved and built in Ontario, and Simcoe County specifically. County staff will continue to monitor current and future Provincial actions on the Recommendations alongside planning staff at the local municipalities.

Please refer to Schedule 1 for a table of all the Ontario Housing Affordability Task Force Report Recommendations with County Planning staff's preliminary perspective on implications to the County and whether there is a level of support for the various Task Force recommendations.

Theme 1 - Require Greater Density/Making Land Available to Build

The recommendations in this theme focus on modernizing and updating zoning permissions to accelerate the process of getting housing units built.

**Eliminating Exclusionary Zoning**

Exclusionary zoning refers to the use of zoning to exclude certain types of land uses from a given community, often in favour of large single detached dwelling lots. Common examples of exclusionary zoning include minimum lot size requirements, minimum square

footage requirements, prohibitions on multi-family homes, and limits on the height of buildings.

Some of the key recommendations related to the elimination of exclusionary zoning are to:

- Permit four-unit, four storey tall residential buildings, as-of-right (in other words, as a legal entitlement without further Planning Act approvals), in areas currently zoned for single-detached dwellings only
- Modernize the Building Code to permit more affordable building practices that are currently not permitted
- Permit as of right conversion of underutilized or redundant commercial properties to residential or mixed use
- Permit as of right garden suites, secondary suites, laneway housing etc.
- Permit as of right multi-tenant housing
- Allow unlimited height and density in immediate proximity to major transit station areas within two years if municipal zoning remains insufficient to meet provincial density targets
- Allow as of right zoning of six to 11 storeys with no minimum parking requirements on any streets utilized by public transit

Permitting as-of-right conversion of commercial properties for residential development could have implications on the County's ability to protect jobs for Simcoe County residents. Loss of commercial land can lead to pressure for more conversion of employment lands, which are critical in achieving the job growth forecast of close to 90,000 by 2051 as directed by the Growth Plan. Currently, whether a property is part of the County's employment land supply is determined at the local level through official plans and zoning by-laws. While industrial uses historically predominate the employment land supply in Simcoe County, there are a number of commercial lands that are important for the Simcoe County employment base. As-of-right conversion of these properties could have a negative impact on the local municipality's, and County's availability of jobs for residents. This then perpetuates the problem of Simcoe County residents needing to commute out of their Towns/Townships and/or the County for employment. It is appropriate to assess conversions of employment lands on a case by case basis and the decision to re-designate and/or re-zone these properties should remain at the local/County level through a transparent and justifiable Planning Act process.

The recommendation of permitting as-of-right unlimited height and density around major transit station areas if density targets are not met, would only apply to Bradford and Innisfil, as these two municipalities are the only ones within the County of Simcoe with existing and planned GO Train Stations. Planning staff have concerns with removing the local decisions and secondary plan work that would have gone into planning for these areas. This recommendation would also eliminate the ability of these municipalities to utilize Community Benefit Charges under Section 37 of the Planning Act for permitting higher densities and/or building heights.

Further, the recommendation regarding as-of-right increased height and no parking requirements for “streets utilized by public transit” should not extend to streets and/or designated stops along the County’s LINX transit system. Many of the streets with LINX transit designated stops are within rural areas along arterial roads based on this regional transit system. Therefore, urban development permissions should not necessarily apply to these rural areas. Similar to County planning staff’s opinion on other Task Force recommendations, the local planning professionals and decision makers need to be able to implement the recommendation in a way that reflects the on-the-ground local realities.

The recommendation to permit as-of-right four unit, four-storey residential buildings in established low density residential areas has the potential to erode existing neighbourhood fabric and put extreme pressures on existing servicing infrastructure, public service facilities and roads. These changes should be assessed on a case by case basis and only permitted where it has been determined that the increased density can be appropriately supported, and where the character of the neighbourhood would be maintained.

Theme 2 - Reduce and streamline urban design rules

Staff is particularly concerned in regard to removing urban design and heritage preservation as these are critical to effective space making and are short sighted with long term implications. The key recommendations related to the streamlining of urban design in the Province are:

- Repeal or override municipal policies, zoning or plans that prioritize preservation of the physical character of a neighbourhood
- Exempt site plan approval and public consultation for all proposals of 10 residential units or less that conform to the official plan and only require minor variances
- Establish Province-wide zoning standards for things like minimum lot sizes and heights and maximum setbacks
- Exclude finishes, colours and other design details from the site plan approval process
- Eliminate minimum parking requirements
- Require mandatory delegation of site plan approval and minor variances to staff, without the ability for a Council to withdraw delegation
- Prohibit bulk listings on municipal heritage registers or reactive heritage designations in response to Planning Act applications
- Require municipalities to compensate property owners for loss of property value as a result of heritage designation
- Restore the right of developers to appeal official plans and the MCR official plan amendments (OPA).

Currently, County Council has delegated the authority for approval of draft plan of subdivisions and condominiums, as well as all associated approvals (extensions, red line revisions, part lot control etc.) to the Director of Planning. It should be noted, however, that the authority to refuse a draft plan of subdivision or condominium remains with County Council. Through the County’s Land Use Planning Service Delivery Review a

recommendation has been made to consider delegating approval of some site-specific OPA applications to local municipalities.

In December 2021, the Province passed Bill 13 - Supporting People and Businesses Act, which now allows municipalities to delegate Section 34 (i.e. zoning) approvals to staff. The delegation can only be for those by-laws which are minor in nature such as the removal of a Holding Symbol or to authorize the temporary use of land, buildings or structures (i.e. a garden suite). Before matters may be delegated, official plan policies would need to be developed to establish the type of minor zoning by-law amendments that may be delegated.

Other Planning Act application approvals that may already be delegated to staff at the discretion of a municipal council include community planning permit systems, approval of adopted lower-tier OPA's, consents, site plans and validations. Mandating delegation of approval of site plans and minor variances to the staff level, as recommended, would be unprecedented and the implications could differ for each of the County's 16 member municipalities. Some municipalities in the County that are already dealing with lack of staffing resources may struggle with the increased workload associated with the responsibility of delegation to staff. At the same time, others may welcome the potential streamlining that could occur. Support for this recommendation would depend on local municipal resources and associated funding being in place in order to appropriately support the new responsibilities and processes that would need to be implemented.

County Planning staff have concerns about the recommendation to eliminate public consultation for certain housing-related Planning Act applications. Those who live and work in Simcoe County should have the opportunity to contribute their comments on development applications and have a voice in how their community grows. The County Planning Department consults with the public as legislated through the Planning Act. Planning staff welcome additional consultation as required on a case by case basis in the form of one-on-one meetings and/or response letters. With no changes proposed to the legislated timelines for decision making, planning staff question whether eliminating public consultation in these cases would have an impact on, or accelerate, the building of houses in the province.

Finally, planning staff have concerns with the recommendation to allow third party appeals to OPA's made through the County's Municipal Comprehensive Review (MCR) process. Currently, OPA's made under Section 26 of the Planning Act (i.e. as part of the MCR) are not appealable to the Ontario Land Tribunal (OLT). The MCR is a technical exercise that is being completed based on the Province's guidance documents and methodology produced by the Province. The decisions made through the MCR are comprehensive and justifiable and should not be subject to appeals by third parties who have individual interests at stake. Introducing appeal rights into the MCR process would put the entire exercise at risk and would tie up the OPA approvals meant to increase housing supply at the OLT. For the MCR process to be successful and move toward the next stages of planning for growth there needs to be certainty in the decisions made. Simply put, allowing

third-party appeals could likely slow down the MCR process, having the opposite effect on the planning & housing system the Province is looking to accelerate.

Theme 3 - Depoliticize the process and cut red tape

The key recommendations relating to depoliticizing and removing administrative hurdles to creating housing include:

- Legislate timelines for all Planning Act applications and deem an application approved if the legislated timeframe is exceeded
- Create a province-wide subdivision process including standard set of conditions and legal agreements
- Allow wood construction of up to 12 storeys

The County is currently the approval authority for draft plan of subdivisions and condominiums in the Township of Tiny and Township of Severn, having delegated the authority to the other 14 member municipalities over time. The creation of standardized subdivision processes and templates could be a benefit to planning in Simcoe County with the caveat that there should be discretion to tailor these for the local context. Related to this recommendation, County Planning staff have been reviewing options for supporting member municipalities by creating Simcoe County-specific guidance materials and templates. Staffing resources vary in each of the member municipalities with some local planning departments needing to outsource work where they do not benefit from in-house expertise. County Planning can further support member municipalities by creating standardized/proposed condition sets of draft plan of subdivision/condominium approvals, as well as other resources (i.e. subdivision approval process charts, maps, etc.) and making these resources available as needed.

County Planning staff question the efficacy of the recommendation to deem an application approved if legislated timelines are exceeded. The Planning Act approvals process, especially for residential proposals, is complex and iterative. It is Planning staff's experience generally that proponents and municipal staff work in tandem and reciprocally to ensure that all facets of the proposal and potential issues are resolved prior to approvals. Approvals of housing development proposals without the required infrastructure (i.e. water, wastewater, storm water management etc.) plans in place results in draft plans that never proceed to registration or do become registered but never built.

The financial and technical viability of a proposal must be determined prior to any approvals. County Planning staff recently undertook an analysis to determine the availability of draft approved and registered plans of subdivisions in the County that are not yet built out. The findings indicate that there are approximately a total of 8,500 residential units throughout the County that are approved and registered but remain unbuilt. Of these, 4,500 are single detached, 200 semi-detached, 1,800 row houses and 2,000 are apartment units. Approximately 5,000 of these unbuilt units are in developments that have not built a single unit.

The findings also indicate that there are approximately a total of 25,500 residential units in draft approved plans of subdivision that are yet to be registered. In many cases, the subdivision/condominium plans repeatedly receive extensions of draft plan approval as the owners work to create servicing solutions that were not adequately addressed prior to approval. In some cases, there are environmental and/or technical issues that arise during the detailed engineering work that could not have been anticipated prior to approval. These instances would be compounded if other plans are automatically approved without the required study and review.

Theme 4 - “Fix” the Ontario Land Tribunal (OLT)

The key recommendations relating to OLT reform include:

- Require OLT appellants to seek leave to appeal and demonstrate that the appeal has merit before it is accepted
- Remove rights of appeal for projects with at least 30% affordable housing units that are guaranteed affordable for at least 40 years
- Increase third party OLT appeal fee from $400 to $10,000
- Increase discretion to award costs to the successful party in OLT appeals
- Encourage oral decisions and allow them to be binding the day they are issued
- Where it is found that a municipality has refused an application to avoid a deemed approval for lack of decision, allow OLT to award punitive damages
- Increase OLT resources and staffing
- Allow OLT to prioritize and move forward files that would support housing growth

According to the Task Force report, there are approximately 1,300 unresolved cases in the OLT system. In the County specifically, there are approximately 20 OLT cases where the County is a participant and/or party to the appeal. Related to the previous theme of depoliticizing the process, the Task Force report highlights the need to ensure that Councils are making informed and justifiable decisions on Planning Act applications, and that the OLT is not used as a path to pass the decision making to another body in order to appease local opponents.

The requirement to “seek leave” to appeal to OLT would be similar to the process used in other Ontario court systems, including the Divisional Court. This measure, coupled with the proposal to increase the fee to appeal to OLT from $400 to $10,000 could have a positive impact on accelerating Planning Act proposals for housing that currently get tied up in the appeals process due to what the Task Force refers to as “NIMBYism (“Not in My Back Yard”).

As discussed, County Planning staff would not be supportive of a change that would allow appeals to Planning Act Section 26 (MCR-related) OPA’s.

Theme 5 - Support municipalities that commit to transforming the system

The key recommendations in this theme relate to changing the way development is financed and approved in order to accelerate the building of houses. They include the following:

- Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential projects up to 10 units or for any development where no new material infrastructure will be required
- Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years
- Prohibit interest rates on development charges higher than a municipality's borrowing rate
- Require parkland cash-in-lieu to be spent in the neighbourhood where it was collected
- Amend the Planning Act and Perpetuities Act to extend the maximum period for land leases and restrictive covenants on land to 40 or more years
- Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted projects where construction has not been initiated within three years of building permits being issued
- Work with municipalities to develop and implement a municipal services corporation utility model for water and wastewater under which the municipal corporation would borrow and amortize costs among customers instead of using development charges

The County's Development Charges By-law 6930 came into effect on January 1, 2022. Development Charges are imposed by the County to cover services such as long -term care & seniors services, social housing, paramedic services, waste management, development related studies, transit and public works.

A number of exemptions to the payment of development charges are established under the Development Charges Act including hospitals, government agencies, schools, colleges and universities, places of worship, farm buildings, and certain residential expansions. Additionally, the County administers an Industrial Development Charges Abatement Program wherein industrial development charges are waived if the same program exists at the local municipality.

County Planning staff question whether waiving development charges for residential development would result in more houses or, importantly, more affordable housing. There are no mechanisms to ensure that the cost savings from this recommendation would be passed on to the unit purchaser. Decisions to waive development charges should remain a local decision.

Association of Municipalities of Ontario (AMO) and Ontario Professional Planers Institute (OPPI) Response to Task Force Report

On March 1, 2022, AMO released a high-level response to the Task Force's recommendations. The response is included as Schedule 3 to this Report. Generally, AMO is concerned that the Task Force's process, and ultimately the recommendations, did not include or reflect the local municipal context or realities. Similar to County planning staff, AMO has commented that the recommendations do not reflect that all levels of government, as well as the development industry, have contributed to the current housing situation. Further, AMO is concerned that the majority of recommendations imply that the housing crisis will be resolved by only changing processes and implementing tools at the local municipal level.

Importantly, AMO points to the complexity of navigating the Planning Act approvals process, specifically relating to the associated policy statements and plans under the Act, as a pinch point that needs to be addressed in order to move housing development proposals along.

AMO's response indicates that they are encouraged by some policy recommendations regarding including increasing the supply of rental housing, missing middle housing, increasing second suites and garden suites, and increasing density, particularly in Major Transit Station Areas (MTSAs) (i.e. where there are existing or planned GO Transit locations).

OPPI also provided comment to the Task Force in the form of recommended measures to address housing supply and affordability in the province. The correspondence is included as Schedule 4 to this report. The report provides OPPI's top ten recommendations to address the housing crisis, including:

1. Create a Chief Planner of Ontario with oversight of municipal implementation of provincial plans.
2. Encourage Community Planning Permit Systems in Strategic Growth Areas.
3. Require RPP sign-off on Planning Justification Reports to ensure completeness of applications.
4. Establish a Planning Modernization Fund to align outdated zoning with Official Plans.
5. Align provincial infrastructure funding with growth planning to address servicing gaps.
6. Lead development of a single data standard for planning and development applications.
7. Enhance delegation framework for technical planning implementation approvals.
8. Drive more affordable units into the mix of new housing supply.
9. Promote innovative approaches and provide rehabilitation funding for social housing.
10. Provide provincial policy stability in land use planning once upcoming changes are in place.

**Section 2: Current ERO Consultations**

The province is consulting on changes to the City of Toronto Act, Development Charges Act, New Home Construction Licensing Act, Ontario New Home Warranties Plan Act and the Planning Act through Bill 109 – More Homes for Everyone Act (ERO 019-5284).

County Planning staff are currently reviewing the proposals in detail and will provide a response by the deadline of April 29, 2022. Staff have reached out to our 16 local municipal planning colleagues to discuss the ERO proposals and to determine whether a coordinated approach to responding to the proposals would be beneficial. County planning staff intend on distilling the information in the ERO postings and will prepare preliminary commentary on potential implications for Simcoe County to share with the local municipalities as part of a coordinated response, or to assist them in preparing individual responses.

From staff's preliminary review, some of the notable proposed changes to the *Planning Act* include the following:

**Refund of Fees:** For zoning by-law amendments and site plan approval applications, municipalities would be required to refund portions of the application fee if legislated timelines for decisions are lapsed. For example, for zoning by-law amendments, 50% of the application fee would be required to be returned once the legislated decision timeline of 90 days is missed. If a decision is not made within 60 more days, 75% of the fee must be returned, with 100% of the fee being returned if a decision is not made within 120 days of the lapsed legislated time. The refunding of fees for zoning by-law and site plan control applications would apply to applications received on or after January 1, 2023.

**New Type of 'Minister's Zoning Order' (MZO)** - There is a proposal to establish a new "Community Infrastructure and Housing Accelerator" tool. This is meant to respond to expedited requests from municipalities for important infrastructure and/or housing developments and would regulate the use of the land and the location, use, height, size and spacing of buildings and structures. The Minister may impose conditions on the issuance of a Community Infrastructure and Housing Accelerator order that must be addressed before the zoning can come into effect. Similar to MZO's, the orders would not need to conform to any provincial or municipal policy statement or plan. The municipality would need to have given notice and consulted with the public and public bodies, as it deems appropriate, prior to passing a resolution to have the request sent to the Minister for approval.

A guideline for how the Community Infrastructure and Housing Accelerator tool would be implemented is also posted for consultation under ERO 019-5285. The proposed guideline is included as Schedule 5 to this report.

**Mandatory Review of Community Benefits Charge By-law** – Proposal to require a review of these by-laws every five years to determine whether a revision is needed. Consultation with the public and other bodies, as the municipality deems appropriate, is required.

**Site Plan Control –** Changes are proposed to Section 41 of the *Planning Act* dealing with Site Plans. One of the changes was discussed above with respect to the refunding of fees for lapsed legislated decision timelines. Other changes include mandating that decisions on site plan applications be delegated to staff for applications made on or after July 1, 2022 as well as extending site plan application review timelines from 30 to 60 days. The proposal also changes the way an applicant can appeal to the OLT with respect to completeness of an application after 30 days of submitting same.

**Draft Plan of Subdivision** – Section 51 of the *Planning Act* dealing with Plans of Subdivision is proposed to be changed to allow approvals of draft plans that have lapsed declared to have not lapsed for the purposes of the *Planning Act.* The plan would need to have not been lapsed by more than 5 years, not have been deemed to not have lapsed under this provision before, and an affidavit would need to be signed by the owner that no agreement to sell the land has occurred. There is also a proposal for the Minister to prescribe certain things that cannot be required as a condition of subdivision approval.

In addition to the consultations on proposed Bill 109 – More Homes for Everyone Act and the Community Infrastructure and Housing Accelerator tool as discussed above, there are other related consultations occurring that County planning staff are reviewing for Simcoe County implications. These include the following:

- ERO 019-5286: “Opportunities to increase missing middle housing and gentle density, including supports for multigenerational housing”
    - Consultation to allow respondents to consider the following questions:
        - What are the biggest barriers and delays to diversifying the types of housing built in existing neighbourhoods?
        - What further changes to the planning and development process would you suggest to make it easier to support gentle density and build missing middle housing and multigenerational housing, in Ontario?
        - Are you aware of innovative approaches to land use planning and community building from other jurisdictions that would help increase the supply of missing middle and multigenerational housing?
        - Are there any other changes that would help support opportunities for missing middle and multigenerational housing?

- ERO 019-5287: “Seeking Feedback on Housing Needs in Rural and Northern Municipalities”
    - Consultation to allow respondents to consider the following questions:
        - What are the key barriers impacting your municipality in meeting its housing needs that may be unique to northern and rural communities?
        - What kind of flexibility is needed to address housing needs in your municipality?
        - What potential tools or policies could the government consider to address housing needs in your municipality while balancing other provincial priorities?
        - Do you have other suggestions for ways to improve housing supply and needs in rural and northern municipalities?

County planning staff will continue to review the ERO postings and consult with our 16 local municipal planning colleagues to prepare a response to the proposals outlining implications for Simcoe County.

## Section 3: Legislative Policies and Tools to Increase the Supply of Housing

The information contained in this section of the report provides a review of the other legislative and/or policy tools that are already available to municipalities across the province to increase the supply of housing.

i) Additional Residential Units (ARU):
As a result of Bill 108, Provincial policy permits up to three (3) additional residential units on a residentially designated and zoned property as-of-right. This could include up to two (2) residential units in a house and one (1) residential unit in a building or structure ancillary to a house. The ancillary structures can be in the form of laneway housing, garden suites, or tiny homes. These forms of gentle intensification can be utilized within mature neighbourhoods. Four (4) of our local municipalities have initiated Official Plan Amendments and Zoning By-law Amendments to reflect these new provisions from Bill 108, namely Springwater, Innisfil, Essa and New Tecumseth. The Town of Innisfil’s amendment includes a policy, which requires a minimum of 25% of all new ground related housing in development applications of ten (10) or more units to be constructed to accommodate future additional residential units.

ii) E-Permitting Program Solutions:
E-Permitting solutions are being considered as an innovative tool to streamline, modernize and speed up the development application process to help achieve more housing options in a quicker time-frame. E-Permitting systems would create consistent methods of housing data using a central platform across municipalities and provincial agencies. AECO Innovation Lab is currently pursuing a pilot project in the County of Simcoe to build a prototype of a planning process map for a regional E-Permitting platform.

iii) Inclusionary Zoning:
This is a regulatory tool under the Planning Act that allows municipalities to require affordable housing units to be provided in new residential developments. Currently the inclusionary zoning policies of the Planning Act may only be implemented in areas that are either a protected major transit station area or an area subject to a development permit system. Within the County, these policies are only available to the Town of Bradford West Gwillimbury and the Town of Innisfil due to the existing and planned GO Transit station stops in their municipality. The existing inclusionary zoning policies may be expanded at some point in the future by regulation to include additional areas, but the exact timing and nature of any such changes are unknown at this time.

iv) Community Benefits Charges (CBCs):
Through Bill 197, changes were made to the Planning Act to replace the density bonusing provisions of Section 37 with a new CBC system. CBC's can be collected for a wide range of services that municipalities offer including those listed under Section 2(4) of the Development Charges Act, however, fees cannot be collected for the same service under a CBC By-law and a development charges by-law. Affordable housing is one of the services that charges can be collected under a CBC By-law. If a municipality chooses to enact a CBC By-law, fees could be charged for most Planning Act applications such as Zoning By-law Amendments, Plans of Subdivision and Plans of Condominium. However, municipalities could not charge fees under a CBC By-law for new developments containing less than five (5) stories or fewer than ten (10) units, re-development proposing to add less than ten (10) units, and other developments as prescribed by regulation. CBC's would be capped at 4% of land value as of the latest valuation date.

v) Community Improvement Plans (CIPs):
Lower-tier municipalities and prescribed upper-tier municipalities may, by by-law, designate any area within their municipality covered by their Official Plan as a community improvement project area, provided their Official Plan contains provisions relating to community improvement in the municipality. The County of Simcoe is not a prescribed upper-tier municipality by regulation. The provision of affordable housing is included within the scope of the definition for community improvement under Section 28(1) of the Planning Act. Once a CIP is in effect, municipalities would have the ability to take several actions with respect to development or re-development on lands within the community improvement project area. This includes the ability to construct, repair, rehabilitate or improve buildings on municipally owned land within the community improvement project area that is in conformity with the CIP. Municipalities are also able to provide financial incentives to owners and tenants to pay for the eligible costs of the applicable community improvement plan. Currently, it is believed that 50% of Simcoe County municipalities (not including the separated cities of Barrie and Orillia) have completed a CIP, designating a community improvement project area. There are currently four (4) municipal CIP's that relate to housing.

vi) Ministers Zoning Order (MZO):
Section 47 of the Planning Act provides the legislative ability for the Minister (MMAH) to issue an MZO. An MZO is a critical tool used to support and expedite the delivery of government priorities and matters of provincial interest by removing potential barriers and delays. Provincial interests include but are not limited to transit-oriented communities, affordable housing, long-term care homes, and strategic economic recovery projects.

The legislation provides the Minister with the authority to support critical projects. It has the ability to override local planning authority and to approve development without public input, or any chance of appeal to the OLT. Previously, MZO's were issued rarely and in extreme circumstances. In the distant past, they were used to permit the Honda Plant in Alliston and the Toyota Plant in Cambridge. Between 2019-2020, thirty-three (33) MZO's were issued in Ontario. This is a very powerful and polarizing tool to govern land uses. Both the frequency of their use and the way in which the government has used them in the recent past has come under criticism.

vii) Municipal Comprehensive Review (MCR):
A MCR is a new upper- or single-tier initiated Official Plan or Official Plan Amendment that comprehensively applies the policies and schedules of the Growth Plan. This includes the requirement for local municipalities to meet annual intensification and density targets to meet the growth needs within a community. The County's current MCR process will provide direction on the amount and location of population and employment growth within our region in order to meet the forecasts to 2051. This process offers an opportunity for more land to be available for future development, which in turn will increase the supply of housing. The draft Land Needs Assessment indicates that more land will be required in the municipalities of Bradford West Gwillimbury, Essa, Innisfil, and New Tecumseth in order to accommodate the 2051 growth forecasts.

viii) Delegation of Authority:
As discussed previously in this report, delegation of Council authority to make some planning decisions can reduce timelines in the development process. Commonly, time-savings are achieved because reports are not required to be posted on agendas, etc. However, staff resourcing, and expertise is required to appropriately absorb the additional responsibility that can come with the delegation of authority.

ix) County Affordable Housing Polices:
The County of Simcoe Official Plan includes several policies relating to the provision of affordable housing within the County. These policies encourage local municipalities to utilize various planning tools, some of which are provided in this section, to facilitate the development of more affordable housing within the County. Additionally, the County Official Plan also sets a minimum target of 10% of new housing units created each year will be affordable housing units. Many local municipalities within the County have either implemented similar policies in their

official plans or are conducting official plan reviews to include these policies. The County's Municipal Liaison Group is discussing opportunities with local municipal planners to better track progress towards achieving this affordable housing target. Tracking and measuring this target will require additional data collection by County staff.

**Section 4: 2021 Census Data on Growth and Population**

Given the recent release of the 2021 Census Data pertaining to growth and population in the County of Simcoe and the local municipalities, it is apparent that we are at a critical crossroads where housing demands need to be addressed in a very impactful way. Solutions for providing more housing opportunities and specifically affordable housing need to be at the forefront of our minds. Please refer to a recent report Item CCW-2022-077 – 2021 Census Data Release – Growth and Population, dated February 22, 2022 for additional information related to population and growth in and around Simcoe County. This information emphasizes the level of growth we are seeing in the County and the need to effectively and efficiently address our housing issues.

**Section 5: Next Steps – Housing Strategy for Simcoe County**

Meaningful change by every level of government is required to address the very complex issue of the inability to attain market-sourced housing. Increasing the supply of housing along with municipal action will help, however, it will not solve the issue completely.

A County-specific Housing Strategy will help explore the issues and outline the additional tools, policies, and actions that could be implemented to increase the supply and address the affordability and attainability of housing in Simcoe County. The strategy objectives will focus on the attainability of market housing, the factors impacting attainability, and the causes and effects of creating effective housing tools. It is intended that the Strategy will result in recommended tools that are most useful and relevant to Simcoe County and our municipal partners to increase the supply and attainability of housing for Simcoe County residents.

The initiative will pursue the development of an 'Attainable' Housing Strategy to capture where on the housing continuum the Strategy will focus. Though the Strategy will focus on more definitively addressing the issues, the term 'Attainable Housing' refers to the type of rental or ownership housing units that Simcoe County's workforce is trying to obtain. This means market housing of various built forms and densities, which is both attainable financially for Simcoe County residents and satisfies their housing needs. While an important component of the housing continuum, social housing or other publicly funded housing would be outside of the scope of this Strategy, but the Strategy will be used as an input to the update of the Affordable Housing Strategy.

It is recommended that County Planning staff lead the initiative and include other relevant departments such as Social Housing and Economic Development as required to ensure optimal coordination. Staff are currently working toward striking a staff-level steering

committee to determine the approach and goals for the Strategy. As included in the recommendations for this report, outside expertise is required in order to move this initiative forward as expeditiously as possible. Staff anticipate an approximate budget of $80,000 taken from the County's contingency reserve for the hiring of an external consultant team to assist the County with the development of the Strategy.

Important to note is that the County of Simcoe is a partner in the Western Ontario Workforce Strategy project being led by the Western Ontario Wardens' Caucus (WOWC). One of the four overarching goals of the strategy is Attainable Housing and advancing services and programs to assist member municipalities to increase the supply and variety of attainable housing aligned with local workforce needs. This includes model policy, development industry engagement, and programs. Resources available include planning policy tools for attainable housing and best practice models.

The County's Attainable Housing Strategy must be specific to Simcoe County needs, however, the work of the WOWC is a valuable resource that will assist in developing the County-specific tools and policy actions that will increase housing attainability and supply for Simcoe County residents.

It is also important to note that the County already has a 10-Year Affordable Housing and Homelessness Prevention Strategy called "Housing Our Future" which focusses on affordable housing and homelessness prevention initiatives that address low- to moderate-income households. The proposed Attainable Housing Strategy, as outlined in this staff report, would focus much more on Planning sector tools to leverage the overall creation of housing supply and potentially can tie in economic development, workforce retention, and the missing middle.

**Financial and Resource Implications**

Staff anticipate the cost of retaining an external consultant to lead the development of a Housing Strategy to be approximately $80,000 which can be funded through the General contingency reserve.

Some of the Task Force's proposed changes to the way housing is approved and built may have financial implications for Simcoe County. If any of the recommendations with potential financial implications for the County become proposals posted in the ERO, staff will report back with more detailed analysis.

**Relationship to Corporate Strategic Plan**

A. Growth Related Service Delivery

**Reference Documents**

CCW-2022-077 – 2021 Census Data Release – Growth and Population
CCW-2022-078 – Ontario Housing Affordability Task Force Report Update

**Attachments**

Schedule 1 – Table of Ontario Housing Affordability Task Force Report Recommendations
Schedule 2 – Ontario Housing Affordability Task Force Report
Schedule 3 – AMO Response to Task Force Report
Schedule 4 – Ontario Professional Planners Institute (OPPI) Response to Task Force Report
Schedule 5 – Proposed Guideline for Community Infrastructure and Housing Accelerator

**Prepared By** Maryann Hunt, RPP, Senior Policy Advisor
Kristin Pechkovsky, RPP, Senior Policy Advisor
Calvin Dempster, Planner II

| **Approvals** | **Date** |
|---|---|
| Nathan Westendorp, Director of Planning/Chief Planner | March 31, 2022 |
| Rob Elliott, General Manager, Engineering, Planning and Environment | March 31, 2022 |
| Trevor Wilcox, General Manager, Corporate Performance | April 4, 2022 |
| Mark Aitken, Chief Administrative Officer | April 5, 2022 |

| Task Force Recommendation | Preliminary County Planning Opinion | Notes |
|---|---|---|
| 1. Set a goal of building 1.5 million new homes in ten years. | Supportive | County planning analysis shows that there are over 8,500 units approved and registered in the County that are not being built. |
| 2. Amend the Planning Act, Provincial Policy Statement, and Growth Plans to set “growth in the full spectrum of housing supply” and “intensification within existing built-up areas” of municipalities as the most important residential housing priorities in the mandate and purpose. | Supportive | |
| 3. Limit exclusionary zoning in municipalities through binding provincial action:<br>Allow “as of right” residential housing up to four units and up to four storeys on a single residential lot. | Not Supportive | Should be addressed on a case by case basis by local planning professionals and decision makers |
| Modernize the Building Code and other policies to remove any barriers to affordable construction and to ensure meaningful implementation (e.g., allow single-staircase construction for up to four storeys, allow single egress, etc.). | No opinion | Outside of County planning role |
| 4. Permit “as of right” conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use. | More analysis required | Concerned about retention of jobs for County residents |
| 5. Permit “as of right” secondary suites, garden suites, and laneway houses province-wide. | Supportive | |
| 6. Permit “as of right” multi-tenant housing (renting rooms within a dwelling) province-wide. | Supportive | |
| .7. Encourage and incentivize municipalities to increase density | .Supportive | . |

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| in areas with excess school capacity to benefit families with children. | | |
| .8. Allow “as of right” zoning up to unlimited height and unlimited density in the immediate proximity of individual major transit stations within two years if municipal zoning remains insufficient to meet provincial density targets. | .Not Supportive | .Should be addressed on a case by case basis by local planning professionals and decision makers |
| .9. Allow “as of right” zoning of six to 11 storeys with no minimum parking requirements on any streets utilized by public transit (including streets on bus and streetcar routes). | .More analysis required | .Should be addressed on a case by case basis by local planning professionals and decision makers; Question RE: County’s LINX transit routes along arterial roads |
| .10. Designate or rezone as mixed commercial and residential use all land along transit corridors and re-designate all Residential Apartment to mixed commercial and residential zoning in Toronto. | .Supportive | . |
| .11 Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building necessary infrastructure to support higher density housing and complete communities and applying the recommendations of this report to all undeveloped land. | .Supportive | . |
| .12 Create a more permissive land use, planning, and approvals system:<br>Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood | .Not supportive | .Should be addressed on a case by case basis by local planning professionals and decision makers |
| Exempt from site plan approval and public consultation all projects of 10 units or less that | .Not supportive | .Public consultation an important part of process; Simcoe County residents |

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| conform to the Official Plan and require only minor variances<br>. | | should have ability to provide comment |
| Establish province-wide zoning standards, or prohibitions, for minimum lot sizes, maximum building setbacks, minimum heights, angular planes, shadow rules, front doors, building depth, landscaping, floor space index, and heritage view cones, and planes; restore pre-2006 site plan exclusions (colour, texture, and type of materials, window details, etc.) to the Planning Act and reduce or eliminate minimum parking requirements | .Not supportive | .Should be addressed on a case by case basis by local planning professionals and decision makers |
| Remove any floorplate restrictions to allow larger, more efficient high-density towers. | .No opinion | .Outside of County planning role |
| .13 Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act. | .Not supportive | .Should be addressed on a case by case basis by local planning professionals and decision makers; does not reflect the iterative planning process and complex nature of some applications |
| .14 Require that public consultations provide digital participation options. | .Supportive | . |
| .15 Require mandatory delegation of site plan approvals and minor variances to staff or pre-approved qualified third-party technical consultants through a simplified review and approval process, without the ability to withdraw Council's delegation. | .More analysis required | .Concerns RE: staffing and financial resources for Simcoe County municipal planning/ building/ engineering offices |
| .16 Prevent abuse of the heritage preservation and designation process by:<br>Prohibiting the use of bulk listing on municipal heritage registers<br>Prohibiting reactive heritage designations after a Planning Act | .Supportive | . |

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| development application has been filed | | |
| .17 Requiring municipalities to compensate property owners for loss of property value as a result of heritage designations, based on the principle of best economic use of land. | .Not supportive | . |
| .18 Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews. | .Not supportive | . |
| .19 Legislate timelines at each stage of the provincial and municipal review process, including site plan, minor variance, and provincial reviews, and deem an application approved if the legislated response time is exceeded. | .Not supportive | . |
| .20 Fund the creation of “approvals facilitators” with the authority to quickly resolve conflicts among municipal and/or provincial authorities and ensure timelines are met. | .More analysis required | |
| .21 Require a pre-consultation with all relevant parties at which the municipality sets out a binding list that defines what constitutes a complete application; confirms the number of consultations established in the previous recommendations; and clarifies that if a member of a regulated profession such as a professional engineer has stamped an application, the municipality has no liability and no additional stamp is needed. | .Supportive | . |
| .22 Simplify planning legislation and policy documents. | .Supportive | . |
| .23 Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which | .Supportive | .Local staff and decision makers need to be able to modify as required to reflect the local context and realities |

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| may be included; require the use of standard province-wide legal agreements and, where feasible, plans of subdivision. | | |
| .24 Allow wood construction of up to 12 storeys. | .No opinion | .Outside of County planning role |
| .25 Require municipalities to provide the option of pay on demand surety bonds and letters of credit. | .No opinion | .Outside of County planning role |
| .26 Require appellants to promptly seek permission (“leave to appeal”) of the Tribunal and demonstrate that an appeal has merit, relying on evidence and expert reports, before it is accepted. | .Supportive | . |
| .27 Prevent abuse of process: Remove right of appeal for projects with at least 30% affordable housing in which units are guaranteed affordable for at least 40 years. Require a $10,000 filing fee for third-party appeals. Provide discretion to adjudicators to award full costs to the successful party in any appeal brought by a third party or by a municipality where its council has overridden a recommended staff approval. | .Supportive | . |
| .28 Encourage greater use of oral decisions issued the day of the hearing, with written reasons to follow, and allow those decisions to become binding the day that they are issued. | .Supportive | . |
| .29 Where it is found that a municipality has refused an application simply to avoid a deemed approval for lack of decision, allow the Tribunal to award punitive damages. | .Supportive | . |
| .30 Provide funding to increase staffing (adjudicators and case | .Supportive | . |

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| managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets. | | |
| .31 In clearing the existing backlog, encourage the Tribunal to prioritize projects close to the finish line that will support housing growth and intensification, as well as regional water or utility infrastructure decisions that will unlock significant housing capacity. | .Supportive | . |
| .32 Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential projects up to 10 units or for any development where no new material infrastructure will be required. | Not supportive | .No way to ensure that the cost savings would be passed on to purchasers of units or that units would be built quicker |
| .33 Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years. | .More analysis needed | .No way to ensure that the cost savings would be passed on to purchasers of units or that units would be built quicker |
| 34 Prohibit interest rates on development charges higher than a municipality's borrowing rate. | .No opinion | .Outside of County planning role |
| 35 Regarding cash in lieu of parkland, s.37, Community Benefit Charges, and development charges: Provincial review of reserve levels, collections and drawdowns annually to ensure funds are being used in a timely fashion and for the intended purpose, and, where review points to a significant concern, do not allow further collection until the situation has been corrected. . | .No opinion | Outside of County planning role |
| Except where allocated towards municipality-wide infrastructure projects, require municipalities to spend funds in the | Supportive | |

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| neighbourhoods where they were collected. However, where there's a significant community need in a priority area of the City, allow for specific ward-to-ward allocation of unspent and unallocated reserves | | |
| 36 Recommend that the federal government and provincial governments update HST rebate to reflect current home prices and begin indexing the thresholds to housing prices, and that the federal government match the provincial 75% rebate and remove any clawback. | No opinion | Outside of County planning role |
| 37 Align property taxes for purpose-built rental with those of condos and low-rise homes. | Supportive | |
| 38 Amend the Planning Act and Perpetuities Act to extend the maximum period for land leases and restrictive covenants on land to 40 or more years. | Supportive | |
| 39 Eliminate or reduce tax disincentives to housing growth. | Supportive | |
| 40 Call on the Federal Government to implement an Urban, Rural and Northern Indigenous Housing Strategy. | Supportive | |
| 41 Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners. | Supportive | |
| 42 Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects. | Supportive | |
| . 43 Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted | Supportive | |

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| projects where construction has not been initiated within three years of build permits being issued. | | |
| .44 Work with municipalities to develop and implement a municipal services corporation utility model for water and wastewater under which the municipal corporation would borrow and amortize costs among customers instead of using development charges. | .Supportive | . |
| .45 Improve funding for colleges, trade schools, and apprenticeships; encourage and incentivize municipalities, unions and employers to provide more on-the-job training. | .Supportive | . |
| .46 Undertake multi-stakeholder education program to promote skilled trades. | .Supportive | . |
| .47 Recommend that the federal and provincial government prioritize skilled trades and adjust the immigration points system to strongly favour needed trades and expedite immigration status for these workers, and encourage the federal government to increase from 9,000 to 20,000 the number of immigrants admitted through Ontario's program. | .Supportive | . |
| .48 The Ontario government should establish a large "Ontario Housing Delivery Fund" and encourage the federal government to match funding. This fund should reward:<br>-Annual housing growth that meets or exceeds provincial targets<br>-Reductions in total approval times for new housing | .Supportive | . |

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| -The speedy removal of exclusionary zoning practices | | |
| .49 Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets. | .Not supportive | . |
| . 50 Fund the adoption of consistent municipal e-permitting systems and encourage the federal government to match funding. Fund the development of common data architecture standards across municipalities and provincial agencies and require municipalities to provide their zoning bylaws with open data standards. Set an implementation goal of 2025 and make funding conditional on established targets. | .Supportive | . |
| .51 Require municipalities and the provincial government to use the Ministry of Finance population projections as the basis for housing need analysis and related land use requirements. | .Supportive | . |
| . 52 Resume reporting on housing data and require consistent municipal reporting, enforcing compliance as a requirement for accessing programs under the Ontario Housing Delivery Fund. | .Supportive | . |
| .53 Report each year at the municipal and provincial level on any gap between demand and supply by housing type and location, and make underlying data freely available to the public. | .Supportive | . |
| .54 Empower the Deputy Minister of Municipal Affairs and Housing to lead an all-of-government committee, including key provincial ministries and agencies, that meets weekly to ensure our remaining | .Supportive | . |

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| recommendations and any other productive ideas are implemented. | | |
| .55 Commit to evaluate these recommendations for the next three years with public reporting on progress. | .Supportive | . |

Report of the

# Ontario Housing Affordability Task Force

February 8, 2022

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# Letter to Minister Clark

Dear Minister Clark,

Hard-working Ontarians are facing a housing crisis. For many years, the province has not built enough housing to meet the needs of our growing population. While the affordability crisis began in our large cities, it has now spread to smaller towns and rural communities.

Efforts to cool the housing market have only provided temporary relief to home buyers. The long-term trend is clear: house prices are increasing much faster than Ontarian's incomes. The time for action is now.

When striking the Housing Affordability Task Force, you and Premier Ford were clear: you wanted actionable, concrete solutions to help Ontarians and there was no time to waste. You asked us to be bold and gave us the freedom and independence to develop our recommendations.

In the past two months, we have met municipal leaders, planners, unions, developers and builders, the financial sector, academics, think tanks and housing advocates. Time was short, but solutions emerged consistently around these themes:

- More housing density across the province
- End exclusionary municipal rules that block or delay new housing
- Depoliticize the housing approvals process
- Prevent abuse of the housing appeals system
- Financial support to municipalities that build more housing

We present this report to you not as an "all or nothing" proposal, but rather as a list of options that the government has at its disposal to help address housing affordability for Ontarians and get more homes built. We propose an ambitious but achievable target: 1.5 million new homes built in the next ten years.

Parents and grandparents are worried that their children will not be able to afford a home when they start working or decide to start a family. Too many Ontarians are unable to live in their preferred city or town because they cannot afford to buy or rent.

The way housing is approved and built was designed for a different era when the province was less constrained by space and had fewer people. But it no longer meets the needs of Ontarians. The balance has swung too far in favour of lengthy consultations, bureaucratic red tape, and costly appeals. It is too easy to oppose new housing and too costly to build. We are in a housing crisis and that demands immediate and sweeping reforms.

It has been an honour to serve as Chair, and I am proud to submit this report on behalf of the entire Task Force.

**Jake Lawrence**
Chair, Housing Affordability Task Force
Chief Executive Officer and Group Head, Global Banking and Markets, Scotiabank

# Executive summary and recommendations

House prices in Ontario have almost tripled in the past 10 years, growing much faster than incomes. This has home ownership beyond the reach of most first-time buyers across the province, even those with well-paying jobs. Housing has become too expensive for rental units and it has become too expensive in rural communities and small towns. The system is not working as it should.

For too long, we have focused on solutions to "cool" the housing market. It is now clear that we do not have enough homes to meet the needs of Ontarians today, and we are not building enough to meet the needs of our growing population. If this problem is not fixed – by creating more housing to meet the growing demand – housing prices will continue to rise. We need to build more housing in Ontario.

This report sets out recommendations that would set a bold goal and clear direction for the province, increase density, remove exclusionary rules that prevent housing growth, prevent abuse of the appeals process, and make sure municipalities are treated as partners in this process by incentivizing success.

## Setting bold targets and making new housing the planning priority

**Recommendations 1 and 2** urge Ontario to set a bold goal of adding 1.5 million homes over the next 10 years and update planning guidance to make this a priority.

The task force then recommends actions in five main areas to increase supply:

### Require greater density

Land is not being used efficiently across Ontario. In too many neighbourhoods, municipal rules only allow single-family homes – not even a granny suite. Taxpayers have invested heavily in subway, light rail, bus and rail lines and highways, and the streets nearby are ideally suited for more mid- and high-rise housing. Underused or redundant commercial and industrial buildings are ripe to be redeveloped into housing or mixed commercial and residential use. New housing on undeveloped land should also be higher density than traditional suburbs, especially close to highways.

Adding density in all these locations makes better use of infrastructure and helps to save land outside urban boundaries. Implementing these recommendations will provide Ontarians with many more options for housing.

**Recommendations 3 through 11** address how Ontario can quickly create more housing supply by allowing more housing in more locations "as of right" (without the need for municipal approval) and make better use of transportation investments.

### Reduce and streamline urban design rules

Municipalities require numerous studies and set all kinds of rules for adding housing, many of which go well beyond the requirements of the provincial Planning Act. While some of this guidance has value for urban design, some rules appear to be arbitrary and not supported by evidence – for example, requiring condo buildings to include costly parking stalls even though many go unsold. These rules and requirements result in delays and extra costs that make housing either impossible to build or very expensive for the eventual home buyer or renter.

**Recommendation 12** would set uniform provincial standards for urban design, including building shadows and setbacks, do away with rules that prioritize preservation of neighbourhood physical character over new housing, no longer require municipal approval of design matters like a building's colour, texture, type of material or window details, and remove or reduce parking requirements.

**Depoliticize the process and cut red tape**

NIMBYism (not in my backyard) is a major obstacle to building housing. It drags out the approval process, pushes up costs, and keeps out new residents. Because local councillors depend on the votes of residents who want to keep the status quo, the planning process has become politicized. Municipalities allow far more public consultation than is required, often using formats that make it hard for working people and families with young children to take part. Too few technical decisions are delegated to municipal staff. Pressure to designate buildings with little or no heritage value as "heritage" if development is proposed and bulk listings of properties with "heritage potential" are also standing in the way of getting homes built. Dysfunction throughout the system, risk aversion and needless bureaucracy have resulted in a situation where Ontario lags the rest of Canada and the developed world in approval times. Ontarians have waited long enough.

**Recommendations 13 through 25** would require municipalities to limit consultations to the legislated maximum, ensure people can take part digitally, mandate the delegation of technical decisions, prevent abuse of the heritage process and see property owners compensated for financial loss resulting from designation, restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews, legislate timelines for approvals and enact several other common sense changes that would allow housing to be built more quickly and affordably.

**Fix the Ontario Land Tribunal**

Largely because of the politicization of the planning process, many proponents look to the Tribunal, a quasi-judicial body, to give the go-ahead to projects that should have been approved by the municipality. Even when there is municipal approval, however, opponents appeal to the Tribunal – paying only a $400 fee – knowing that this may well succeed in delaying a project to the point where it might no longer make economic sense. As a result, the Tribunal faces a backlog of more than 1,000 cases and is seriously under-resourced.

**Recommendations 26 through 31** seek to weed out or prevent appeals aimed purely at delaying projects, allow adjudicators to award costs to proponents in more cases, including instances where a municipality has refused an approval to avoid missing a legislated deadline, reduce the time to issue decisions, increase funding, and encourage the Tribunal to prioritize cases that would increase housing supply quickly as it tackles the backlog.

**Support municipalities that commit to transforming the system**

Fixing the housing crisis needs everyone working together. Delivering 1.5 million homes will require the provincial and federal governments to invest in change. Municipalities that make the difficult but necessary choices to grow housing supply should be rewarded, and those that resist new housing should see funding reductions.

**Recommendations 49 and 50** call for Ontario government to create a large "Ontario Housing Delivery Fund" and encourage the federal government to match funding, and suggest how the province should reward municipalities that support change and reduce funding for municipalities that do not.

This executive summary focuses on the actions that will get the most housing units approved and built in the shortest time. Other recommendations in the report deal with issues that are important but may take more time to resolve or may not directly increase supply (recommendation numbers are indicated in brackets): improving tax and municipal financing (**32-37, 39, 42-44**); encouraging new pathways to home ownership (**38, 40, 41**); and addressing labour shortages in the construction industry (**45-47**).

This is not the first attempt to "fix the housing system". There have been efforts for years to tackle increasing housing prices and find solutions. This time must be different. **Recommendations 50-55** set out ways of helping to ensure real and concrete progress on providing the homes Ontarians need.

# Introduction

Ontario is in a housing crisis. Prices are skyrocketing: the average price for a house across Ontario was $923,000 at the end of 2021.[1] Ten years ago, the average price was $329,000.[2] Over that period, average house prices have climbed 180% while average incomes have grown roughly 38%.[3] [4]

Not long ago, hard-working Ontarians – teachers, construction workers, small business owners – could afford the home they wanted. In small towns, it was reasonable to expect that you could afford a home in the neighbourhood you grew up in. Today, home ownership or finding a quality rental is now out of reach for too many Ontarians. The system is not working as it should be.

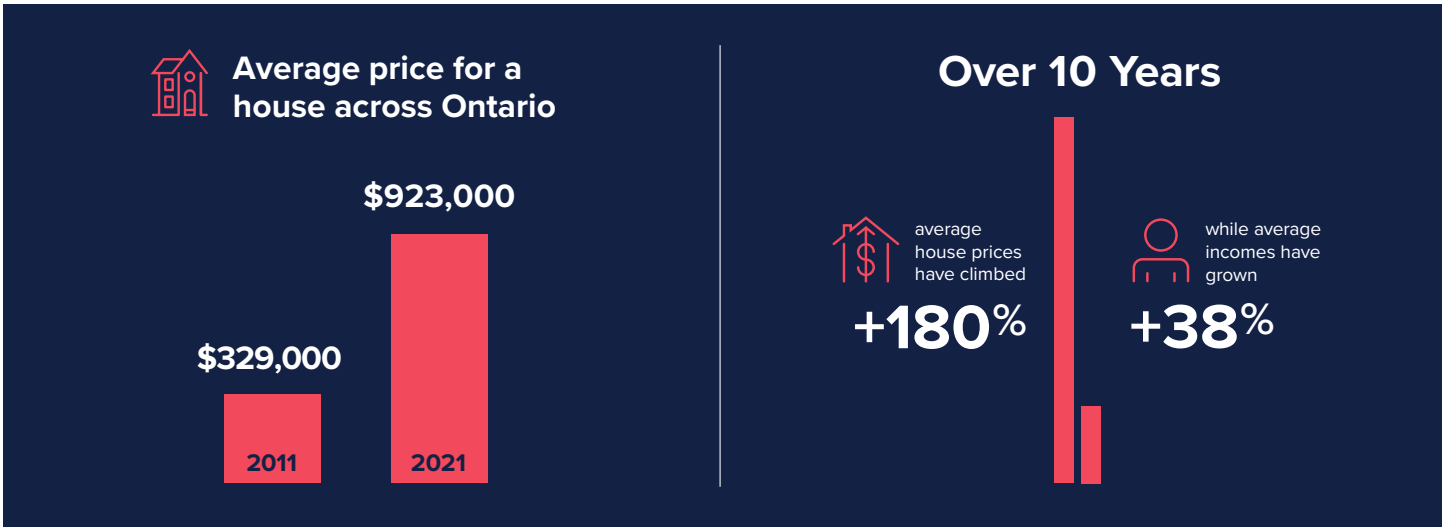
Housing has become too expensive for rental units and it has become too expensive in rural communities and small towns.

While people who were able to buy a home a decade or more ago have built considerable personal equity, the benefits of having a home aren't just financial. Having a place to call home connects people to their community, creates a gathering place for friends and family, and becomes a source of pride.

Today, the reality for an ever-increasing number of Ontarians is quite different. Everyone in Ontario knows people who are living with the personal and financial stress of not being able to find housing they can afford. The young family who can't buy a house within two hours of where they work. The tenant with a good job who worries about where she'll find a new apartment she can afford if the owner decides to sell. The recent graduate who will have to stay at home for a few more years before he can afford to rent or buy.

While the crisis is widespread, it weighs more heavily on some groups than on others. Young people starting a family who need a larger home find themselves priced out of the market. Black, Indigenous and marginalized people face even greater challenges. As Ontarians, we have only recently begun to understand and address the reality of decades of systemic racism that has resulted in lower household incomes, making the housing affordability gap wider than average.

The high cost of housing has pushed minorities and lower income Ontarians further and further away from job markets. Black and Indigenous homeownership rates are less than half of the provincial average.[5] And homelessness rates among Indigenous Peoples are 11 times the national average. When housing prevents an individual from reaching their full potential, this represents a loss to every Ontarian: lost creativity, productivity, and revenue. Lost prosperity for individuals and for the entire Ontario economy.



As much as we read about housing affordability being a challenge in major cities around the world, the depth of the challenge has become greater in Ontario and Canada than almost anywhere in the developed world.

Canada has the lowest amount of housing per population of any G7 country.

### How did we get here? Why do we have this problem?

A major factor is that there just isn't enough housing. A 2021 Scotiabank study showed that Canada has the fewest housing units per population of any G7 country – and, our per capita housing supply has *dropped* in the past five years.[6] An update to that study released in January 2022 found that two thirds of Canada's housing shortage is in Ontario.[7] Today, Ontario is 1.2 million homes – rental or owned – short of the G7 average. With projected population growth, that huge gap is widening, and bridging it will take immediate, bold and purposeful effort. And to support population growth in the next decade, we will need one million more homes.

While governments across Canada have taken steps to "cool down" the housing market or provide help to first-time buyers, these demand-side solutions only work if there is enough supply. Shortages of supply in any market have a direct impact on affordability. Scarcity breeds price increases. Simply put, if we want more Ontarians to have housing, we need to build more housing in Ontario.

### Ontario must build 1.5 million homes over the next 10 years to address the supply shortage

The housing crisis impacts all Ontarians. The ripple effect of the crisis also holds back Ontario reaching its full potential.

#### Economy

Businesses of all sizes are facing problems finding and retaining workers. Even high-paying jobs in technology and manufacturing are hard to fill because there's not enough housing nearby. This doesn't just dampen the economic growth of cities, it makes them less vibrant, diverse, and creative, and strains their ability to provide essential services.

#### Public services

Hospitals, school boards and other public service providers across Ontario report challenges attracting and retaining staff because of housing costs. One town told us that it could no longer maintain a volunteer fire department, because volunteers couldn't afford to live within 10 minutes drive of the firehall.

#### Environment

Long commutes contribute to air pollution and carbon emissions. An international survey of 74 cities in 16 countries found that Toronto, at 96 minutes both ways, had the longest commute times in North America and was essentially tied with Bogota, Colombia, for the longest commute time worldwide.[8] Increasing density in our cities and around major transit hubs helps reduce emissions to the benefit of everyone.

Ontario must build

**1.5M**

homes over the next **10 years** to address the supply shortage.

### Our mandate and approach

Ontario's Minister of Municipal Affairs and Housing tasked us with recommending ways to accelerate our progress in closing the housing supply gap to improve housing affordability.

Time is of the essence. Building housing now is exactly what our post-pandemic economy needs. Housing construction creates good-paying jobs that cannot be outsourced to other countries. Moreover, the pandemic gave rise to unprecedented levels of available capital that can be invested in housing – if we can just put it to work.

We represent a wide range of experience and perspectives that includes developing, financing and building homes, delivering affordable housing, and researching housing market trends, challenges and solutions. Our detailed biographies appear as Appendix A.

We acknowledge that every house in Ontario is built on the traditional territory of Indigenous Peoples.

People in households that spend 30% or more of total household income on shelter expenses are defined as having a "housing affordability" problem. Shelter expenses include electricity, oil, gas, coal, wood or other fuels, water and other municipal services, monthly mortgage payments, property taxes, condominium fees, and rent.

Our mandate was to focus on how to increase market housing supply and affordability. By market housing, we are referring to homes that can be purchased or rented without government support.

Affordable housing (units provided at below-market rates with government support) was not part of our mandate. The Minister and his cabinet colleagues are working on that issue. Nonetheless, almost every stakeholder we spoke with had ideas that will help deliver market housing and also make it easier to deliver affordable housing. However, affordable housing is a societal responsibility and will require intentional investments and strategies to bridge the significant affordable housing gap in this province. We have included a number of recommendations aimed at affordable housing in the body of this report, but have also included further thoughts in Appendix B.

We note that government-owned land was also outside our mandate. Many stakeholders, however, stressed the value of surplus or underused public land and land associated with major transit investments in finding housing solutions. We agree and have set out some thoughts on that issue in Appendix C.

### How we did our work

Our Task Force was struck in December 2021 and mandated to deliver a final report to the Minister by the end of January 2022. We were able to work to that tight timeline because, in almost all cases, viewpoints and feasible solutions are well known. In addition, we benefited from insights gleaned from recent work to solve the problem in other jurisdictions.

During our deliberations, we met with and talked to over 140 organizations and individuals, including industry associations representing builders and developers, planners, architects, realtors and others; labour unions; social justice advocates; elected officials at the municipal level; academics and research groups; and municipal planners. We also received written submissions from many of these participants. In addition, we drew on the myriad public reports and papers listed in the References.

We thank everyone who took part in sessions that were uniformly helpful in giving us a deeper understanding of the housing crisis and the way out of it. We also thank the staff of the Ministry of Municipal Affairs and Housing who provided logistical and other support, including technical briefings and background.

### The way forward

The single unifying theme across all participants over the course of the Task Force's work has been the urgency to take decisive action. Today's housing challenges are incredibly complex. Moreover, developing land, obtaining approvals, and building homes takes years.

Some recommendations will produce immediate benefits, others will take years for the full impact.

This is why there is no time to waste. We urge the Minister of Municipal Affairs and Housing and his cabinet colleagues to continue measures they have already taken to accelerate housing supply and to move quickly in turning the recommendations in this report into decisive new actions.

**The province must set an ambitious and bold goal to build 1.5 million homes over the next 10 years.** If we build 1.5 million new homes over the next ten years, Ontario can fill the housing gap with more affordable choices, catch up to the rest of Canada and keep up with population growth.

By working together, we can resolve Ontario's housing crisis. In so doing, we can build a more prosperous future for everyone.

The balance of this report lays out our recommendations.

# Focus on getting more homes built

Resolving a crisis requires intense focus and a clear goal. The province is responsible for the legislation and policy that establishes the planning, land use, and home building goals, which guide municipalities, land tribunals, and courts. Municipalities are then responsible for implementing provincial policy in a way that works for their communities. The province is uniquely positioned to lead by shining a spotlight on this issue, setting the tone, and creating a single, galvanizing goal around which federal support, provincial legislation, municipal policy, and the housing market can be aligned.

In 2020, Ontario built about 75,000 housing units.[9] For this report, we define a housing unit (home) as a single dwelling (detached, semi-detached, or attached), apartment, suite, condominium or mobile home. Since 2018, housing completions have grown every year as a result of positive measures that the province and some municipalities have implemented to encourage more home building. But we are still 1.2 million homes short when compared to other G7 countries and our population is growing. The goal of 1.5 million homes feels daunting – but reflects both the need and what is possible. In fact, throughout the 1970s Ontario built more housing units each year than we do today.[10]

The second recommendation is designed to address the growing complexity and volume of rules in the legislation, policy, plans and by-laws, and their competing priorities, by providing clear direction to provincial agencies, municipalities, tribunals, and courts on the overriding priorities for housing.

1. Set a goal of building 1.5 million new homes in ten years.
2. Amend the Planning Act, Provincial Policy Statement, and Growth Plans to set “growth in the full spectrum of housing supply” and “intensification within existing built-up areas” of municipalities as the most important residential housing priorities in the mandate and purpose.

The “missing middle” is often cited as an important part of the housing solution. We define the missing middle as mid-rise condo or rental housing, smaller houses on subdivided lots or in laneways and other additional units in existing houses.

# Making land available to build

The Greater Toronto Area is bordered on one side by Lake Ontario and on the other by the protected Greenbelt. Similarly, the Ottawa River and another Greenbelt constrain land supply in Ottawa, the province's second-largest city.

But a shortage of land isn't the cause of the problem. Land is available, both inside the existing built-up areas and on undeveloped land outside greenbelts.

We need to make better use of land. Zoning defines what we can build and where we can build. If we want to make better use of land to create more housing, then we need to modernize our zoning rules. We heard from planners, municipal councillors, and developers that "as of right" zoning – the ability to by-pass long, drawn out consultations and zoning by-law amendments – is the most effective tool in the provincial toolkit. We agree.

## Stop using exclusionary zoning that restricts more housing

Too much land inside cities is tied up by outdated rules. For example, it's estimated that 70% of land zoned for housing in Toronto is restricted to single-detached or semi-detached homes.[11] This type of zoning prevents homeowners from adding additional suites to create housing for Ontarians and income for themselves. As one person said, "my neighbour can tear down what was there to build a monster home, but I'm not allowed to add a basement suite to my home."

It's estimated that

**70%**

of land zoned for housing in Toronto is restricted to **single-detached** or **semi-detached** homes.

While less analysis has been done in other Ontario communities, it's estimated that about half of all residential land in Ottawa is zoned for single-detached housing, meaning nothing else may be built on a lot without public consultation and an amendment to the zoning by-law. In some suburbs around Toronto, single unit zoning dominates residential land use, even close to GO Transit stations and major highways.

One result is that more growth is pushing past urban boundaries and turning farmland into housing. Undeveloped land inside and outside existing municipal boundaries must be part of the solution, particularly in northern and rural communities, but isn't nearly enough on its own. Most of the solution must come from densification. Greenbelts and other environmentally sensitive areas must be protected, and farms provide food and food security. Relying too heavily on undeveloped land would whittle away too much of the already small share of land devoted to agriculture.

Modernizing zoning would also open the door to more rental housing, which in turn would make communities more inclusive.

Allowing more gentle density also makes better use of roads, water and wastewater systems, transit and other public services that are already in place and have capacity, instead of having to be built in new areas.

The Ontario government took a positive step by allowing secondary suites (e.g., basement apartments) across the province in 2019. However, too many municipalities still place too many restrictions on implementation. For the last three years, the total number of secondary suites in Toronto has actually declined each year, as few units get permitted and owners convert two units into one.[12]

These are the types of renovations and home construction performed by small businesses and local trades, providing them with a boost.

Underused and vacant commercial and industrial properties are another potential source of land for housing. It was suggested to us that one area ripe for redevelopment into a mix of commercial and residential uses is the strip mall, a leftover from the 1950s that runs along major suburban streets in most large Ontario cities.

"As of right" zoning allows more kinds of housing that are accessible to more kinds of people. It makes neighbourhoods stronger, richer, and fairer. And it will get more housing built in existing neighbourhoods more quickly than any other measure.

**3.** Limit exclusionary zoning in municipalities through binding provincial action:

   a) Allow "as of right" residential housing up to four units and up to four storeys on a single residential lot.

   b) Modernize the Building Code and other policies to remove any barriers to affordable construction and to ensure meaningful implementation (e.g., allow single-staircase construction for up to four storeys, allow single egress, etc.).

**4.** Permit "as of right" conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use.

**5.** Permit "as of right" secondary suites, garden suites, and laneway houses province-wide.

**6.** Permit "as of right" multi-tenant housing (renting rooms within a dwelling) province-wide.

**7.** Encourage and incentivize municipalities to increase density in areas with excess school capacity to benefit families with children.

## Align investments in roads and transit with growth

Governments have invested billions of dollars in highways, light rail, buses, subways and trains in Ontario. But without ensuring more people can live close to those transit routes, we're not getting the best return on those infrastructure investments.

Access to transit is linked to making housing more affordable: when reliable transit options are nearby, people can get to work more easily. They can live further from the centre of the city in less expensive areas without the added cost of car ownership.

The impacts of expanding public transit go far beyond serving riders. These investments also spur economic growth and reduce traffic congestion and emissions. We all pay for the cost of transit spending, and we should all share in the benefits.

If municipalities achieve the right development near transit – a mix of housing at high- and medium-density, office space and retail – this would open the door to better ways of funding the costs. Other cities, like London, UK and Hong Kong, have captured the impacts of increased land value and business activity along new transit routes to help with their financing.

Ontario recently created requirements (residents/hectare) for municipalities to zone for higher density in transit corridors and "major transit station areas".[13a] [13b] These are areas surrounding subway and other rapid transit stations and hubs. However, we heard troubling reports that local opposition is blocking access to these neighbourhoods and to critical public transit stations. City staff, councillors, and the province need to stand up to these tactics and speak up for the Ontarians who need housing.

The Province is also building new highways in the Greater Golden Horseshoe, and it's important to plan thoughtfully for the communities that will follow from these investments, to make sure they are compact and liveable.

8. Allow “as of right” zoning up to unlimited height and unlimited density in the immediate proximity of individual major transit stations within two years if municipal zoning remains insufficient to meet provincial density targets.
9. Allow “as of right” zoning of six to 11 storeys with no minimum parking requirements on any streets utilized by public transit (including streets on bus and streetcar routes).
10. Designate or rezone as mixed commercial and residential use all land along transit corridors and redesignate all Residential Apartment to mixed commercial and residential zoning in Toronto.
11. Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building necessary infrastructure to support higher density housing and complete communities and applying the recommendations of this report to all undeveloped land.

## Start saying “yes in my backyard”

Even where higher density is allowed in theory, the official plans of most cities in Ontario contain conflicting goals like maintaining “prevailing neighbourhood character”. This bias is reinforced by detailed guidance that often follows from the official plan. Although requirements are presented as “guidelines”, they are often treated as rules.

Examples include:

- Angular plane rules that require successively higher floors to be stepped further back, cutting the number of units that can be built by up to half and making many projects uneconomic
- Detailed rules around the shadows a building casts
- Guidelines around finishes, colours and other design details

One resident’s desire to prevent a shadow being cast in their backyard or a local park frequently prevails over concrete proposals to build more housing for multiple families. By-laws and guidelines that preserve “neighbourhood character” often prevent simple renovations to add new suites to existing homes. The people who suffer are mostly young, visible minorities, and marginalized people. It is the perfect example of a policy that appears neutral on its surface but is discriminatory in its application.[14]

Far too much time and money are spent reviewing and holding consultations for large projects which conform with the official plan or zoning by-law and small projects which would cause minimal disruption. The cost of needless delays is passed on to new home buyers and tenants.

Minimum parking requirements for each new unit are another example of outdated municipal requirements that increase the cost of housing and are increasingly less relevant with public transit and ride share services. Minimum parking requirements add as much as $165,000 to the cost of a new housing unit, even as demand for parking spaces is falling: data from the Residential Construction Council of Ontario shows that in new condo projects, one in three parking stalls goes unsold. We applaud the recent vote by Toronto City Council to scrap most minimum parking requirements. We believe other cities should follow suit.

While true heritage sites are important, heritage preservation has also become a tool to block more housing. For example, some municipalities add thousands of properties at a time to a heritage register because they have “potential” heritage value. Even where a building isn’t heritage designated or registered, neighbours increasingly demand it be as soon as a development is proposed.

This brings us to the role of the “not in my backyard” or NIMBY sentiment in delaying or stopping more homes from being built.

### New housing is often the last priority

A proposed building with market and affordable housing units would have increased the midday shadow by 6.5% on a nearby park at the fall and spring equinox, with no impact during the summer months. To conform to a policy that does not permit “new net shadow on specific parks”, seven floors of housing, including 26 affordable housing units, were sacrificed.

Multiple dry cleaners along a transit route were designated as heritage sites to prevent new housing being built. It is hard not to feel outrage when our laws are being used to prevent families from moving into neighbourhoods and into homes they can afford along transit routes.

**NIMBY versus YIMBY**

NIMBYism (not in my backyard) is a large and constant obstacle to providing housing everywhere. Neighbourhood pushback drags out the approval process, pushes up costs and discourages investment in housing. It also keeps out new residents. While building housing is very costly, opposing new housing costs almost nothing.

Unfortunately, there is a strong incentive for individual municipal councillors to fall in behind community opposition – it's existing residents who elect them, not future ones. The outcry of even a handful of constituents (helped by the rise of social media) has been enough, in far too many cases, to persuade their local councillor to vote against development even while admitting its merits in private. There is a sense among some that it's better to let the Ontario Land Tribunal approve the development on appeal, even if it causes long delays and large cost increases, then to take the political heat.

Mayors and councillors across the province are fed up and many have called for limits on public consultations and more "as of right" zoning. In fact, some have created a new term for NIMBYism: BANANAs – Build Absolutely Nothing Anywhere Near Anything, causing one mayor to comment "NIMBYism has gone BANANAs". We agree. In a growing, thriving society, that approach is not just bad policy, it is exclusionary and wrong.

As a result, technical planning decisions have become politicized. One major city has delegated many decisions to senior staff, but an individual councillor can withdraw the delegation when there is local opposition and force a vote at Council. We heard that this situation is common across the province, creating an electoral incentive for a councillor to delay or stop a housing proposal, or forcing a councillor to pay the electoral cost of supporting it. Approvals of individual housing applications should be the role of professional staff, free from political interference.

The pressure to stop any development is now so intense that it has given rise to a counter-movement – YIMBYism, or "yes in my backyard," led by millennials who recognize entrenched opposition to change as a huge obstacle to finding a home. They provide a voice at public consultations for young people, new immigrants and refugees, minority groups, and Ontarians struggling to access housing by connecting our ideals to the reality of housing. People who welcome immigrants to Canada should welcome them to the neighbourhood, fighting climate change means supporting higher-density housing, and "keeping the neighbourhood the way it is" means keeping it off-limits. While anti-housing voices can be loud, a member of More Neighbours Toronto, a YIMBY group that regularly attends public consultations, has said that the most vocal opponents usually don't represent the majority in a neighbourhood. Survey data from the Ontario Real Estate Association backs that up, with almost 80% of Ontarians saying they are in favour of zoning in urban areas that would encourage more homes.

Ontarians want a solution to the housing crisis. We cannot allow opposition and politicization of individual housing projects to prevent us from meeting the needs of all Ontarians.

**12.** Create a more permissive land use, planning, and approvals system:

a) Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood

b) Exempt from site plan approval and public consultation all projects of 10 units or less that conform to the Official Plan and require only minor variances

c) Establish province-wide zoning standards, or prohibitions, for minimum lot sizes, maximum building setbacks, minimum heights, angular planes, shadow rules, front doors, building depth, landscaping, floor space index, and heritage view cones, and planes; restore pre-2006 site plan exclusions (colour, texture, and type of materials, window details, etc.) to the Planning Act and reduce or eliminate minimum parking requirements; and

d) Remove any floorplate restrictions to allow larger, more efficient high-density towers.

**13.** Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.

**14.** Require that public consultations provide digital participation options.

**15.** Require mandatory delegation of site plan approvals and minor variances to staff or pre-approved qualified third-party technical consultants through a simplified review and approval process, without the ability to withdraw Council's delegation.

16. Prevent abuse of the heritage preservation and designation process by:
    a) Prohibiting the use of bulk listing on municipal heritage registers
    b) Prohibiting reactive heritage designations after a Planning Act development application has been filed
17. Requiring municipalities to compensate property owners for loss of property value as a result of heritage designations, based on the principle of best economic use of land.
18. Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews.

We have heard mixed feedback on Committees of Adjustment. While they are seen to be working well in some cities, in others they are seen to simply add another lengthy step in the process. We would urge the government to first implement our recommendation to delegate minor variances and site plan approvals to municipal staff and then assess whether Committees of Adjustment are necessary and an improvement over staff-level decision making.

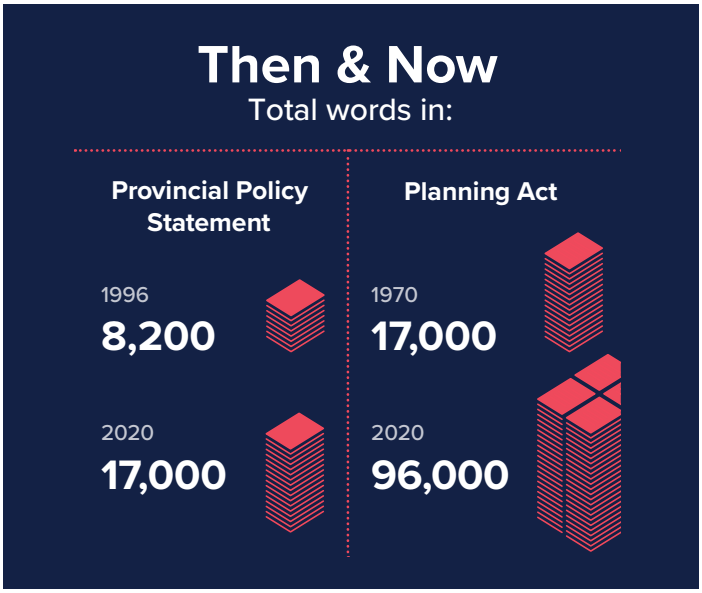
# Cut the red tape so we can build faster and reduce costs

One of the strongest signs that our approval process is not working: of 35 OECD countries, only the Slovak Republic takes longer than Canada to approve a building project. The UK and the US approve projects three times faster without sacrificing quality or safety. And they save home buyers and tenants money as a result, making housing more affordable.[15]

A 2020 survey of development approval times in 23 Canadian cities shows Ontario seriously lagging: Hamilton (15th), Toronto (17th), Ottawa (21st) with approval times averaging between 20-24 months. These timelines do not include building permits, which take about two years for an apartment building in Toronto. Nor did they count the time it takes for undeveloped land to be designated for housing, which the study notes can take five to ten years.[16]

Despite the good intentions of many people involved in the approvals and home-building process, decades of dysfunction in the system and needless bureaucracy have made it too difficult for housing approvals to keep up with the needs of Ontarians. There appear to be numerous reasons why Ontario performs so poorly against other Canadian cities and the rest of the developed world. We believe that the major problems can be summed up as:

- Too much complexity in the planning process, with the page count in legislation, regulation, policies, plans, and by-laws growing every year
- Too many studies, guidelines, meetings and other requirements of the type we outlined in the previous section, including many that go well beyond the scope of Ontario's Planning Act
- Reviews within municipalities and with outside agencies that are piecemeal, duplicative (although often with conflicting outcomes) and poorly coordinated
- Process flaws that include reliance on paper
- Some provincial policies that are more relevant to urban development but result in burdensome, irrelevant requirements when applied in some rural and northern communities.




All of this has contributed to widespread failure on the part of municipalities to meet required timelines. The provincial Planning Act sets out deadlines of 90 days for decisions on zoning by-law amendments, 120 days for plans of subdivision, and 30 days for site plan approval, but municipalities routinely miss these without penalty. For other processes, like site plan approval or provincial approvals, there are no timelines and delays drag on. The cost of delay falls on the ultimate homeowner or tenant.

The consequences for homeowners and renters are enormous. Ultimately, whatever cost a builder pays gets passed on to the buyer or renter. As one person said: "Process is the biggest project killer in Toronto because developers have to carry timeline risk."

Site plan control was often brought up as a frustration. Under the Planning Act, this is meant to be a technical review of the external features of a building. In practice, municipalities often expand on what is required and take too long to respond.

**Then:** In 1966, a draft plan of subdivision in a town in southwestern Ontario to provide 529 low-rise and mid-rise housing units, a school site, a shopping centre and parks was approved by way of a two-page letter setting out 10 conditions. It took seven months to clear conditions for final approval.

**And now:** In 2013, a builder started the approval process to build on a piece of serviced residential land in a seasonal resort town. Over the next seven years, 18 professional consultant reports were required, culminating in draft plan approval containing 50 clearance conditions. The second approval, issued by the Local Planning Appeals Board in 2020, ran to 23 pages. The developer estimates it will be almost 10 years before final approval is received.

An Ontario Association of Architects study calculating the cost of delays between site plan application and approval concluded that for a 100-unit condominium apartment building, each additional month of delay costs the applicant an estimated $193,000, or $1,930 a month for each unit.[17]

A 2020 study done for the Building Industry and Land Development Association (BILD) looked at impacts of delay on low-rise construction, including single-detached homes. It estimated that every month an approval is delayed adds, on average, $1.46 per square foot to the cost of a single home. A two-year delay, which is not unusual for this housing type, adds more than $70,000 to the cost of a 2,000-square-foot house in the GTA.[16]

Getting rid of so much unnecessary and unproductive additional work would significantly reduce the burden on staff.[16b] It would help address the widespread shortages of planners and building officials. It would also bring a stronger sense among municipal staff that they are part of the housing solution and can take pride in helping cut approval times and lower the costs of delivering homes.

### Adopt common sense approaches that save construction costs

Wood using "mass timber" – an engineer compressed wood, made for strength and weight-bearing – can provide a lower-cost alternative to reinforced concrete in many mid-rise projects, but Ontario's Building Code is hampering its use. Building taller with wood offers advantages beyond cost:

- Wood is a renewable resource that naturally sequesters carbon, helping us reach our climate change goals
- Using wood supports Ontario's forestry sector and creates jobs, including for Indigenous people

British Columbia's and Quebec's building codes allow woodframe construction up to 12 storeys, but Ontario limits it to six. By amending the Building Code to allow 12-storey woodframe construction, Ontario would encourage increased use of forestry products and reduce building costs.

Finally, we were told that a shift in how builders are required to guarantee their performance would free up billions of dollars to build more housing. Pay on demand surety bonds are a much less onerous option than letters or credit, and are already accepted in Hamilton, Pickering, Innisfil, Whitchurch-Stouffville and other Ontario municipalities. We outline the technical details in Appendix D.

**19.** Legislate timelines at each stage of the provincial and municipal review process, including site plan, minor variance, and provincial reviews, and deem an application approved if the legislated response time is exceeded.

**20.** Fund the creation of "approvals facilitators" with the authority to quickly resolve conflicts among municipal and/or provincial authorities and ensure timelines are met.

**21.** Require a pre-consultation with all relevant parties at which the municipality sets out a binding list that defines what constitutes a complete application; confirms the number of consultations established in the previous recommendations; and clarifies that if a member of a regulated profession such as a professional engineer has stamped an application, the municipality has no liability and no additional stamp is needed.

**22.** Simplify planning legislation and policy documents.

**23.** Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which may be included; require the use of standard province-wide legal agreements and, where feasible, plans of subdivision.

**24.** Allow wood construction of up to 12 storeys.

**25.** Require municipalities to provide the option of pay on demand surety bonds and letters of credit.

## Prevent abuse of the appeal process

Part of the challenge with housing approvals is that, by the time a project has been appealed to the Ontario Land Tribunal (the Tribunal), it has usually already faced delay and compromises have been made to reduce the size and scope of the proposal. When an approved project is appealed, the appellant – which could just be a single individual – may pay $400 and tie up new housing for years.

The most recent published report showed 1,300 unresolved cases.[18] While under-resourcing does contribute to delays, this caseload also reflects the low barrier to launching an appeal and the minimal risks if an appeal is unsuccessful:

- After a builder has spent time and money to ensure a proposal conforms with a municipality's requirements, the municipal council can still reject it – even if its own planning staff has given its support. Very often this is to appease local opponents.
- Unlike a court, costs are not automatically awarded to the successful party at the Tribunal. The winning side must bring a motion and prove that the party bringing the appeal was unreasonable, clearly trying to delay the project, and/or being vexatious or frivolous. Because the bar is set so high, the winning side seldom asks for costs in residential cases.

This has resulted in abuse of the Tribunal to delay new housing. Throughout our consultations, we heard from municipalities, not-for-profits, and developers that affordable housing was a particular target for appeals which, even if unsuccessful, can make projects too costly to build.

Clearly the Tribunal needs more resources to clear its backlog. But the bigger issue is the need for so many appeals: we believe it would better to have well-defined goals and rules for municipalities and builders to avoid this costly and time-consuming quasi-judicial process. Those who bring appeals aimed at stopping development that meets established criteria should pay the legal costs of the successful party and face the risk of a larger project being approved.

The solution is not more appeals, it's fixing the system. We have proposed a series of reforms that would ensure only meritorious appeals proceeded, that every participant faces some risk and cost of losing, and that abuse of the Tribunal will be penalized. We believe that if Ontario accepts our recommendations, the Tribunal will not face the same volume of appeals. But getting to that point will take time, and the Tribunal needs more resources and better tools now.

Recommendation 1 will provide legislative direction to adjudicators that they must prioritize housing growth and intensification over competing priorities contained in provincial and municipal policies. We further recommend the following:

**26.** Require appellants to promptly seek permission ("leave to appeal") of the Tribunal and demonstrate that an appeal has merit, relying on evidence and expert reports, before it is accepted.

**27.** Prevent abuse of process:

a) Remove right of appeal for projects with at least 30% affordable housing in which units are guaranteed affordable for at least 40 years.

b) Require a $10,000 filing fee for third-party appeals.

c) Provide discretion to adjudicators to award full costs to the successful party in any appeal brought by a third party or by a municipality where its council has overridden a recommended staff approval.

**28.** Encourage greater use of oral decisions issued the day of the hearing, with written reasons to follow, and allow those decisions to become binding the day that they are issued.

**29.** Where it is found that a municipality has refused an application simply to avoid a deemed approval for lack of decision, allow the Tribunal to award punitive damages.

**30.** Provide funding to increase staffing (adjudicators and case managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets.

**31.** In clearing the existing backlog, encourage the Tribunal to prioritize projects close to the finish line that will support housing growth and intensification, as well as regional water or utility infrastructure decisions that will unlock significant housing capacity.

# Reduce the costs to build, buy and rent

The price you pay to buy or rent a home is driven directly by how much it costs to build a home. In Ontario, costs to build homes have dramatically increased at an unprecedented pace over the past decade. In most of our cities and towns, materials and labour only account for about half of the costs. The rest comes from land, which we have addressed in the previous section, and government fees.

A careful balance is required on government fees because, as much as we would like to see them lowered, governments need revenues from fees and taxes to build critically needed infrastructure and pay for all the other services that make Ontario work. So, it is a question of balance and of ensuring that our approach to government fees encourages rather than discourages developers to build the full range of housing we need in our Ontario communities.

## Align government fees and charges with the goal of building more housing

**Improve the municipal funding model**

Housing requires more than just the land it is built on. It requires roads, sewers, parks, utilities and other infrastructure. The provincial government provides municipalities with a way to secure funding for this infrastructure through development charges, community benefit charges and parkland dedication (providing 5% of land for public parks or the cash equivalent).

These charges are founded on the belief that growth – not current taxpayers – should pay for growth. As a concept, it is compelling. In practice, it means that new home buyers pay the entire cost of sewers, parks, affordable housing, or colleges that will be around for generations and may not be located in their neighbourhood. And, although building affordable housing is a societal responsibility, because affordable units pay all the same charges as a market unit, the cost is passed to new home buyers in the same building or the not-for-profit organization supporting the project. We do not believe that government fees should create a disincentive to affordable housing.

A 2019 study carried out for BILD showed that in the Greater Toronto Area, development charges for low-rise housing are on average more than three times higher per unit than in six comparable US metropolitan areas, and roughly 1.75-times higher than in the other Canadian cities.

For high-rise developments the average per unit charges in the GTA are roughly 50% higher than in the US areas, and roughly 30% higher than in the other Canadian urban areas.[19]

If you ask any developer of homes – whether they are for-profit or non-profit – they will tell you that development charges are a special pain point. In Ontario, they can be as much as $135,000 per home. In some municipalities, development charges have increased as much as 900% in less than 20 years.[20] As development charges go up, the prices of homes go up. And development charges on a modest semi-detached home are the same as on a luxury 6,000 square foot home, resulting in a disincentive to build housing that is more affordable. Timing is also a challenge as development charges have to be paid up front, before a shovel even goes into the ground.

To help relieve the pressure, the Ontario government passed recent legislation allowing builders to determine development charges earlier in the building process. But they must pay interest on the assessed development charge to the municipality until a building permit is issued, and there is no cap on the rate, which in one major city is 13% annually.

Cash payments to satisfy parkland dedication also significantly boost the costs of higher-density projects, adding on average $17,000 to the cost of a high-rise condo across the GTA.[21] We heard concerns not just about the amount of cash collected, but also about the money not being spent in the neighbourhood or possibly not being spent on parks at all. As an example, in 2019 the City of Toronto held $644 million in parkland cash-in-lieu payments.[22] Everyone can agree that we need to invest in parks as our communities grow, but if the funds are not being spent, perhaps it means that more money is being collected for parklands than is needed and we could lower the cost of housing if we adjusted these parkland fees.

### Modernizing HST Thresholds

Harmonized sales tax (HST) applies to all new housing – including purpose-built rental. Today, the federal component is 5% and provincial component is 8%. The federal and provincial government provide a partial HST rebate. Two decades ago, the maximum home price eligible for a rebate was set at $450,000 federally and $400,000 provincially, resulting in a maximum rebate of $6,300 federally and $24,000 provincially, less than half of today's average home price. Buyers of new homes above this ceiling face a significant clawback. Indexing the rebate would immediately reduce the cost of building new homes, savings that can be passed on to Ontarians. When both levels of government agree that we are facing a housing crisis, they should not be adding over 10% to the cost of almost all new homes.

**32.** Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential projects up to 10 units or for any development where no new material infrastructure will be required.

**33.** Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years.

**34.** Prohibit interest rates on development charges higher than a municipality's borrowing rate.

**35.** Regarding cash in lieu of parkland, s.37, Community Benefit Charges, and development charges:

a) Provincial review of reserve levels, collections and drawdowns annually to ensure funds are being used in a timely fashion and for the intended purpose, and, where review points to a significant concern, do not allow further collection until the situation has been corrected.

b) Except where allocated towards municipality-wide infrastructure projects, require municipalities to spend funds in the neighbourhoods where they were collected. However, where there's a significant community need in a priority area of the City, allow for specific ward-to-ward allocation of unspent and unallocated reserves.

**36.** Recommend that the federal government and provincial governments update HST rebate to reflect current home prices and begin indexing the thresholds to housing prices, and that the federal government match the provincial 75% rebate and remove any clawback.

Government charges on a new single-detached home averaged roughly $186,300, or almost 22% of the price, across six municipalities in southcentral Ontario. For a new condominium apartment, the average was almost $123,000, or roughly 24% of a unit's price.

## Make it easier to build rental

In cities and towns across Ontario, it is increasingly hard to find a vacant rental unit, let alone a vacant rental unit at an affordable price. Today, 66% of all purpose-built rental units in the City of Toronto were built between 1960 and 1979. Less than 15% of Toronto's purpose-built rentals were constructed over the ensuing 40 years in spite of the significant population growth during that time. In fact, between 2006 and 2016, growth in condo apartments increased by 186% while purpose-built rental only grew by 0.6%.[12] In 2018, the Ontario government introduced positive changes that have created growth in purpose-built rental units – with last year seeing 18,000 units under construction and 93,000 proposed against a 5-year average prior to 2020 of 3,400 annually.[23]

Long-term renters often now feel trapped in apartments that don't make sense for them as their needs change. And because they can't or don't want to move up the housing ladder, many of the people coming up behind them who would gladly take those apartments are instead living in crowded spaces with family members or roommates. Others feel forced to commit to rental units at prices way beyond what they can afford. Others are trying their luck in getting on the wait list for an affordable unit or housing co-op – wait lists that are years long. Others are leaving Ontario altogether.

**66%**

of all purpose-built rental units in the City of Toronto were built between **1960** and **1979**.

A pattern in every community, and particularly large cities, is that the apartments and rented rooms that we do have are disappearing. Apartment buildings are being converted to condos or upgraded to much more expensive rental units. Duplexes get purchased and turned into larger single-family homes.

A major challenge in bridging the gap of rental supply is that, more often than not, purpose-built rental projects don't make economic sense for builders and investors. Ironically, there is no shortage of Canadian investor capital seeking housing investments, particularly large pension funds – but the economics of investing in purpose-built rental in Ontario just don't make sense. So, investments get made in apartment projects in other provinces or countries, or in condo projects that have a better and safer return-on-investment. What can governments do to get that investor capital pointed in the right direction so we can create jobs and get more of the housing we need built?

Some of our earlier recommendations will help, particularly indexing the HST rebate. So will actions by government to require purpose-built rental on surplus government land that is made available for sale. (Appendix C)

Municipal property taxes on purpose-built rental can be as much as 2.5 times greater than property taxes for condominium or other ownership housing.[24] The Task Force recommends:

**37.** Align property taxes for purpose-built rental with those of condos and low-rise homes.

## Make homeownership possible for hardworking Ontarians who want it

Home ownership has always been part of the Canadian dream. You don't have to look far back to find a time when the housing landscape was very different. The norm was for young people to rent an apartment in their twenties, work hard and save for a down payment, then buy their first home in their late twenties or early thirties. It was the same for many new Canadians: arrive, rent, work hard and buy. The house might be modest, but it brought a sense of ownership, stability and security. And after that first step onto the ownership ladder, there was always the possibility of selling and moving up. Home ownership felt like a real possibility for anyone who wanted it.

That's not how it works now. Too many young people who would like their own place are living with one or both parents well into adulthood.

The escalation of housing prices over the last decade has put the dream of homeownership out of reach of a growing number of aspiring first-time home buyers. While 73% of Canadians are homeowners, that drops to 48% for Black people, 47% for LGBTQ people[5] (StatsCan is studying rates for other populations, including Indigenous People who are severely underhoused). This is also an issue for younger adults: a 2021 study showed only 24% of Torontonians aged 30 to 39 are homeowners.[25]

In Canada, responsibility for Indigenous housing programs has historically been a shared between the federal and provincial governments. The federal government works closely with its provincial and territorial counterparts to improve access to housing for Indigenous peoples both on and off reserve. More than 85% of Indigenous people live in urban and rural areas, are 11 times more likely to experience homelessness and have incidence of housing need that is 52% greater than all Canadians. The Murdered and Missing Indigenous Women and Girls report mentions housing 299 times – the lack of which being a significant, contributing cause to violence and the provision of which as a significant, contributing solution. The Province of Ontario has made significant investments in Urban Indigenous Housing, but we need the Federal Government to re-engage as an active partner.

While measures to address supply will have an impact on housing prices, many aspiring homeowners will continue to face a gap that is simply too great to bridge through traditional methods.

The Task Force recognizes the need for caution about measures that would spur demand for housing before the supply bottleneck is fixed. At the same time, a growing number of organizations – both non-profit and for-profit are proposing a range of unique home equity models. Some of these organizations are aiming at households who have sufficient income to pay the mortgage but lack a sufficient down payment. Others are aiming at households who fall short in both income and down payment requirements for current market housing.

The Task Force heard about a range of models to help aspiring first-time home buyers, including:

- Shared equity models with a government, non-profit or for-profit lender holding a second "shared equity mortgage" payable at time of sale of the home
- Land lease models that allow residents to own their home but lease the land, reducing costs
- Rent-to-own approaches in which a portion of an occupant's rent is used to build equity, which can be used as a down payment on their current unit or another market unit in the future
- Models where the equity gain is shared between the homeowner and the non-profit provider, such that the non-profit will always be able to buy the home back and sell it to another qualified buyer, thus retaining the home's affordability from one homeowner to the next.

Proponents of these models identified barriers that thwart progress in implementing new solutions.

- The Planning Act limits land leases to a maximum of 21 years. This provision prevents home buyers from accessing the same type of mortgages from a bank or credit union that are available to them when they buy through traditional homeownership.
- The Perpetuities Act has a similar 21-year limit on any options placed on land. This limits innovative non-profit models from using equity formulas for re-sale and repurchase of homes.
- Land Transfer Tax (LTT) is charged each time a home is sold and is collected by the province; and in Toronto, this tax is also collected by the City. This creates a double-tax in rent-to-own/equity building models where LTT ends up being paid first by the home equity organization and then by the occupant when they are able to buy the unit.
- HST is charged based on the market value of the home. In shared equity models where the homeowner neither owns nor gains from the shared equity portion of their home, HST on the shared equity portion of the home simply reduces affordability.
- Residential mortgages are highly regulated by the federal government and reflective of traditional homeownership. Modifications in regulations may be required to adapt to new co-ownership and other models.

The Task Force encourages the Ontario government to devote further attention to avenues to support new homeownership options. As a starting point, the Task Force offers the following recommendations:

**38.** Amend the Planning Act and Perpetuities Act to extend the maximum period for land leases and restrictive covenants on land to 40 or more years.

**39.** Eliminate or reduce tax disincentives to housing growth.

**40.** Call on the Federal Government to implement an Urban, Rural and Northern Indigenous Housing Strategy.

**41.** Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners.

**42.** Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.

# Support and incentivize scaling up housing supply

Our goal of building 1.5 million homes in ten years means doubling how many homes Ontario creates each year. As much as the Task Force's recommendations will remove barriers to realizing this ambitious goal, we also need to ensure we have the capacity across Ontario's communities to deliver this new housing supply. This includes capacity of our housing infrastructure, capacity within our municipal planning teams, and boots on the ground with the skills to build new homes.

There is much to be done and the price of failure for the people of Ontario is high. This is why the provincial government must make an unwavering commitment to keeping the spotlight on housing supply. This is also why the province must be dogged in its determination to galvanize and align efforts and incentives across all levels of government so that working together, we all can get the job done.

Our final set of recommendations turns to these issues of capacity to deliver, and the role the provincial government can play in putting the incentives and alignment in place to achieve the 1.5 million home goal.

## Invest in municipal infrastructure

**Housing can't get built without water, sewage, and other infrastructure**

When the Task Force met with municipal leaders, they emphasized how much future housing supply relies on having the water, storm water and wastewater systems, roads, sidewalks, fire stations, and all the other parts of community infrastructure to support new homes and new residents.

Infrastructure is essential where housing is being built for the first time. And, it can be a factor in intensification when added density exceeds the capacity of existing infrastructure, one of the reasons we urge new infrastructure in new developments to be designed for future capacity. In Ontario, there are multiple municipalities where the number one barrier to approving new housing projects is a lack of infrastructure to support them.

Municipalities face a myriad of challenges in getting this infrastructure in place. Often, infrastructure investments are required long before new projects are approved and funding must be secured. Notwithstanding the burden development charges place on the price of new housing, most municipalities report that development charges are still not enough to fully cover the costs of building new infrastructure and retrofitting existing infrastructure in neighbourhoods that are intensifying. Often infrastructure crosses municipal boundaries creating complicated and time-consuming "who pays?" questions. Municipal leaders also shared their frustrations with situations where new housing projects are approved and water, sewage and other infrastructure capacity is allocated to the project – only to have the developer land bank the project and put off building. Environmental considerations with new infrastructure add further cost and complexity. The Task Force recommends:

**43.** Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted projects where construction has not been initiated within three years of build permits being issued.

**44.** Work with municipalities to develop and implement a municipal services corporation utility model for water and wastewater under which the municipal corporation would borrow and amortize costs among customers instead of using development charges.

## Create the Labour Force to meet the housing supply need

**The labour force is shrinking in many segments of the market**

You can't start to build housing without infrastructure. You can't build it without people – skilled trades people in every community who can build the homes we need.

The concern that we are already facing a shortage in skilled trades came through loud and clear in our consultations. We heard from many sources that our education system funnels young people to university rather than colleges or apprenticeships and creates the perception that careers in the skilled trades are of less value. Unions and builders are working to fill the pipeline domestically and recruit internationally, but mass retirements are making it challenging to maintain the workforce at its current level, let alone increase it.

Increased economic immigration could ease this bottleneck, but it appears difficult for a skilled labourer with no Canadian work experience to qualify under Ontario's rules. Moreover, Canada's immigration policies also favour university education over skills our economy and society desperately need. We ought to be welcoming immigrants with the skills needed to build roads and houses that will accommodate our growing population.

The shortage may be less acute, however, among smaller developers and contractors that could renovate and build new "missing middle" homes arising from the changes in neighbourhood zoning described earlier. These smaller companies tap into a different workforce from the one needed to build high rises and new subdivisions. Nonetheless, 1.5 million more homes will require a major investment in attracting and developing the skilled trades workforce to deliver this critically needed housing supply. We recommend:

**45.** Improve funding for colleges, trade schools, and apprenticeships; encourage and incentivize municipalities, unions and employers to provide more on-the-job training.

**46.** Undertake multi-stakeholder education program to promote skilled trades.

**47.** Recommend that the federal and provincial government prioritize skilled trades and adjust the immigration points system to strongly favour needed trades and expedite immigration status for these workers, and encourage the federal government to increase from 9,000 to 20,000 the number of immigrants admitted through Ontario's program.

## Create a large Ontario Housing Delivery Fund to align efforts and incent new housing supply

**Build alignment between governments to enable builders to deliver more homes than ever before**

All levels of government play a role in housing.

The federal government sets immigration policy, which has a major impact on population growth and many tax policies. The province sets the framework for planning, approvals, and growth that municipalities rely upon, and is responsible for many other areas that touch on housing supply, like investing in highways and transit, training workers, the building code and protecting the environment. Municipalities are on the front lines, expected to translate the impacts of federal immigration policy, provincial guidance and other factors, some very localized, into official plans and the overall process through which homes are approved to be built.

The efficiency with which home builders can build, whether for-profit or non-profit, is influenced by policies and decisions at every level of government. In turn, how many home developers can deliver, and at what cost, translates directly into the availability of homes that Ontarians can afford.

Collectively, governments have not been sufficiently aligned in their efforts to provide the frameworks and incentives that meet the broad spectrum of housing needs in Ontario. Much action, though, has been taken in recent years.

- The Ontario government has taken several steps to make it easier to build additional suites in your own home: reduced disincentives to building rental housing, improved the appeal process, focused on density around transit stations, made upfront development charges more predictable, and provided options for municipalities to create community benefits through development.
- The federal government has launched the National Housing Strategy and committed over $70 billion in funding.[26] Most recently, it has announced a $4 billion Housing Accelerator Fund aimed at helping municipalities remove barriers to building housing more quickly.[27]
- Municipalities have been looking at ways to change outdated processes, rules, and ways of thinking that create delays and increases costs of delivering homes. Several municipalities have taken initial steps towards eliminating exclusionary zoning and addressing other barriers described in this report.

All governments agree that we are facing a housing crisis. Now we must turn the sense of urgency into action and alignment across governments.

### Mirror policy changes with financial incentives aligned across governments

The policy recommendations in this report will go a long way to align efforts and position builders to deliver more homes.

Having the capacity in our communities to build these homes will take more than policy. It will take money. Rewarding municipalities that meet housing growth and approval timelines will help them to invest in system upgrades, hire additional staff, and invest in their communities. Similarly, municipalities that resist new housing, succumb to NIMBY pressure, and close off their neighbourhoods should see funding reductions. Fixing the housing crisis is a societal responsibility, and our limited tax dollars should be directed to those municipalities making the difficult but necessary choices to grow housing supply.

In late January 2022, the provincial government announced $45 million for a new *Streamline Development Approval Fund* to "unlock housing supply by cutting red tape and improving processes for residential and industrial developments".[28] This is encouraging. More is needed. Ontario should also receive its fair share of federal funding but today faces a shortfall of almost $500 million,[29] despite two thirds of the Canadian housing shortage being in Ontario. We call on the federal government to address this funding gap.

**48.** The Ontario government should establish a large "Ontario Housing Delivery Fund" and encourage the federal government to match funding. This fund should reward:

a) Annual housing growth that meets or exceeds provincial targets

b) Reductions in total approval times for new housing

c) The speedy removal of exclusionary zoning practices

**49.** Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets.

We believe that the province should consider partial grants to subsidize municipalities that waive development charges for affordable housing and for purpose-built rental.

## Sustain focus, measure, monitor, improve

### Digitize and modernize the approvals and planning process

Some large municipalities have moved to electronic tracking of development applications and/or electronic building permits ("e-permits") and report promising results, but there is no consistency and many smaller places don't have the capacity to make the change.

Municipalities, the provincial government and agencies use different systems to collect data and information relevant to housing approvals, which slows down processes and leaves much of the "big picture" blank. This could be addressed by ensuring uniform data architecture standards.

### Improve the quality of our housing data to inform decision making

Having accurate data is key to understanding any challenge and making the best decisions in response. The Task Force heard from multiple housing experts that we are not always using the best data, and we do not always have the data we need.

Having good population forecasts is essential in each municipality as they develop plans to meet future land and housing needs. Yet, we heard many concerns about inconsistent approaches to population forecasts. In the Greater Golden Horseshoe, the forecast provided to municipalities by the province is updated only when the Growth Plan is updated, generally every seven years; but federal immigration policy, which is a key driver of growth, changes much more frequently. The provincial Ministry of Finance produces a population forecast on a more regular basis than the Growth Plan, but these are not used consistently across municipalities or even by other provincial ministries.

Population forecasts get translated into housing need in different ways across the province, and there is a lack of data about how (or whether) the need will be met. Others pointed to the inconsistent availability of land inventories. Another challenge is the lack of information on how much land is permitted and how much housing is actually getting built once permitted, and how fast. The Task Force also heard that, although the Provincial Policy Statement requires municipalities to maintain a three-year supply of short-term (build-ready) land and report it each year to the province, many municipalities are not meeting that requirement.[30]

At a provincial and municipal level, we need better data on the housing we have today, housing needed to close the gap, consistent projections of what we need in the future, and data on how we are doing at keeping up. Improved data will help anticipate local and provincial supply bottlenecks and constraints, making it easier to determine the appropriate level and degree of response.

It will also be important to have better data to assess how much new housing stock is becoming available to groups that have been disproportionately excluded from home ownership and rental housing.

**Put eyes on the crisis and change the conversation around housing**

Ours is not the first attempt to "fix the housing system". There have been efforts for years to tackle increasing housing prices and find solutions so everyone in Ontario can find and afford the housing they need. This time must be different.

The recommendations in this report must receive sustained attention, results must be monitored, significant financial investment by all levels of government must be made. And, the people of Ontario must embrace a housing landscape in which the housing needs of tomorrow's citizens and those who have been left behind are given equal weight to the housing advantages of those who are already well established in homes that they own.

**50.** Fund the adoption of consistent municipal e-permitting systems and encourage the federal government to match funding. Fund the development of common data architecture standards across municipalities and provincial agencies and require municipalities to provide their zoning bylaws with open data standards. Set an implementation goal of 2025 and make funding conditional on established targets.

**51.** Require municipalities and the provincial government to use the Ministry of Finance population projections as the basis for housing need analysis and related land use requirements.

**52.** Resume reporting on housing data and require consistent municipal reporting, enforcing compliance as a requirement for accessing programs under the Ontario Housing Delivery Fund.

**53.** Report each year at the municipal and provincial level on any gap between demand and supply by housing type and location, and make underlying data freely available to the public.

**54.** Empower the Deputy Minister of Municipal Affairs and Housing to lead an all-of-government committee, including key provincial ministries and agencies, that meets weekly to ensure our remaining recommendations and any other productive ideas are implemented.

**55.** Commit to evaluate these recommendations for the next three years with public reporting on progress.

# Conclusion

We have set a bold goal for Ontario: building 1.5 million homes in the next 10 years.

We believe this can be done. What struck us was that everyone we talked to – builders, housing advocates, elected officials, planners – understands the need to act now. As one long-time industry participant said, "for the first time in memory, everyone is aligned, and we need to take advantage of that."

Such unity of purpose is rare, but powerful.

To leverage that power, we offer solutions that are bold but workable, backed by evidence, and that position Ontario for the future.

Our recommendations focus on ramping up the supply of housing. Measures are already in place to try to cool demand, but they will not fill Ontario's housing need. More supply is key. Building more homes will reduce the competition for our scarce supply of homes and will give Ontarians more housing choices. It will improve housing affordability across the board.

Everyone wants more Ontarians to have housing. So let's get to work to build more housing in Ontario.

## APPENDIX A:
# Biographies of Task Force Members

**Lalit Aggarwal** is President of Manor Park Holdings, a real estate development and operating company active in Eastern Ontario. Previously, Lalit was an investor for institutional fund management firms, such as H.I.G. European Capital Partners, Soros Fund Management, and Goldman Sachs. He is a past fellow of the C.D. Howe Institute and a former Director of both Bridgepoint Health and the Centre for the Commercialization of Regenerative Medicine. Lalit holds degrees from the University of Oxford and the University of Pennsylvania. He is also a current Director of the Hospital for Sick Children Foundation, the Sterling Hall School and the Chair of the Alcohol & Gaming Commission of Ontario.

**David Amborski** is a professional Urban Planner, Professor at Ryerson University's School of Urban and Regional Planning and the founding Director of the Centre for Urban Research and Land Development (CUR). His research and consulting work explore topics where urban planning interfaces with economics, including land and housing markets. He is an academic advisor to the National Executive Forum on Public Property, and he is a member of Lambda Alpha (Honorary Land Economics Society). He has undertaken consulting for the Federal, Provincial and a range of municipal governments. Internationally, he has undertaken work for the Canadian International Development Agency (CIDA), the World Bank, the Inter-American Development Bank, the Lincoln Institute of Land Policy, and several other organizations in Eastern Europe, Latin America, South Africa, and Asia. He also serves on the editorial boards of several international academic journals.

**Andrew Garrett** is a real estate executive responsible for growing IMCO's $11+ Billion Global Real Estate portfolio to secure public pensions and insurance for Ontario families. IMCO is the only Ontario fund manager purpose built to onboard public clients such as pensions, insurance, municipal reserve funds, and endowments. Andrew has significant non-profit sector experience founding a B Corp certified social enterprise called WeBuild to help incubate social purpose real estate projects. He currently volunteers on non-profit boards supporting social purpose real estate projects, youth programs and the visual arts at Art Gallery of Ontario. Andrew sits on board advisory committees for private equity firms and holds a Global Executive MBA from Kellogg School Management and a Real Estate Development Certification from MIT Centre for Real Estate.

**Tim Hudak** is the CEO of the Ontario Real Estate Association (OREA). With a passion and voice for championing the dream of home ownership, Tim came to OREA following a distinguished 21-year career in politics, including five years as Leader of the Progressive Conservative Party of Ontario.

In his role, Tim has focused on transforming OREA into Ontario's most cutting-edge professional association at the forefront of advocacy on behalf of REALTORS® and consumers, and providing world-class conferences, standard forms, leadership training and professional guidance to its Members. As part of his work at OREA, Tim was named one of the most powerful people in North American residential real estate by Swanepoel Power 200 for the last five years. Tim is married to Deb Hutton, and together they have two daughters, Miller and Maitland. In his spare time, Tim enjoys trails less taken on his mountain bike or hiking shoes as well as grilling outdoors.

**Jake Lawrence** was appointed Chief Executive Officer and Group Head, Global Banking and Markets in January 2021. In this role, Jake is responsible for the Bank's Global Banking and Markets business line and strategy across its global footprint. Jake joined Scotiabank in 2002 and has held progressively senior roles in Finance, Group Treasury and Global Banking and Markets. From December 2018 to January 2021, Jake was Co-Group Head of Global Banking and Markets with specific responsibility for its Capital Markets businesses, focused on building alignment across product groups and priority markets to best serve our clients throughout our global footprint. Previously, Jake was Executive Vice President and Head of Global Banking and Markets in the U.S., providing overall strategic direction and execution of Scotiabank's U.S. businesses. Prior to moving into GBM, Jake served as Senior Vice President and Deputy Treasurer, responsible for Scotiabank's wholesale funding activities and liquidity management as well as Senior Vice President, Investor Relations.

**Julie Di Lorenzo** (GPLLM, University of Toronto 2020), is self-employed since 1982, operates one of the largest female-run Real Estate Development Companies in North America. She was instrumental in the Daniel Burnham award-winning Ontario Growth Management Plan (2004) as President of BILD. Julie served as the first female-owner President of GTHBA (BILD) and on the boards of the Ontario Science Centre, Harbourfront Toronto, Tarion (ONHWP), St. Michael's Hospital, NEXT36, Waterfront Toronto, Chair of IREC Committee WT, Havergal College (Co-Chair of Facilities), York School (interim Vice-Chair), and Canadian Civil Liberties Association Board. Julie has served various governments in advisory capacity on Women's issues, Economic Development, Innovation and Entrepreneurship. Awards include Lifetime Achievement BILD 2017, ICCO Business Excellence 2005 & ICCO Businesswoman of the Year 2021.

**Justin Marchand** (CIHCM, CPA, CMA, BComm) is Métis and was appointed Chief Executive Officer of Ontario Aboriginal Housing Services (OAHS) in 2018. Justin has over 20 years of progressive experience in a broad range of sectors, including two publicly listed corporations, a large accounting and consulting firm, and a major crown corporation, and holds numerous designations across financial, operations, and housing disciplines. He was most recently selected as Chair of the Canadian Housing and Renewal Association's (CHRA's) Indigenous Caucus Working Group and is also board member for CHRA. Justin is also an active board member for both the Coalition of Hamilton Indigenous Leadership (CHIL) as well as Shingwauk Kinoomaage Gamig, located in Bawaating. Justin believes that Housing is a fundamental human right and that when Indigenous people have access to safe, affordable, and culture-based Housing this provides the opportunity to improve other areas of their lives.

**Ene Underwood** is CEO of Habitat for Humanity Greater Toronto Area), a non-profit housing developer that helps working, lower income families build strength, stability and self-reliance through affordable homeownership. Homes are delivered through a combination of volunteer builds, contractor builds, and partnerships with non-profit and for-profit developers. Ene's career began in the private sector as a strategy consultant with McKinsey & Company before transitioning to not-for-profit sector leadership. Ene holds a Bachelor of Arts (Honours) from the University of Waterloo and a Master of Business Administration from Ivey Business School.

**Dave Wilkes** is the President and CEO of the Building Industry and Land Development Association of the GTA (BILD). The Association has 1,300 members and proudly represents builders, developers, professional renovators and those who support the industry.

Dave is committed to supporting volunteer boards and organizations. He has previously served on the George Brown College Board of Directors, Ontario Curling Association, and is currently engaged with Black North Initiative (Housing Committee) and R-Labs I+T Council.

Dave received his Bachelor of Arts (Applied Geography) from Ryerson.

## APPENDIX B:
# Affordable Housing

Ontario's affordable housing shortfall was raised in almost every conversation. With rapidly rising prices, more lower-priced market rental units are being converted into housing far out of reach of lower-income households. In parallel, higher costs to deliver housing and limited government funding have resulted in a net decrease in the number of affordable housing units run by non-profits. The result is untenable: more people need affordable housing after being displaced from the market at the very time that affordable supply is shrinking.

Throughout our consultations, we were reminded of the housing inequities experienced by Black, Indigenous and marginalized people. We also received submissions describing the unique challenges faced by off-reserve Indigenous Peoples both in the province's urban centres and in the north.

While many of the changes that will help deliver market housing will also help make it easier to deliver affordable housing, affordable housing is a societal responsibility. We cannot rely exclusively on for-profit developers nor on increases in the supply of market housing to fully solve the problem.

The non-profit housing sector faces all the same barriers, fees, risks and complexities outlined in this report as for-profit builders. Several participants from the non-profit sector referred to current or future partnerships with for-profit developers that tap into the development and construction expertise and efficiencies of the private sector. Successful examples of leveraging such partnerships were cited with Indigenous housing, supportive housing, and affordable homeownership.

We were also reminded by program participants that, while partnerships with for-profit developers can be very impactful, non-profit providers have unique competencies in the actual delivery of affordable housing. This includes confirming eligibility of affordable housing applicants, supporting independence of occupants of affordable housing, and ensuring affordable housing units remain affordable from one occupant to the next.

One avenue for delivering more affordable housing that has received much recent attention is inclusionary zoning. In simple terms, inclusionary zoning (IZ) requires developers to deliver a share of affordable units in new housing developments in prescribed areas. The previous Ontario government passed legislation in April 2018 providing a framework within which municipalities could enact Inclusionary Zoning bylaws.

Ontario's first inclusionary zoning policy was introduced in fall 2021 by the City of Toronto and applies to major transit station areas. Internationally, inclusionary zoning has been used successfully to incentivize developers to create new affordable housing by providing density bonuses (more units than they would normally be allowed, if some are affordable) or reductions in government fees. Unfortunately, the City's approach did not include any incentives or bonuses. Instead, Toronto requires market-rate fees and charges for below-market affordable units. This absence of incentives together with lack of clarity on the overall density that will be approved for projects has led developers and some housing advocates to claim that these projects may be uneconomic and thus will not get financed or built. Municipalities shared with us their concerns regarding the restriction in the provincial IZ legislation that prohibits "cash in lieu" payments. Municipalities advised that having the option of accepting the equivalent value of IZ units in cash from the developer would enable even greater impact in some circumstances (for example, a luxury building in an expensive neighbourhood, where the cost of living is too high for a low-income resident).

Funding for affordable housing is the responsibility of all levels of government. The federal government has committed to large funding transfers to the provinces to support affordable housing. The Task Force heard, however, that Ontario's share of this funding does not reflect our proportionate affordable housing needs. This, in turn, creates further financial pressure on both the province and municipalities, which further exacerbates the affordable housing shortages in Ontario's communities.

Finally, many participants in Task Force consultations pointed to surplus government lands as an avenue for building more affordable housing and this is discussed in Appendix C.

We have made recommendations throughout the report intended to have a positive impact on new affordable housing supply. We offer these additional recommendations specific to affordable housing:

- Call upon the federal government to provide equitable affordable housing funding to Ontario.
- Develop and legislate a clear, province-wide definition of "affordable housing" to create certainty and predictability.
- Create an Affordable Housing Trust from a portion of Land Transfer Tax Revenue (i.e., the windfall resulting from property price appreciation) to be used in partnership with developers, non-profits, and municipalities in the creation of more affordable housing units. This Trust should create incentives for projects serving and brought forward by Black- and Indigenous-led developers and marginalized groups.
- Amend legislation to:
  - Allow cash-in-lieu payments for Inclusive Zoning units at the discretion of the municipality.
  - Require that municipalities utilize density bonusing or other incentives in all Inclusionary Zoning and Affordable Housing policies that apply to market housing.
  - Permit municipalities that have not passed Inclusionary Zoning policies to offer incentives and bonuses for affordable housing units.
- Encourage government to closely monitor the effectiveness of Inclusionary Zoning policy in creating new affordable housing and to explore alternative funding methods that are predictable, consistent and transparent as a more viable alternative option to Inclusionary Zoning policies in the provision of affordable housing.
- Rebate MPAC market rate property tax assessment on below-market affordable homes.

## APPENDIX C:
# Government Surplus Land

Surplus government lands fell outside the mandate of the Task Force. However, this question came up repeatedly as a solution to housing supply. While we take no view on the disposition of specific parcels of land, several stakeholders raised issues that we believe merit consideration:

- Review surplus lands and accelerate the sale and development through RFP of surplus government land and surrounding land by provincially pre-zoning for density, affordable housing, and mixed or residential use.
- All future government land sales, whether commercial or residential, should have an affordable housing component of at least 20%.
- Purposefully upzone underdeveloped or underutilized Crown property (e.g., LCBO).
- Sell Crown land and reoccupy as a tenant in a higher density building or relocate services outside of major population centres where land is considerably less expensive.
- The policy priority of adding to the housing supply, including affordable units, should be reflected in the way surplus land is offered for sale, allowing bidders to structure their proposals accordingly.

## APPENDIX D:
# Surety Bonds

### Moving to surety bonds would free up billions of dollars for building

When a development proposal goes ahead, the developer typically needs to make site improvements, such as installing common services. The development agreement details how the developer must perform to the municipality's satisfaction.

Up until the 1980s, it was common practice for Ontario municipalities to accept bonds as financial security for subdivision agreements and site plans. Today, however, they almost exclusively require letters of credit from a chartered bank. The problem with letters of credit is that developers are often required to collateralize the letter of credit dollar-for-dollar against the value of the municipal works they are performing.

Often this means developers can only afford to finance one or two housing projects at a time, constraining housing supply. The Ontario Home Builders' Association estimates that across Ontario, billions of dollars are tied up in collateral or borrowing capacity that could be used to advance more projects.

Modern "pay on demand surety bonds" are proven to provide the same benefits and security as a letter of credit, while not tying up private capital the way letters of credit do. Moving to this option would give municipalities across Ontario access to all the features of a letter of credit with the added benefit of professional underwriting, carried out by licensed bonding companies, ensuring that the developer is qualified to fulfill its obligations under the municipal agreement.

Most important from a municipal perspective, the financial obligation is secured. If a problem arises, the secure bond is fully payable by the bond company on demand. Surety companies, similar to banks, are regulated by Ontario's Office of the Superintendent of Financial Institutions to ensure they have sufficient funds in place to pay out bond claims.

More widespread use of this instrument could unlock billions of dollars of private sector financial liquidity that could be used to build new infrastructure and housing projects, provide for more units in each development and accelerate the delivery of housing of all types.

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# AMO's Response to the Province's Housing Affordability Task Force Report

## A Submission to the Government of Ontario

March 1, 2022

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## Preamble

AMO appreciates the province's commitment to addressing the housing affordability and supply crisis in Ontario. The COVID-19 pandemic has exacerbated the urgency of this work. In our view, the province needs a made-in-Ontario housing framework.

Meaningful results will only be achieved if the social determinants of health, poverty reduction, and climate change mitigation and adaptation, are also addressed. A new collective mindset and transformative change is required, as tinkering around the edges will not be successful. Now is the time to take bold action to address the systemic issues around housing affordability over the long-term. We need a new provincial framework for housing affordability that we can all sign on to and work together to achieve.

## Municipal Housing Advocacy to Date

AMO has been actively involved in housing and homelessness work for years. Municipal governments and District Social Service Administration Boards (DSSABs) in the North, are critical players on the front lines and make a meaningful difference for our communities with support from the provincial and federal governments. We are well-positioned to provide advice going forward on what is necessary to address the housing crisis affecting our communities.

In recent years AMO has created several papers on housing that call for government action: "Fixing the Housing Affordability Crisis: Municipal Recommendations for Housing in Ontario"(August 2019), "Ending Homelessness in Ontario" (December 2021), and, "A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis" (February 2022).

The 2019 paper made recommendations that would have served as a foundation for ongoing conversations with both the provincial and federal governments. It called for the National Housing Strategy framework to serve as a platform for the federal, provincial, and municipal orders of government to come together to talk about how best to improve housing outcomes for the people of Ontario.

The 2021 paper reiterated that the municipal role in housing and homelessness prevention cannot be understated and provided 23 potential actions to pursue an integrated systems approach.

The 2022 AMO Blueprint advocates for bold action and leadership by all three orders of government and private, non-profit, and co-operative housing sectors (collectively referred to as "development sector") to address the housing crisis in Ontario. It provides nearly 90 recommendations that, if implemented by all parties, would improve affordability, diversify the housing mix, and increase supply.

## The Province's Work on Housing Affordability

As you know, AMO was disappointed that in December 2021, the province created a Housing Affordability Task Force (HATF) that lacked any municipal representation. Despite this, best efforts were made to provide municipal perspectives in that process, in hopes that our members would have enough time to provide reactions to the HATF report before the government proceeded.

AMO recognized the HATF had a narrower scope for consultation, which is why we focused instead on commenting on the province's Housing Affordability Survey (January 13, 2022), and making sure there was AMO participation at the Ontario-Municipal Housing Summit (January 19, 2022), and the Rural Housing Roundtable at the Rural Ontario Municipal Association conference (January 23, 2022).

Each of these milestones provided AMO with an opportunity to illustrate how complex the crisis is and the need for an all-of-government approach to truly fix it. Those meetings made it clear that a refresh to our 2019 housing positions was needed. That is why the AMO Housing Blueprint was developed. The positions were informed by our AMO Affordable Housing and Planning Task Forces and AMO Board of Directors who met in January and February.

Then, the province's Housing Affordability Task Force's (HATF) report was released on February 8, 2022. AMO's Planning and Affordable Housing Task Forces and the AMO Executive met separately to discuss the HATF. In the end, significant concerns were raised that many premises and recommendations in the HATF report do not align with AMO's positions on housing. Therefore, AMO is writing to strongly encourage the Ministry to consider the comments below and recommendations made in our Housing Blueprint as it considers how to move ahead with solving these housing challenges.

## AMO's Response to the Province's HATF Report

Based on conversations to date, AMO will not be providing thoughts on individual recommendations in the HATF report. Members were concerned that doing so would be given that many would require details that we do not have, and that many are based on premises that AMO cannot support.

Rather, AMO respectfully submits high-level comments on the HATF report in hopes that the province will consider them fully as it continues its work.

### Underlying Premises

First, the HATF's report fails to recognize the role that all orders of government and the development industry play to meaningfully contribute to addressing the housing crisis in Ontario. The HATF recommendations on their own will not address the housing crisis that Ontario faces. Specifically, the private sector alone will not necessarily increase housing affordability without government interventions through various planning and financial instruments.

Further, it seems to have been guided by the premise that the solutions are primarily at the local level to address barriers caused by municipalities and their councils.

Finally, the scope of the report was too narrow by applying the premise that increasing any sort of supply will address affordability. AMO does not believe this will be the case. More targeted action is required to ensure the right mix of supply will meet the needs of the people of Ontario of all income levels.

## Importance of Municipal Decision-Making

The report does not recognize the insight into local issues that municipal elected officials and staff have in relation to their communities, including how best to achieve housing targets and intensification. A strengthened and more centralized role for the province in local planning decisions would limit local autonomy and de-value community input.

The HATF report also focuses too much on municipal planning and development approvals. It leaves gaps in areas that were not considered such as the bottle neck at the Ontario Land Tribunal (OLT) which has slowed down housing development and contributed to higher housing and municipal costs. More work is needed to determine how the approval timing creates pressures on municipal planning staff who are pulled away from approval work to focus on OLT cases. We continue to also ask that De Novo hearings be removed from the OLT process toolbox.

There is also an assumption that municipal development charges and fees unnecessarily increase housing costs, and do not respect the principle that growth must pay for growth. There is no guarantee and no mechanism identified that developers would pass on the savings to consumers to decrease the price of the home or rental unit.

Another concern is that the broader use of surety bonds has been suggested as long-term solution. The financial risk associated with accepting a different instrument of financial security rests with the municipality and ultimately, the local property taxpayer. The decision to accept the appropriateness of such an instrument should remain a local decision, informed by all available evidence.

In our view, many of the recommendations put forward were done so without sufficient municipal engagement or consideration. If implemented, they could erode local decision making and are often punitive in nature. This is not productive when only working together constructively will result in the outcomes we all seek.

## Promising Policy Outcomes

The report has some promising policy outcomes for further investigation, including increasing the supply of rental housing, missing middle housing, increasing second suites and garden suites, and increasing density, particularly in Major Transit Station Areas (MTSAs). The province should consider achieving their policy objectives by establishing intensification targets and providing the necessary funding and support for municipalities as they achieve those targets through their official plan policies, based on their understanding of their communities.

It is critical that sufficient attention and action be given to regional differences across the province. In some cases, how policy outcomes can be delivered need more consideration. For example, the high cost of servicing land and staffing capacity challenges in rural and northern Ontario ought to be recognized and addressed. As well, the complexity of the Provincial Policy Statement (PPS) was mentioned but fell short of highlighting the need to revise the PPS to productively enhance growth and development planning beyond rural Ontario's settlement areas.

We have long advocated that with the complexity and lack of clarity between the *Planning Act*, Growth Plans, and the PPS, the province needs to take immediate steps to remove ambiguity in and between these policy instruments to assist those working with them to allow a more streamlined approach. Additionally, the province should implement an integrated One Window approach

involving all provincial line ministries which should involve reasonable timelines for the line ministries and other agencies under provincial authority.

Overall, a more comprehensive examination of the full spectrum of housing is required, including community and supportive housing. The province must also consider innovative funding options and financial tools, rental housing incentives and policies, investor speculation, and community housing.

Underutilized crown land especially in northern Ontario should also be dedicated to affordable housing options, as well as surplus public lands (such as school sites) throughout the province. We would like to see the recommendations in the HATF appendices B and C on community housing and government surplus land elevated to primary government consideration as part of the solution.

## Conclusion

AMO encourages the provincial government to find ways to address the housing crisis in Ontario in a way that requires all three orders of government and private, non-profit, and co-operative housing sectors (collectively referred to as "development sector") to work collectively to improve affordability, diversify the housing mix, and increase supply.

AMO has done considerable work on housing from a broader viewpoint, including our most recent Housing Blueprint. We encourage the Ministry to carefully consider the recommendations put forward in that report as an input akin to the HATF report. Considerable work has gone into this paper and is the combined efforts of our members who are speaking with one voice on this matter.

We can provide valuable, on-the-ground expertise of our members and are available to work with the Ministry to finding areas for collaboration and action. Now is the time for bold, collaborative action on housing.

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February 10, 2022

Hon. Steve Clark
Minister of Municipal Affairs & Housing
17th Floor – 777 Bay Street
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***Re: OPPI's Top 10 Housing Supply & Affordability Recommendations***

Dear Minister Clark,

On behalf of the Ontario Professional Planners Institute (OPPI), I am pleased to provide our Top 10 recommended measures to address housing supply and affordability in the Province of Ontario.

This letter builds on the initial three recommendations from our December 20th submission to the Housing Affordability Task Force. We hope you consider these additional recommendations as you receive the Task Force report and develop the government's action plan to address the housing affordability crisis in Ontario.

**Overview of Top 10 Recommendations**

1. Create a Chief Planner of Ontario with oversight of municipal implementation of provincial plans.
2. Encourage Community Planning Permit Systems in Strategic Growth Areas.
3. Require RPP sign-off on Planning Justification Reports to ensure completeness of applications.
4. Establish a Planning Modernization Fund to align outdated zoning with Official Plans.
5. Align provincial infrastructure funding with growth planning to address servicing gaps.
6. Lead development of a single data standard for planning and development applications.
7. Enhance delegation framework for technical planning implementation approvals.
8. Drive more affordable units into the mix of new housing supply.
9. Promote innovative approaches and provide rehabilitation funding for social housing.
10. Provide provincial policy stability in land use planning once upcoming changes are in place.

**About OPPI**

OPPI is the recognized voice of Ontario's planning profession. With over 4,600 members, it serves as both the Professional Institute and regulator of Registered Professional Planners (RPP) in the province. Our members work across the planning spectrum, for consulting firms, provincial and municipal approval bodies, private developers, community agencies and academic institutions.

RPPs are skilled, professional, and dependable navigators employed to help lead communities towards the Ontario of tomorrow. RPPs are the local experts who bring together differing points of view; they

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consult and develop recommendations that provide informed choices for decision-makers and elected officials. RPPs act in the public interest as professionals who work to improve the quality and livability of communities in Ontario today and for their sustainability long-term.

**Introduction**

OPPI has worked with the government to advance measures to streamline the land use planning approvals process in the Province of Ontario. We recently collaborated with stakeholders across the municipal and development sector to seek changes to the *Planning Act* that enhance delegation of minor approvals. We thank Minister Clark for adopting these measures in Schedule 19 of Bill 13, *Supporting People and Businesses Act, 2021.*

Additional delegation will help, but it is not the panacea for the housing affordability crisis in Ontario. There is much more work to be done at all levels of government to create a comprehensive plan that adequately addresses this generational challenge.

Many barriers have been identified and solutions proposed by stakeholders in the past few months which we have read with interest. Some innovative and worthy concepts are emerging. OPPI will focus our recommendations on measures that directly relate to actions the provincial government can take regarding land use planning matters.

**OPPI's Top 10 Recommendations**

1. **Create an Office of the Chief Planner of Ontario (CPO) as an independent, non-partisan Office of the Legislative Assembly to provide oversight of municipal implementation of provincial land use plans and policies.**

    - A recent report by the Auditor General of Ontario found significant oversight, reporting and guidance challenges relating to municipal implementation of provincial land use plans and policies. Some of the key findings included:
        - Minimal information is available on the outcomes of policies associated with the Growth Plan for the Greater Golden Horseshoe. The province has only once reported on municipal implementation progress since the Plan's inception.
        - Many municipalities are falling short of targets in the Plan. Only four of the 25 Urban Growth Centres are on pace to meet their density targets by 2031.[1]
        - Municipalities receive insufficient guidance on how to implement policies in provincial plans. In a survey of municipal planners, 70% of respondents said they lacked sufficient guidance or direction from provincial staff.[2]

[1] Office of the Auditor General of Ontario (December 2021), *Value-for-Money Audit: Land-Use Planning in the Greater Golden Horseshoe, p. 26.*
[2] Office of the Auditor General of Ontario (December 2021), *Value-for-Money Audit: Land-Use Planning in the Greater Golden Horseshoe, p. 3.*

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- The Chief Planner of Ontario (CPO) would serve to address these gaps by operating as an arm's length oversight and advisory function for municipal implementation of provincial planning policy.
- The CPO would publish an annual report on progress towards implementation of provincial land use plans and policies including growth targets. The report would include a macro assessment of the implementation landscape. It would also include a micro review of major municipalities to identify specific policies and/or targets that are lagging.
- The CPO would provide recommendations to municipalities that are misaligned with provincial plans and policies on a path to conformity.
- The CPO would also assist in resolving differences amongst Provincial Ministries on land use planning policies and plans at the municipal level.

2. **Encourage Community Planning Permit Systems (CPPS) in Strategic Growth Areas by providing implementation funding to municipalities.**

- A CPPS is an existing *Planning Act* tool that combines Zoning By-Law Amendment, Site Plan and Minor Variance into a single streamlined application and approval process. Once implemented the process can significantly speed up the approval process, but there has been limited uptake in Ontario.
- **The Province should encourage use of a CPPS** in Strategic Growth Areas as set out in the Growth Plan for the Greater Golden Horseshoe (i.e., Urban Growth Centres, Major Transit Station Areas, intensification corridors).
- As an incentive to drive uptake, the Province should provide full implementation funding to municipalities that choose to implement a CPPS through the proposed Planning Modernization Fund (further details below).
- Provincial standards should be set for a CPPS that include alignment of height and density with the Official Plan.

3. **Require Registered Professional Planner (RPP) sign-off on Planning Justification Reports to indicate completeness of application prior to submission by a proponent.**

- Municipalities have consistently raised significant concerns with delays caused by poor quality and incomplete applications submitted by proponents.
- Currently, proponents are required to prepare a Planning Justification Report for a major application including Official Plan Amendment, Zoning By-law Amendment, Draft Plan of Subdivision, and/or Site Plan under the *Planning Act*. This report provides necessary background, overview, and planning rationale for the submission.
- To improve completeness of applications, **the Province should require Planning Justification Reports be signed off by a Registered Professional Planner (RPP)** prior to

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submission. The RPP would use professional judgement to attest to the completeness of the submission.

- An upfront rigorous review by an RPP would serve to reduce unnecessary time going back and forth between the proponent and municipality to address missing aspects of the submission.

**4. Establish a Planning Modernization Fund to align outdated zoning with Official Plans.**

- Municipalities raise resourcing as the primary barrier to updating zoning after new Official Plans are approved. This "out-of-date" zoning necessitates Zoning By-Law Amendments which could add as many as 18 or more months to the approval process in some large municipalities.
- **The Province should create a Planning Modernization Fund** that provides grants to municipal planning departments to obtain sufficient resources to update zoning and/or implement a CPPS to conform with new Official Plans. This can be funded by allocating 1% of Land Transfer Tax revenue to the program on an ongoing basis to support municipal planning capacity.
- Funding for local planning by other orders of government is not a novel concept. Historically, the Government of Ontario has provided various planning grants including the Community Planning Service Grant (CPSG).
- Ontario recently announced a Streamline Development Approval Fund to accelerate processes for managing and approving housing applications. This fund could likely be used to update zoning or implement a CPPS. However, competitive demands on this fund would still necessitate a dedicated fund to ensure sufficient resources are allocated for these initiatives.

**5. Align provincial infrastructure funding and financing programs with the Growth Plan for the Greater Golden Horseshoe to ensure provincial support is targeted towards essential servicing for new housing developments.**

- Servicing costs continue to be a significant impediment to making greenfield lands available for housing development as well as realizing intensification in areas of antiquated infrastructure. Limitations to municipal debt capacity pose challenges that often impede adequate and timely servicing.
- Without adequate resources for key infrastructure, streamlining zoning and the application process will have little impact on housing supply.
- The Province should review all existing municipal infrastructure funding and financing programs and seek to **prioritize support towards gaps in servicing for new housing developments**. This, in effect, would align existing water, wastewater and other provincial funding for municipal infrastructure with growth planning.

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- In addition, the Province should also review Ontario's Long-Term Infrastructure Plan (LTIP) and align investments in provincially-owned assets such as schools, hospitals, and transit to municipal growth plans.
- Private-public partnership to ensure access to reliable broadband should also be explored to ensure new housing development has appropriate connectivity in the new age of telecommuting.

6. **Lead the development of a single data standard for planning and development applications in collaboration with municipalities and industry.**

- Some municipalities have moved towards e-permitting; however, platforms are siloed, fragmented, and do not take into consideration the multiple government agencies that may need to be consulted.
- There are no clear and consistent data standards or guidelines across these various commenting and approval agencies. The outcome is a complex array of multi-layered processes that add time and cost to the approval of housing projects.
- **The Province should lead a data standardization initiative** in partnership with relevant stakeholders. Approaches could include supporting existing initiatives or conducting a joint procurement with the Association of Municipalities of Ontario (AMO). Key principles should include avoiding vendor lock-in and open standards.
- This can build on recent successes in the building permit space where AMO collaborated with the Municipal Property Assessment Corporation (MPAC), a provincial agency, to procure Cloudpermit as an approved e-permitting platform for building permits in Ontario.

7. **Enhance delegation framework for technical planning implementation approvals.**

- The Province recently expanded the ability of municipal councils to delegate minor planning approvals. However, **the Province should go further and provide heads of planning departments with the authority to approve certain minor applications**. These delegated approvals could "bump up" to Council at its discretion.
- This would speed up the approval process by authorizing expert planning staff to review and approve technical implementation aspects of housing projects instead of waiting for Council meetings and agenda time.
- Delegation by elected Councils is a proven method to reduce approval timelines. A recent survey, conducted by OPPI, found that where delegations were in place, 63% of heads of planning departments reported a reduction in development approval timeline of 2-3 months and 11% reported a reduction of 4-5 months.
- The initial list of technical approvals that should be at the discretion of heads of planning departments include Draft Plan of Subdivisions, Site Plan, Lifting of Holding Provisions and Part Lot Control, Consents within the Built-Up Area, and Validation Certificates.

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8. **Drive more affordable units into the mix of new housing supply.**

- A comprehensive housing strategy should include a suite of policies that **create incentives for affordable housing units** within the mix of new supply. These could include:
    - An as-of-right framework developed in partnership with the municipal sector to unlock affordable infill development on existing apartment sites.
    - Allowing municipalities to provide density bonusing in exchange for affordability requirements, including as part of inclusionary zoning by-laws.
    - Requirement for municipalities to have a separate queue for processing affordable housing applications to expedite approval.
    - Financial incentives such as provincial rebates for Development Charges and HST for affordable housing projects.
- The approach should also **drive specific design features within new affordable housing units**, including:
    - An appropriate mix of unit sizes that align with the nature of households, and in locations with access to local transit options.
    - Net zero heating and cooling, environmentally friendly elements, and higher quality materials.
- Private-public partnerships could be pursued to achieve some of these objectives.

9. **Promote innovative approaches and provide capital funding for rehabilitation of existing social housing stock.**

- Municipalities continue to struggle with maintaining existing social housing stock in a state-of-good repair. There are stories of social housing units being decommissioned due to health and safety concerns at a time when we face significant shortages and long waitlists.
- **The Province should create a Social Housing Centre of Excellence** aimed at developing and sharing innovative solutions to address the deferred maintenance crisis in Ontario's existing social housing stock.
- The Centre can share best practices and provide templates and training on successful approaches, such as ones used in the Regent Park, Lawrence Heights, or Alexandra Park Revitalization projects.
- **The Province should also provide dedicated and ongoing rehabilitation funding to social housing providers.** One approach could be to dedicate 25% of Land Transfer Tax revenue towards the initiative.

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**10. Provide provincial policy stability in land use planning once upcoming changes are in place.**

- Frequent provincial reviews and changes to plans and policies serve as a barrier to new housing development. Municipal capacity to adapt often lags changes to provincial plans.
- For example, the Province amended the Growth Plan for the Greater Golden Horseshoe in 2017 and provided municipalities five years to come into conformity. However, the Province made further amendments in 2019 and then again in 2020 before municipalities had a chance to conform to the previous changes. This further delayed the process as many municipalities had to redo studies and planning work.
- The Auditor General of Ontario noted in her December 2021 report that, *"numerous changes in policies have created instability in the land use planning process".*
- Once the upcoming round of policy changes are in place, **the Province should provide a period of policy stability to allow municipalities to adapt to the new regime.**

In implementation of upcoming policy changes, the Province should apply an equity lens to ensure actions include solutions that address the inequities in accessing housing that Black, Indigenous, and People of Colour (BIPOC) face.

**Conclusion**

Many challenges have led to Ontario's current housing affordability crisis. Some of these go beyond the land use planning policy framework and could be driven by a low interest rate environment, speculative demand, labour shortages and other factors.

Within the land use planning policy regime, there are many potential changes to plans and policies that could help accelerate housing supply, however our submission was intended to focus on our Top 10 recommendations.

As we look ahead to government consideration of recommendations by the Housing Affordability Task Force and other stakeholders, OPPI would value an opportunity to provide ongoing advice to the Ministry as it seeks to implement changes to address Ontario's housing affordability crisis. We kindly request a role in any implementation advisory tables setup by the Ministry on housing and other planning issues.

If you and/or Ministry staff have any questions on our proposed measures, please feel free to contact Susan Wiggins at (647) 326-2328 or by email at s.wiggins@ontarioplanners.ca.

Sincerely,

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# Community Infrastructure and Housing Accelerator – Proposed Guideline

## Proposal Overview:

Bill 109, the More Homes for Everyone Act, 2022 was introduced in the Legislature on March 30, 2022. If passed, section 5 of Schedule 5 to the Bill would amend the Planning Act to establish a new "community infrastructure and housing accelerator" tool. The Minister of Municipal Affairs and Housing would have the power to make orders to respond to municipal council resolutions requesting expedited zoning outside of the Greenbelt Area.

Subsection 34.1 (25) of the Planning Act would require the Minister to establish guidelines governing how community infrastructure and housing accelerator orders may be made. The guidelines may, among other matters, restrict orders to certain geographic areas or types of development. The guidelines would have to be in place before a community infrastructure and housing accelerator order could be issued and would need to be published on a website of the Government of Ontario.

The draft guidelines outlined below have been prepared for consultation purposes. This consultation draft of proposed guidelines is intended to facilitate dialogue and stimulate feedback. The comments received during consultation will be considered during the final preparation of the guidelines.

*Caution: The content, structure, form and wording of the consultation draft are subject to change.*

## Draft Guidelines: Minister's Orders at Request of Municipalities (Community Infrastructure and Housing Accelerator Tool)

### Where the tool may be used

Subsection 34.1 (11) of the Planning Act provides that a community infrastructure and housing accelerator order cannot be made in the Greenbelt Area (as defined in Ontario Regulation 59/05 "Designation of Greenbelt Area") which includes specified lands within:

- the Oak Ridges Moraine Area
- the Niagara Escarpment Plan Area
- the Protected Countryside plan areas

- the Glenorchy Addition plan area
- the 2017 Urban River Valley Area Additions plan area
- Any additional Urban River Valley Areas that may be added through the current Growing the Greenbelt phase II consultation

Local municipalities (lower and single tier only) may request a community infrastructure and housing accelerator order relating to lands within their geographic boundaries.

## Community infrastructure and housing accelerator orders

The Minister will consider making a community infrastructure and housing accelerator order on the request of the council of a local municipality (lower or single tier) where the Minister believes it is in the public interest to do so.

A community infrastructure and housing accelerator order can be used to regulate the use of land and the location, use, height, size and spacing of buildings and structures to permit certain types of development.

The requesting municipality is responsible for providing public notice, undertaking consultation and ensuring the order, once made, is made available to the public.

In issuing an order, the Minister is able to:

- provide an exemption for other necessary planning-related approvals from provincial plans, the Provincial Policy Statement and municipal official plans, but only if this is specifically requested by the municipality, and
- impose conditions on the municipality and/or the proponent.

## Types of development

The Minister may make a community infrastructure and housing accelerator order to expedite the following types of priority developments:

- community infrastructure that is subject to Planning Act approval including: lands, buildings, and structures that support the quality of life for people and communities by providing public services for matters such as health, long-term care, education, recreation, socio-cultural activities, and security and safety
- any type of housing, including community housing, affordable housing and market-based housing
- buildings that would facilitate employment and economic development, and
- mixed-use developments.

For greater clarity, a community infrastructure and housing accelerator order will address zoning matters and will not address environmental assessment matters related to infrastructure.

## Subsequent approvals

When making a community infrastructure and housing accelerator order, subsection 34.1 (15) of the Planning Act would allow the Minister, upon request of a local municipality, to provide that specific subsequent approvals are not subject to provincial plans, the Provincial Policy Statement and municipal official plans. Subsequent approvals are licences, permits, approvals, permissions or other matters that are required before a use permitted by a community infrastructure and housing accelerator order could be established, such as plans of subdivision and site plan control.

The Minister will only consider an exemption from provincial policy requirements if the subsequent approval is needed to facilitate the proposed project, and the municipality provides a plan that would, in the opinion of the Minister, adequately mitigate any potential impacts that could arise from the exemption. This includes, but is not limited to, matters dealing with:

- Community engagement
- Indigenous engagement
- Environmental protection/mitigation

## Conditions

The Minister may impose conditions on the approval of a community infrastructure and housing accelerator order. Conditions could be imposed to ensure that certain studies, assessments, consultations and other necessary due diligence associated with any proposed development that would be subject to the community infrastructure and housing accelerator order would be adequately addressed before construction or site alteration can begin. The lifting of a Minister’s condition is at the sole discretion of the Minister.

## Existing Aboriginal or treaty rights

This guideline shall be implemented in a manner that is consistent with the recognition and affirmation of existing Aboriginal and treaty rights in section 35 of the Constitution Act, 1982.