

April 19, 2022

The Honourable Doug Ford, M.P.P.
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

The Honourable Steve Clark, M.P.P.
Minister of Municipal Affairs and Housing
17th Floor
777 Bay St.
Toronto, ON M5G 2E5

Sent via email: premier@ontario.ca and steve.clark@pc.ola.org

**Re: St. Catharines Response to Ontario Housing Affordability Task Force
Recommendations
Our File 35.31.18 & 60.73.5**

Dear Premier Ford and Minister Clark,

At its meeting held on April 7, 2022, St. Catharines City Council approved the following motion and requested that Minister Clark consider the staff recommendations starting on page 7 of the enclosed report (Report PBS-059-2022):

That Council, via the Mayor's Office, advise the Premier that the Housing Affordability Task Force recommendations require further evaluation and analysis, including feedback from AMO, ROMA, OPPI, MFOA, and OBCM, prior to implementation; and

That Council strongly recommends that substantial Provincial investment be provided to support municipalities to fund anticipated infrastructure upgrades to accommodate new intensification goals outlined in the Task Force's recommendations; and

That Council requests the Minister of Municipal Affairs and Housing to consider the staff recommendations starting on page 7 of Report PBS-059-2022; and

That staff forward Report PBS-059-2022 and its Appendices to the Premier, the Minister of Municipal Affairs and Housing and local Members of Provincial Parliament; and

.../2

That Council recommends the Province remove appeal rights to individuals and parties who appeal affordable housing developments to the OLT; and

Further, that Council's resolution be shared with Ontario Municipalities for their endorsement.

If you have any questions, please contact the Office of the City Clerk at extension 1524.



Bonnie Nistico-Dunk, City Clerk
Legal and Clerks Services, Office of the City Clerk
:em

cc: Jennifer Stevens, MPP - St. Catharines
Jeff Burch, MPP - Niagara Centre
Wayne Gates, MPP - Niagara Falls
Sam Oosterhoff, MPP - Niagara West-Glanbrook
Tami Kitay, Director of Planning and Building Services
Brian York, Director of Economic Development and Government Relations
Melissa Wenzler, Government Relations Advisor
Scott Rosts, Chief of Staff, Mayor Sendzik's Office
Ontario Municipalities

Encl. Report PBS-059-2022

Report from: Planning and Building Services, Director

Report Date: February 14, 2022

Meeting Date: April 7, 2022

Report Number: PBS-059-2022

File: 35.31.18 & 60.73.5

Subject: St. Catharines Response to Ontario Housing Affordability Task Force
Recommendations

Strategic Pillar:

This report aligns with the following St. Catharines Strategic Plan pillars: economic, social, environmental, and cultural.



Recommendation

That Council, via the Mayor's Office, advise the Premier that the Housing Affordability Task Force recommendations require further evaluation and analysis, including feedback from AMO, ROMA, OPPI, MFOA, and OBCM, prior to implementation; and

That Council strongly recommends that substantial Provincial investment be provided to support municipalities to fund anticipated infrastructure upgrades to accommodate new intensification goals outlined in the Task Force's recommendations; and

That Council requests the Minister of Municipal Affairs and Housing to consider the staff recommendations starting on page 7 of Report PBS-059-2022; and

That staff forward Report PBS-059-2022 and its Appendices to the Premier, the Minister of Municipal Affairs and Housing and local Members of Provincial Parliament; and

Further, that Council's resolution be shared with Ontario Municipalities for their endorsement.

Summary

On December 6, 2021, the Province appointed a Housing Affordability Task Force to assess how a lack of housing supply bears responsibility for the housing affordability crisis. The Task Force, consisting primarily of private sector development industry representatives, crafted 55 recommendations aimed at supporting market housing affordability. The Task Force is focused on bringing 1.5 million new homes to market in the next 10 years. The recommendations impact many areas of land use planning, municipal financing, cultural heritage assets and public participation. The purpose of this report is to provide a high-level assessment of the recommendations for Council's information.

Relationship to Strategic Plan

The Provincial Housing Affordability Task Force recommendations, if implemented as currently intended, will negatively impact all four pillars of the City's Strategic Plan:

- **Economic Prosperity:** Support the City's commitment to building and growing a diverse and resilient economy through fiscal responsibility, urban regeneration, and collaborative partnerships.
- **Social Well-Being:** Build and support strong, inclusive neighbourhoods, that provide high quality of life for residents of all ages.
- **Environmental Stewardship:** Adopt innovative approaches and continue responsible community planning and decision-making that balances growth, enhances quality of life, manages emergencies, and minimized the environmental impacts of climate change.
- **Cultural Renaissance:** Celebrate the City's rich history, diversity, arts and cultural assets through leadership, promotion and investments that support measurable, sustainable creative growth.

Background

Since 2000, Canadian property price increases have significantly outpaced those of wages. The average home price in Canada has quadrupled from 2000 to 2020, whereas the average Canadian family's income has only increased 37% in the same time period ([Statistics Canada](#)). Canada Mortgage and Housing Corporation [data](#) indicates that in 2020, Toronto was the sixth most expensive city in the world in which to live. Furthermore, the Canadian government has [targeted immigration](#) levels of 411,000 new residents in 2022 and 421,000 new residents in 2023. Many of these new residents will settle in major cities and their surrounding areas to contribute to skilled workforce opportunities. In the Greater Golden Horseshoe, a surplus of housing does not exist, which further contributes to a lack of affordable options for new and existing residents.

On December 6, 2021, nine persons were appointed to a Provincial Housing Affordability Task Force to provide the government with recommendations to address market housing supply and affordability.

Specifically, their mandate was to explore housing affordability by:

- Increasing the supply of market rate rental and ownership housing;
- Building housing supply in complete communities;
- Reducing red tape and accelerating timelines;
- Encouraging innovation and digital modernization, such as in the planning processes;
- Supporting economic recovery and job creation; and
- Balancing housing needs with protecting the environment.

The Task Force was chaired by Jake Lawrence, CEO of Global Banking and Markets at Scotiabank. The other appointments included:

1. Lalit Aggarwal, President of Manor Park Holdings
2. David Amborski, Professor at Ryerson's University's School of Planning
3. Julie Di Lorenzo, President of Diamante Urban Corp
4. Andrew Garrett, Senior Principal of Real Estate, Investment, and Management Corporation of Ontario
5. Tim Hudak, CEO of the Ontario Real Estate Association
6. Justin Marchand, CEO of Ontario Aboriginal Housing Services
7. Ene Underwood, CEO of Habitat for Humanity GTA
8. David Wilkes, CEO of Building Industry and Land Development Association

On February 8, 2022, the Ontario Housing Affordability Task Force [released their report](#) (linked above and attached as Appendix 1) and their 55 recommendations. To date, the Minister has not indicated which of the recommendations will be implemented, nor has a timeline been published.

The recommendations have significant implications for the future of land use planning, city building, heritage preservation, and municipal finance. As such, staff from Planning and Building Services and Financial Management Services have reviewed the Task Force's recommendations and contributed to the comments in Appendix 2 to this report. The purpose of this report is to share staff's assessment of the recommendations for Council's information.

It is recommended that Council advise the Province of their position on these recommendations, despite not being solicited for feedback.

Report

The Provincial Housing Affordability Task Force has predicated their recommendations entirely on increasing supply as the primary factor in market housing affordability. It is worth noting that it was not within the Task Force's mandate to evaluate true affordable housing objectives or actions. The Task Force places a significant portion of culpability on the housing crisis to municipal zoning and slow approvals; costs of development process, including fees, charges, and securities; public consultation, and political influence in decision making.

Of the Task Force’s 62 recommendations (55 core recommendations, 7 sub-recommendations), staff have identified the recommendations that can be supported, those that are neutral or require additional information to provide a determination, and those recommendations that are opposed:

Recommendations that St. Catharines Staff		
Support	Neutral/More Information Needed	Opposed
17	20	25

The Housing Affordability Task Force’s recommendations and the accompanying staff comments are listed in Appendix 2 of this report.

Overview of Task Force’s Themes

The Housing Affordability’s Task Force report, attached as Appendix 1 to this report, identifies 5 themes:

1. Make the creation of housing a greater planning priority, require greater density and broadly expand development rights.
2. Reduce, shorten, and streamline planning application processes and implement province-wide zoning and urban design standards.
3. Depoliticize the planning process by eliminating restrictive zoning and removing neighbourhood character considerations.
4. Fix the Ontario Land Tribunal (OLT) and prevent abuse of the appeals system.
5. Support municipalities that commit to transforming the system.

Theme 1: The City of St. Catharines agrees that increased density and choice in housing supply is necessary to accommodate growing population needs. However, by broadly expanding development rights to the extent identified in the recommendations will result in substandard development, extensive taxpayer burden, infrastructure deficits, and a loss of cultural heritage and parkland attributes that make communities desirable and livable. Furthermore, the Task Force has not demonstrated how any savings attributed to expanded development rights will increase affordability.

Theme 2: The City of St. Catharines supports any efforts by the Province to review Provincial ministry and agency development review processes for efficiencies, including adequate resources to ensure quicker turnaround for approvals. Staff do not support shortening Planning Act timeframes further as many delays in the development application review process can be attributed to developers, consultants and external consulting agencies. Province-wide zoning standards can not be supported as they do not consider community context and would be counter productive as it would increase the number of minor variance and zoning by-law amendment applications. Staff also do not support Province-wide urban design standards as different communities have different identities and character and harmonizing the built form of 444 municipalities would destroy the aspects that make cities livable.

Theme 3: Staff could support efforts to depoliticize the decision-making process. However, the Task Force recommendations on how to undertake this action are unclear in how they would be screened and administered and furthermore, are borderline undemocratic. The Task Force assumes that public consultation only adds delay and not value to the development process. In staff's opinion, meaningful public consultation results in better development and less acrimonious appeal processes.

Theme 4: Staff are supportive of a comprehensive review of Planning Act appeal rights and Ontario Land Tribunal processes. However, the Task Force recommendations with regards to "preventing abuse of the appeals system" are unclear in how appeals would be screened for abuse (beyond methods the Tribunal currently employs) and seemed to be crafted in a manner to prevent participation by the general public.

Theme 5: Staff are appreciative of Provincial support to improve the development approvals process. However, the Task Force's recommendations in this manner are punitive of municipalities striving for quality development and livable cities and otherwise incentivize insufficient process and substandard development.

St. Catharines Efforts that Support the Task Force's Mandate

The Planning and Building Services Department supports Provincial goals to create additional housing and has undertaken many efforts to remove process barriers to expedite development.

Incentivization

The City of St. Catharines incentivizes private development investment through its Community Improvement Plan (CIP) which prioritizes brownfield remediation, affordable housing, heritage preservation and intensification areas. The City's Development Charges by-law has DC grant programs for downtown development, affordable housing and industrial uses.

Process Improvement

The City of St. Catharines is a recipient of the Province's Streamline Development Fund and has committed to undertaking a process improvement review with a perspective of ensuring an efficient review and evaluation process. In addition, staff are implementing an e-permitting system and online portal for development applications in an effort to simplify the application process and reduce costs incurred by the applicant for mileage, copies of drawings, etc.

Permissive Official Plan and Zoning By-law

The City's Garden City Official is fully implemented by the City's Zoning By-law leading to the majority of development applications going straight to site plan – including a 30-storey mixed-use tower in the downtown. The City's lowest density residential zone permits a variety of ground-oriented housing, as of right, including single and semi-detached dwellings, accessory dwelling units, quadplexes, and townhouses removing opportunities for NIMBY (Not In My Backyard) appeals and creating opportunity for gentle density in established neighbourhoods. Furthermore, the downtown enjoys a policy environment with no density cap, no height cap and no parking minimums.

Appeals

The City maintains a very low development application appeal rate. This achievement can be attributed to constructive dialogue with applicants, the public and commenting agencies, focusing on an outcome-based approach. In fact, there are only four matters currently in front of the OLT – three of which are for one development proposal and one on a city-wide Official Plan Amendment meant to implement the Province's Growth Plan. All four appeals were filed by developers and not the general public.

St. Catharines Housing Action Plan

The City of St. Catharines anticipated the rising cost of housing in 2017 and responded with Council's approval of a [Housing Action Plan](#). Among other recommendations, the report proposed the following actions:

- Amend the Official Plan's condominium conversion policies;
- Amend the Zoning By-law to address accessory dwelling units;
- Streamline affordable housing development applications;
- Amend the Zoning By-law to incorporate the possibility of inclusionary zoning;
- Amend the Community Improvement Plan to include an affordable housing program;
- Participate in the Regional Development Charge Review; and
- Advocate for the development of affordable housing projects and related funding programs.

The City has implemented all of the above actions; save and except for an inclusionary zoning practice which is currently under development.

Surplus Lands Task Force

City Council has created a Surplus Lands Task Force dedicated to the review of surplus municipal lands and positioning of the lands to be developed for affordable, supportive, and/or rent geared to income housing. The City has declared two properties surplus so far and have entertained proposals to develop housing that supports a range of affordable, rent geared to income, and market housing at 6-8 Academy Street and [320 Geneva Street](#). The City [has entered into an agreement](#) with Penn Terra Group Ltd., Bethlehem Housing, and Habitat for Humanity to see the development of a former City property to 43% affordable housing, 14% social housing and 43% market rate housing. Furthermore, there will be 180 rental units and 32 townhomes, 19,000 sq.ft. of commercial space and three community gardens.

Staff Response to Task Force Recommendations

Staff question the Task Force's fundamental premise that broadly increasing development rights while decimating a municipality's ability to collect payment for growth related infrastructure, recreational and park improvements will translate to the development of market affordable housing. It is generally understood that the market will pay for what the market can bare and the recommendations do not guarantee that any financial savings enjoyed by the developer through the stripping of the land use planning system will be passed on to the end user.

The City of St. Catharines has an in-effect policy environment that permits, as of right, the development of 14,390 dwelling units to accommodate an additional population of 31,390 ([STC Land Needs Assessment, adopted by Council November 2020](#)). Approved by Niagara Region Council March 2021. Appealed by developer April 2021 and currently awaiting Ontario Land Tribunal decision). The City has no authority or ability to force the development of those units. In addition to a permissive Official Plan and Zoning By-Law framework discussed above, staff can advise that unlimited development rights have not resulted in a measurable increase in housing supply or contribution to housing affordability.

The Housing Affordability Task Force is especially dismissive of the value that heritage conservation brings to the community, ignores opportunities for adaptive reuse and expansion and ignores that many heritage assets can be reused for multiple residential unit conversions. In the City of St. Catharines, there are several examples of heritage schools being converted to residential dwelling units, heritage homes being converted from a single unit to multiple dwellings and heritage industrial buildings being converted to residential dwellings. The City supports two heritage advisory committees and responsibly utilizes the tools of the Ontario Heritage Act to designate and list buildings of interest. The City is mindful of property rights and works to achieve balance, collaboration and cooperation with property owners.

The City of St. Catharines relies on municipal taxes, fees and development charges to forecast, budget and plan for community service investment, maintenance and replacement for the infrastructure that residents rely on. Should the municipality's ability to collect growth related fees from development be significantly reduced, as recommended by the Task Force, the City will have to make the decision to drastically reduce service levels or raise property taxes to fund growth related costs. While staff can understand how the reduction of these fees would benefit the applicant, there is no guarantee provided that demonstrates the cost savings being passed to the occupant. Furthermore, there is nothing to suggest that these recommendations would create additional housing supply and diversity.

The City of St. Catharines prides itself on supporting the tender fruit lands and its thriving grape growing capabilities. Niagara prides itself on its wine making innovations and is known around the world for the quality of its wines, its festivals and the many industries that thrive from this specialty crop area. The City and staff do not support the expansion of urban boundaries or municipal boundaries to permit development on these lands. The Task Force's recommendation in this regard is directly contrary to the Province's Greenbelt Plan and would be detrimental to the highest quality food producing soil and microclimate in the Province.

Staff Recommendations to the Task Force

Staff suggest that the Minister could consider the following items to achieve additional housing affordability:

- Regulate the Ontario Real Estate Association to discourage blind bidding, unethical pricing practices and realtor hoarding of residential units.

- Disincentivize house flipping for profit through capital gains tax for any property bought, improved and sold within 12 months.
- Assess, evaluate and leverage all Provincially owned land for residential suitability and make available for true affordable housing providers, where suitable.
- Empower municipalities to zone for residential tenure to ensure multi-residential developments have a mix of rental and ownership tenures at strategic intensification areas such as downtown, MTSA and intensification corridors.
- Modify taxation systems to encourage and incentivize the construction and operation of purpose built rental, cooperative living, truly affordable housing and housing to support racialized communities.
- Undertake a Planning Act reform process, with an advisory committee of municipal planners and lawyers, to instill consistency, clarity, and intent of the Act. Pre-submission consultations must be considered a development application. Furthermore, loopholes routinely exploited for substandard applications must be closed to provide integrity to the process (i.e. the clock must stop when an application is deemed incomplete).
- Reinstate the intent of the Bill 139 Planning Act amendments that saw the elimination of “de novo” hearings, consider decisions made by municipal Councils and to adjudicate only on contested matters of land use planning.
- Redirect any ministry budget surpluses to a fund that directly creates truly affordable housing units.

Consultation

It is noted that the Task Force did not seek or include feedback from the Association of Municipalities of Ontario (AMO), Rural Ontario Municipalities Association (ROMA), Ontario Professional Planners Institute (OPPI), Ontario Big City Mayors (OBCM), or numerous other organizations, agencies or Provincial Ministries whose mandates would be impacted by these recommendations. The composition of the Housing Affordability Task Force represents a perspective of supporting the building industry’s desire for expedited approvals while sacrificing many of the aspects that make cities livable. Prior to the implementation of any of the Task Force’s recommendations, the City strongly recommends that a comprehensive review and consultation take place with the aforementioned agencies, municipalities, and bodies.

Financial Implications

There are no financial implications associated with this report. However, if these recommendations are implemented as currently worded there will be significant impacts to municipal finances. These would represent a shift from “growth pays for growth” to the taxpayer subsidizing development to the benefit of the developer. Should the Task Force’s recommendations be implemented there is no evidence to suggest that the costs savings to be realized by the developer would be transferred to the end user.

Environmental Sustainability Implications

There are no environmental sustainability implications associated with this report. However, if these recommendations are implemented as currently worded there will be a significant decrease in the municipality's ability to invest in resilient infrastructure and parkland development.

Conclusion

The City of St. Catharines has undertaken numerous proactive policy and regulatory approaches to expedite development that implements the vision set out in the Garden City Official Plan, which has been brought into conformity with the Province's Growth Plan population targets. The City has demonstrated commitment to Provincial goals of creating more housing, providing a greater mix of housing types, and expediting approvals, where under municipal control. However, staff have concerns with the fundamental premise of the Task Force's recommendations that by reducing "barriers" to development in favour of developers that the market will flood with supply and housing costs will substantially decrease.

The City has championed unlimited development rights in the downtown since 2010 (no height cap, no density cap, no required parking) and until 2021, little attempt was made to capitalize on these benefits. The development industry will always phase development to reduce downward pressure on price, full well knowing that the purchase price will always be set by what the market can bare. Staff remain concerned that many of the Task Force's recommendations will negatively impact public consultation, municipal revenues, municipal autonomy and many aspects of city building that improve livability. None of the recommendations are guaranteed to reduce the cost of housing to the end user.

Overall, staff are not confident that the implementation of the Task Force's recommendations will succeed at improving housing affordability.

Notifications

It would be prudent to notify the following individuals of Council's recommendation:

- Niagara Regional Council
- Grape Growers Association
- Rural Ontario Municipalities Association
- Association of Municipalities of Ontario
- Ontario Professional Planners Institute
- Office of the Premier
- Steve Clarke, Minister of Municipal Affairs and Housing
- Jennie Stevens, MPP
- Sam Oosterhoff, MPP
- Jeff Burch, MPP
- Niagara Home Builders Association
- Niagara Construction Association
- Ontario Federation of Agriculture

Prepared and Submitted by

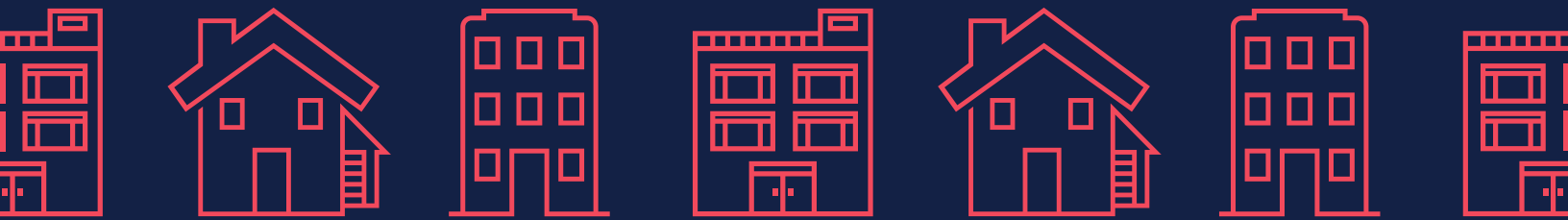
Tami Kitay, MPA MCIP RPP
Director of Planning and Building Services

Approved by

Dave Oakes, MPA
Chief Administrative Officer

Appendices

1. Report of the Province's Housing Affordability Task Force
2. Provincial Housing Affordability Task Force Recommendations and St. Catharines Comments
3. Ontario Professional Planners Institute – Letter to Minister of Municipal Affairs and Housing, dated February 10, 2022
4. AMO's Response to the Province's Housing Affordability Task Force, dated March 1, 2022
5. Municipal Finance Officers' Association of Ontario - Response to the Province's Housing Affordability Task Force
6. Niagara Region Response to Minister of Municipal Affairs and Housing on the Ontario Housing Task Force Report, dated March 15, 2022



Report of the
**Ontario Housing
Affordability Task Force**



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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 in cities over 50,000 in population.

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

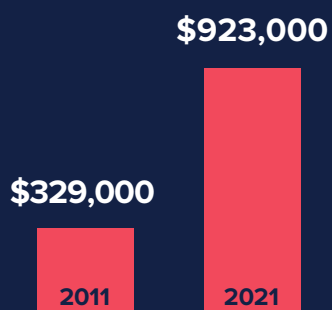
where she'll find a new apartment she can afford if the owner decides to sell. The recent graduate who will have to stay at home for a few more years before he can afford to rent or buy.

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.

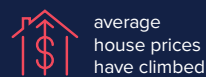
The high cost of housing has pushed minorities and lower income Ontarians further and further away from job markets. Black and Indigenous homeownership rates are less than half of the provincial average.^[5] And homelessness rates among Indigenous Peoples are 11 times the national average. When housing 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.



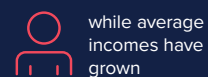
Average price for a house across Ontario



Over 10 Years



average house prices have climbed
+180%



while average incomes have grown
+38%

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.

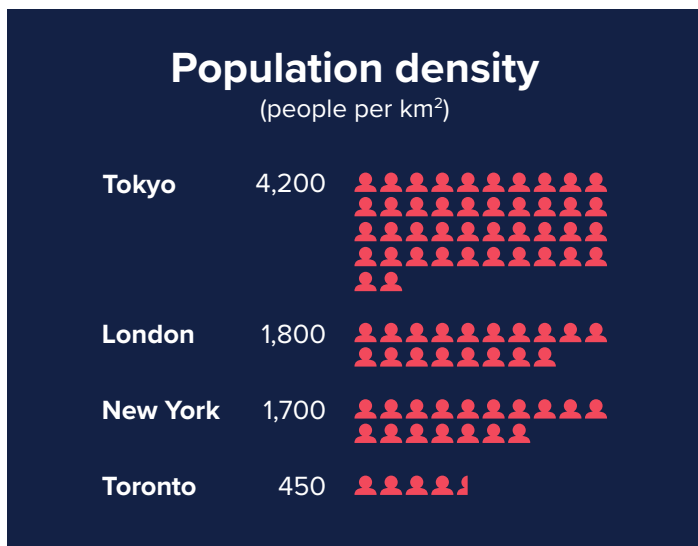
Access to transit is linked to making housing more affordable: when reliable transit options are nearby, people can get to work more easily. They can live further from the centre of the city in less expensive areas without the added cost of car ownership.

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”.^[3] 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. 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 of 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.

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.



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]

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%.^[22] 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.

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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Appendix 2

Provincial Housing Affordability Task Force Recommendations and STC Comments

#	Recommendation	Position	Staff Comments
1.	Set a goal of building 1.5 million new homes in ten years.	Neutral	<p>This goal would have to be set by the Province through population and employment targets through the Places to Grow, Growth Plan and then implemented through Regional and Municipal Official Plans through the Municipal Comprehensive Review (MCR) process.</p> <p>The City of St. Catharines just completed a comprehensive compliance exercise to bring the Garden City Official Plan into conformity with 2051 Growth Plan targets. New targets, and the required compliance exercises and anticipate Ontario Land Tribunal hearings, would negate that work and contribute to further delays.</p> <p>If the Province wishes to increase intensification targets again for the 2051-time horizon, it also needs to provide municipalities with infrastructure funding to match population growth.</p>
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.	Support	Municipal Official Plans implement Provincial Growth Plan targets and are consistent with the Provincial Policy Statement. It is an important city building initiative to focus growth and intensification within existing built-up areas of municipalities. The City’s Garden City Official Plan contains policies directing growth to built up areas, particularly the downtown and GO Major Transit Station Area (MTSA) and supports a variety of housing configurations.

3a.	<p>Limit exclusionary zoning in municipalities through binding provincial action:</p> <p>a. Allow “as of right” residential housing up to four units and up to four storeys on a single residential lot.</p>	Neutral	<p>The City of St. Catharines’s Zoning By-law permits accessory dwelling units, single detached, semi detached, quadplex, and townhouses as-of-right in its lowest density zone. The maximum height permission for this zone is 10m (approximately 33 feet). Staff are supportive of up to four units on a single residential lot provided that performance standards can be achieved. However, a mandatory minimum four storey height limit does not consider neighbourhood context and should have accompanying zoning standards to evaluate the proposed development.</p> <p>While the Task Force assumes that generation of additional supply will lead to downward pressure on pricing, an as-of-right permission for 4 units per residential lot could actually have the reverse effect of increasing already high property values.</p>
3b.	<p>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.).</p>	Opposed	<p>Single staircase and single egress for multi-unit buildings may result in a cost savings to the builder; however, there is no certainty that this cost savings would be passed to the end user. Single staircase and egress for four storey multi-unit buildings would have implications for accessibility further reducing housing opportunities for those already experiencing challenges. While such a change would necessitate changes to the Fire Code and Building Code, secondary accesses became requirements following fatalities and coroner inquests.</p>
4.	<p>Permit “as of right” conversion of underutilized or redundant commercial properties to residential or mixed-residential and commercial use.</p>	Opposed	<p>There is no definition of “underutilized or redundant” commercial properties to understand how this recommendation would be implemented. If implemented, this permission could be abused by landowners kicking out commercial tenants (particularly independent, small businesses) to claim their property is</p>

			<p>underutilized to obtain a “free” rezoning and increase the value of the property. Many municipalities have recently undergone extensive and comprehensive land needs assessments to conform to Provincial Growth and Employment Targets. Permitting as-of-right conversion to residential uses would result in an imbalance of employment and commercial opportunities in municipalities and an imbalance in property taxation. Furthermore, in a downtown context, this recommended permission could result in a plethora of residential units at grade which reduces street activity, animation. This could result in a proliferation of bedroom communities and loss of walkable opportunities for everyday needs.</p>
5.	Permit “as of right” secondary suites, garden suites, and laneway houses province-wide.	Support	The City’s Zoning By-law already permits accessory dwelling units as of right. The City will be examining garden suites and laneway housing as part of the Housekeeping Zoning By-law Review project, tentatively scheduled for the 2023 workplan.
6.	Permit “as of right” multi-tenant housing (renting rooms within a dwelling) province-wide.	Support	Staff support home share and other methods of renting out rooms within a dwelling as an affordable housing option. Licensing should be explored to ensure life safety of occupants.
7.	Encourage and incentivize municipalities to increase density in areas with excess school capacity to benefit families with children.	Neutral	The City of St. Catharines is not aware of any school catchment areas that have excess capacity. As the Province is responsible for administering the Boards of Education, efforts should be made at investing in urban school models in downtown, midtown, uptown, and MTSA contexts (Vancouver has embraced this model with success). Increasing density in established neighbourhoods via medium and high density built form may not generate school age children. Must consider neighbourhood context. Servicing infrastructure may require substantial upgrades to implement this.

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.	Neutral	The City’s zoning currently permits, as of right, unlimited height and density in the downtown, and has since 2013. To date, this has not resulted in a significant amount of affordable or market residential development. This recommendation assumes that servicing infrastructure is adequate to accommodate.
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).	Oppose	The City’s policies already encourage intensification along arterial roads, to support public transportation investment. However, bus routes are dynamic and can frequently change, depending on community needs. Transit can also go down local roads. It does not make sense to radically change neighbourhoods based on flexible bus routes. Furthermore, as of right permissions could be detrimental to heritage assets and substantially increase opposition to public transit in an effort to keep density out of established neighbourhoods. This recommendation should be further explored for fixed transit infrastructure, such as BRT, LRT, and rail.
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.	Neutral	This appears to be a Toronto-centric issue.
11.	Support responsible housing growth on undeveloped land, including outside existing	OPPOSE	Staff strongly oppose expanding the existing urban boundary. Urban boundary delineations are integral to protecting tender fruit lands, specialty crop areas, and Greenbelt lands. Expanding

	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.		urban boundaries contributes to suburban sprawl, greater infrastructure burden, and increase in property taxes to support. Furthermore, expanding urban boundaries is contrary to climate change objectives. There is no definition provided for “responsible” housing growth and furthermore, this does not provide for other supporting uses such as institutional and daily commercial needs.
12a	Create a more permissive land use, planning, and approvals system: Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood.	Oppose	It is unclear if “physical character of neighbourhood” includes heritage conservation districts. The City of St. Catharines has four heritage conservation districts, each of which have their own distinct character. This recommendation dismisses the value of heritage conservation and ignores residential context and removes compatibility from planning analysis. Additional density can still be supported in built forms that compliment character and heritage conservation areas.
12b	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.	Oppose	The City’s site plan control by-law currently applies to developments with 4 or more residential dwelling units. Site plan control permits evaluation of a development for compatibility with adjoining lands. This recommendation, if implemented, would eliminate landscaping, drainage, parking review and would remove the ability to assess the development for its compliance with the City’s objectives.
12c	Establish province-wide zoning standards, or prohibitions, for minimum lot sizes, maximum building setbacks, minimum heights, angular planes, shadow rules, front doors,	Oppose	Province wide zoning standards are not context sensitive (i.e. an urban downtown has a very different context from a northern municipality). Applying the same zoning standards to 444 municipalities would significantly add to the number of minor variance applications, hence adding additional delay and process which is counter to the Task Force’s desired outcome. Heritage

	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		view cones are based on site merits, heritage impact assessments, and other contextual values. Standardized minimum height regulations are not context supportive and do not consider shadow impacts, growing zones, native species, etc. Removing colour, texture, and materiality is problematic as it will result in bland, cheap cladding that becomes the occupant's burden to maintain, prematurely looks dated/dirty, and does not contribute to the streetscape (i.e. excessive stucco). Staff may be supportive of Provincial standards for undertaking a shadow study.
12d	Remove any floorplate restrictions to allow larger, more efficient high-density towers.	Oppose	Floorplate regulations are to assist with appropriate shadowing, massing, character, context, and wind impacts. By removing floorplate restrictions, slab buildings could proliferate preventing ground level landscaping and trees from receiving sunlight. Impacts to tower separation and sunlight would also impact tower occupants. Furthermore, the pedestrian scale would be uncomfortable, if not hostile. There is no evidence to suggest that this would lead to unit affordability. However, this could assist with achieving more 2- and 3-bedroom units.
13	Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.	Oppose	Public consultation can encourage better development. Removing opportunities contributes to a more acrimonious development process and can contribute to delays. Municipalities should have the discretion to require additional public consultation, depending on the nature of the development application.
14	Require that public consultations provide digital participation options.	Support	The City of St. Catharines implemented digital participation options at the beginning of the pandemic and have continued to use these methods. Digital participation has expanded

			opportunities to connect with residents on meaningful engagement with a range of demographics and over longer periods of time, as opposed to singular events.
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.	Neutral	The City of St. Catharines has already delegated site plan approval to staff. To date, there has been no political abuse of withdrawing Council's delegation. Council has already delegated the consideration of minor variance applications to a Committee of Adjustment which operates independently of staff and Council.
16	Prevent abuse of the heritage preservation and designation process by: a) Prohibiting the use of bulk listing on municipal heritage registers	Oppose	No definition has been provided for "bulk listing" and furthermore, recent changes to the Ontario Heritage Act would make "bulk listings" very difficult. The City of St. Catharines does not abuse the designation process. Depending on how "bulk listing" is defined, this could have implications for Heritage Conservation Districts.
16	b) Prohibiting reactive heritage designations after a Planning Act development application has been filed	Oppose	There is no definition of what "development application" includes. Does the clock start at pre-submission consultation? What does this mean for the 60-day moratorium on demolitions of listed properties? If implemented, there would be no purpose for Heritage Impact Assessments and a significant loss of cultural heritage assets and landscapes – many of which define neighbourhoods and communities. This could actually have the counter effect of ensuring more properties are designated to preserve character. This recommendation assumes that heritage and new construction/adaptive reuse are mutually exclusive.

			<p>What constitutes a development application? Do pre-submission consultations count? What does this mean for the 60 day moratorium on demolitions? What purpose does a HIA have then? Will have a counter effective of ensuring more properties are designated. This recommendation assumes that heritage and new construction/adaptive reuse are mutually exclusive.</p>
17	<p>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.</p>	<p>OPPOSE</p>	<p>It is unclear when or how this recommendation would be triggered. Staff would need to understand if this is retroactive to properties on the heritage registry. Development speculation has always had risks; however, it is the responsibility of the buyer to be aware of the responsibilities of their purchase. If there is a potential for a heritage designation, that should be factored into the proposal – it should not be factored in to how much the taxpayers should “compensate” a developer for their purchase. This recommendation, if implemented, would result in inappropriate incentivization and the destruction of cultural heritage assets and landscapes. In MTSAs, the cost of land increases with the proximity of amenities. It would be cost prohibitive to compensate developers for purchasing land in these areas and furthermore, detrimental to cultural heritage assets that exist in these areas.</p> <p>This recommendation assumes that there is no value of cultural heritage landscapes, where the opposite is true. Heritage conservation contributes to a sense of community and identity.</p> <p>This recommendation has not been considered with respect to indigenous sites of interest and how “loss of property value” would be calculated.</p>

			<p>The City of St. Catharines, through its CIP, incentivizes heritage conservation and preservation efforts. In the USA, there are tax credits for heritage preservation.</p> <p>Development applications will always result in a change in property value – to place that burden on the taxpayer is irresponsible. Municipalities and their taxpayers should not compensate developers for a perceived loss of profit. In theory, this could require a payment for “loss of property value” for every heritage designated property. There are significant financial impacts that could materially impact the City’s property tax levy moving forward.</p>
18	Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews.	Oppose	<p>This recommendation is contrary to the identified goals of the Task Force. The Province approves Regional Municipal Comprehensive Reviews. If the Regional OP does not provide for the appropriate growth targets, MMAH can deny the OP. If a municipal Official Plan, or its growth management conformity exercise does not adequately implement Provincial targets, then the Region can deny the OP or OPA. A third-party appeal only serves to delay bringing additional units online more expeditiously. Lengthy appeals take resources away from other strategic priorities and the processing of development applications.</p>
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	Oppose	<p>The development application review process is typically delayed by external factors (such as the applicant, MECP, MTO, Conservation Authority, etc.) more so than the municipality. Staff would need to understand what these legislated timeframes would be to understand the staffing impacts needed to achieve compliance. The implementation of this recommendation will result in more “conditional approvals” where all of the conditions</p>

	legislated response time is exceeded.		<p>of approval will take the same amount of time for the applicant to clear as they do now.</p> <p>Bill 108 significantly reduced Planning Act timeframes for the review of development applications. To date, there has been no indication that this has resulted in an improvement in affordability.</p> <p>Automatic approvals would result in substandard, lower quality developments.</p> <p>Staff would support the Province undertaking a review of application processing timeframes for Provincial ministries and Conservation Authorities and providing the appropriate resources to expedite approvals in their own control.</p>
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.	Support	<p>Staff support Provincial Facilitators to facilitate a “one window” approach with Provincial approval agencies. Staff are interested in understanding how the Province will define a hierarchy of priority to apply Provincial Facilitators.</p> <p>The City of St. Catharines currently has a vacant Project Expeditor position. Recruitment efforts have not been successful.</p>
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	Oppose	<p>The Planning Act is silent on pre-submission consultations. The City of St. Catharines already employs a pre-submission consultation process, setting out a list of requirements to form a complete submission. However, staff are unclear on the implementation aspects of this recommendation. Does this limit the municipality’s ability to undertake a peer review? Does this mean the municipality has not ability to deny a stamped document? It is unclear if that means a CAHP stamped heritage</p>

	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.		<p>evaluation recommendation would be deemed final. In these instances of a conflict, which consultant's designation is given more priority? For example, if a Landscaped Architect stamped a plan that conflicts with a P. Eng stamped infrastructure plan – is there a co-sign on conflicts? Which designations would be considered as part of this process?</p> <p>The City of St. Catharines has experience with “stamp for hire” consultants who have applied their P. Eng. stamp to as-built drawing when never visiting the project site and an architect submitting drawings with blatant Building Code deficiencies (such as demonstrating a 600 sq.ft. rooftop platform not attached to a building). While it is understood that the recommendation intends on not applying liability to the municipality, there are life safety implications. Staff need to understand what the risk and liability is for the municipality after assumption.</p>
22	Simplify planning legislation and policy documents.	Support	<p>Staff support a full Planning Act reform to improve clarity and consistency. Greater correlation between Provincial Plans should be explored, including prioritizing matters of Provincial interest in instances of land use overlap (i.e. prime agricultural and aggregate).</p> <p>Staff recommend the Province form an advisory group consisting of municipal planners and lawyers to review and recommend changes.</p>
23	Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which may be included; require the	Oppose	The City of St. Catharines uses standard plan of subdivision conditions and then includes context sensitive site-specific conditions, directly related to the site conditions. A common set of subdivision conditions for 444 municipalities is unrealistic.

	use of standard province-wide legal agreements and, where feasible, plans of subdivision.		
24	Allow wood construction of up to 12 storeys.	Neutral	Allowing wood construction up to 12 storeys would necessitate a change to the Building Code Act, which is a Provincial matter. Wood construction to 12 storeys is currently under review for the National Building Code. Wood construction cost savings are typically offset by a increase in insurance premiums for construction. As such, it is unclear how this will contribute to housing affordability. Wood construction is more sustainable than concrete; however, concrete stairwells should still be required for life safety considerations.
25	Require municipalities to provide the option of pay on demand surety bonds and letters of credit.	Oppose	Staff have considered the provision of surety bonds in lieu of letters of credit for development securities and are not supportive. To collect a surety bond, the municipality is required to expend resources for court action and typically results in a fraction of what is owed. Surety bonds will lead to an increase in site plan non-compliances, potentially adding burden to the taxpayer to complete developer responsibilities. The process of collection is too onerous. The City has had difficulties collecting on surety bonds in the past and do not recommend this option.
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.	Neutral	The Ontario Land Tribunal has the authority now to deny the hearing of an appeal that has no land use rationale. It is important that the implementation of this recommendation not be for the purposes of eliminating a democratic right to appeal. Furthermore, additional information is needed to understand what this process looks like, how much time it adds to the process, and an understanding that appeals of minor variance decisions will differ in complexity from complex OPA appeals.

27a	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.	Neutral	More information is needed to fully understand how this would be administered. Typically, the development application must be completed prior to housing providers committing to service agreements. It is not clear how an applicant can guarantee affordable housing without the development application having certainty. Staff are concerned that this recommendation would encourage lower standards of development. Furthermore, the Province needs to define "affordable housing" for this context.
27b	Require a \$10,000 filing fee for third-party appeals.	Oppose	A \$10,000 appeal fee for the general public is undemocratic, punitive, and designed to prevent access to the appeal process. Furthermore, persons who could be legitimately impacted by a development deserve an opportunity to appeal to a Provincial body, regardless of financial ability. A \$10,000 appeal fee would only be accessible to wealthy resident groups. The application of a \$10,000 appeal fee would be the addition of a systemic barrier to a democratic process.
27c	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.	Neutral	Staff can appreciate the use of costs to be awarded for blatant abuse of process; however, it is unclear if this is the most appropriate method.
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.	Support	Staff are supportive of oral decisions being issued the day of the hearing, particularly for matters arising from the hearing of Motions. Oral decisions for complex matters including conditions of approval would be difficult to implement without the written decision and order.

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.	Oppose	Professional planners have an ethical duty to provide recommendations to Council based on their independent and professional assessment of the development application. To conclude that a refusal is to avoid an appeal for lack of decision is an affront to the profession. If an applicant provides a substandard application, it should be anticipated that it be denied. Punitive damages should be applied at times of blatant abuse of power, not inconvenience to developers.
30	Provide funding to increase staffing (adjudicators and case managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets.	Support	Staff support additional resources for the OLT and suggest a merit-based appointment system so that applicants qualified in land use planning and development matters be prioritized over political appointments.
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.	Neutral	Staff support the prioritization of OLT hearings for affordable housing projects. However, it is unclear how appeals for housing would otherwise be prioritized in an impartial manner.
32	Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential project up to 10 units or for any development where no new material infrastructure will be required.	Oppose	The City of St. Catharines just undertook a comprehensive Development Charges background study and implemented a DC by-law, forecasting, and reserve based on city-wide infrastructure, parks, and recreational facility needs. The City's DC by-law allows the addition of up to 2 additional units without additional DC charge to incentive intensification. If implemented,

			<p>this recommendation will have significant impacts on municipal financial abilities to support infrastructure projects</p> <p>Waiving cash-in-lieu of parkland fees would impact the City's ability to deliver parkland and recreational facilities in proximity to the development, as well as city wide. Making development cheaper for developers does not automatically increase supply of affordable housing. This recommendation, if implemented, will result in a proliferation of 10-unit developments, which may be ultimately underdevelopment for a site just to avoid DC and parkland costs at the expense of the community's livability.</p> <p>The implementation of this recommendation will severely impact a municipality's ability to invest, maintain, and construction in servicing infrastructure and quality recreation spaces for the residents who will be calling these developments home.</p>
33	Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years.	Neutral	<p>The City of St. Catharines' DC By-law accommodates DC rebates for true affordable housing. The current Development Charges Act sets an affordability limit of 20 years. The Province would need to amend its Act to implement this recommendation. In doing so, the Province should clearly define "affordable housing" for this purpose. As waiving DCs would impact the City's capital works program, the Province should adequately fund municipalities with reimbursements for lost DCs for affordable housing.</p>
34	Prohibit interest rates on development charges higher than a municipality's borrowing rate.	Oppose	<p>The City of St. Catharines currently does not have an interest policy for development charges; however, one is being considered by Council in Q2 2022. Most of the City's growth-related infrastructure will not be built until a certain level of development has occurred. Current interest rates paid by the</p>

			<p>municipality on long term debt are far lower than the Non-Residential Construction Cost Index which more accurately reflects the changes in the cost of infrastructure over time. In an indirect manner, the recommendation if implemented would ultimately lead to an increase in DC rates over time. Additionally, those interest rates change over time, and fluctuating interest rates do not provide cost certainty in the same manner that a fixed interest rate could.</p>
35	<p>Regarding cash in lieu of parkland, s.37, Community Benefit Charges, and development charges:</p> <p>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.</p> <p>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</p>	Oppose	<p>Legislation for Community Benefit Charges and Development Charges already have regulations for reporting, including collections that are allocated to projects. For development charges, large projects often require funds to be collected over a period of time before a project can move forward, and that project may take years to construct. Council ultimately make decisions on capital budgets and forecasts and at times will need to adjust timing to meet other strategic and emergent goals. Annual reviews of cash in lieu reserve funds will not assist in reaching any of the Task Force's defined goals. Cash in lieu reserves need to be built up in order to acquire appropriate lands for parkland and/or recreational facilities. Areas of greatest parkland need are typically located in areas with the high land values – area specific collection and spending limits remove municipal autonomy in creating people places.</p> <p>This recommendation, if implemented, will create an inefficient use of funds, require varied rates, and add administrative burden and unnecessary complexity. DCs are collected on a city-wide basis to be used on city-wide needs. The City of St. Catharines future development will be 95% intensification and as such, infrastructure requirements do not related to or benefit a single area of the City.</p>

	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.	Neutral	More information is required.
37	Align property taxes for purpose-built rental with those of condos and low rise.	Neutral	<p>More information is required.</p> <p>The intent of tax policy is revenue neutrality, which means that any reduction in the tax ratio of one property tax class is shifted and shared among the other remaining tax classes. The City of St. Catharines' assessment is largely residential (80%), as such, any reduction in the tax ratio of other property tax classes will result in the residential tax base carrying a larger tax burden.</p> <p>Staff could support changing both the tax rate and property value assessment methodology to align with those of condos and low rise, unless there is a distinction between purpose built rental and condo tenure.</p>
38	Amend the Planning Act and Perpetuities Act to extend the maximum period for land leases and restrictive	Neutral	Extending the maximum period for land leases may assist with some forms of affordable housing, such as community land trusts.

	covenants on land to 40 or more years.		
39	Eliminate or reduce tax disincentives to housing growth.	Neutral	Staff are unable to assess this recommendation until additional information and clarity is provided as to which tax categories disincentivize housing growth.
40.	Call on the Federal Government to implement an Urban, Rural and Northern Indigenous Housing Strategy.	Support	The City of St. Catharines strongly supports this recommendation.
41.	Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners.	Support	The City of St. Catharines is supportive of Provincial funding and administration of these initiatives and suggest that Federal assistance also be obtained to remove systemic barriers in Canada's banking system.
42	Provide provincial and federal loan guarantees for purpose-built rental, affordable rental, and affordable ownership projects.	Support	Loan guarantees have been previously identified as a barrier for purpose built rental and non-profit housing developments.
43	Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted projects where construction has not been	Neutral	The City of St. Catharines does not have substantial greenfield development opportunities that would necessitate the phasing of infrastructure and servicing capacities. Further information and clarity on the intent of this recommendation and how it would be implemented is necessary to better understand potential implications.

	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.	Oppose	<p>Water and wastewater are Regional services.</p> <p>Development Charges are predicated on “growth pays for growth” whereas this recommendation utilizes existing taxpayers to shoulder a portion of the burden of water and wastewater, essentially subsidizing new development.</p> <p>A municipal services corporation utility model would be complicated in Niagara due to the sharing of responsibilities between upper and lower tiers, and the structure of administration. The utility model results in significant levels of debt burden and increased rates within the City of St. Catharines as the corporation would likely be created at the Regional level, and the residents of the city would become responsible for covering the costs of growth-related infrastructure in other communities – including those with greenfield, low density sprawl development.</p>
45	Improve funding for colleges, trade schools, and apprenticeships; encourage and incentivize municipalities, unions and employers to provide more on-the-job training.	Support	<p>The Planning and Building Services Department for decades has provided paid job placements for planning and building students for on-the-job training and successional opportunities. Furthermore, multiple PBS staff teach, guest lecture, and speak at conferences to share information and educate future professionals.</p> <p>It is recommended that the Ministry of Education actively encourage secondary students to consider the trades and colleges as career options.</p>

46	Undertake multi-stakeholder education program to promote skilled trades.	Support	It is recommended that the MMAH, Ontario Building Official Association (OBOA), construction trade unions (plumbing, electricians, carpenters, HVAC, etc.), home builders associations, cooperate on educational programs and on the job training opportunities to replace retiring 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.	Support	Significant efforts should be made to encourage and make working environments more respectful for women, immigrants, people of colour, members of the LGTBQ2S and indigenous communities.
48	<p>The Ontario government should establish a large "Ontario Housing Delivery Fund" and encourage the federal government to match funding. This fund should reward:</p> <ul style="list-style-type: none"> a) Annual housing growth that meets or exceeds provincial targets b) Reductions in total approval times for new housing 	Oppose	<p>The City of St. Catharines is supportive of the Province creating a fund to establish truly affordable housing.</p> <p>However, an "Ontario Housing Delivery Fund" has the following implications:</p> <ul style="list-style-type: none"> a) Municipalities have no control over the market and are unable to force annual housing growth to exceed provincial targets. b) A fund to reward reduction in approval time incentivizes poor process and rewards substandard developments in exchange for the possibility of obtaining a grant. It would be more advantageous for the Province to review internal

	c) The speedy removal of exclusionary zoning practices		<p>Ministries and agencies for bottlenecks and resource accordingly.</p> <p>c) The City of St. Catharines' Zoning By-law currently has one of the most permissive low density zoning regulations in the Province. Many exclusionary zoning practices were removed City-wide in 2013.</p>
49	Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets	Oppose	The City of St. Catharines have no control over market demand and should not be penalized for the inability or unwillingness of a developer to start construction. Furthermore, financial penalties would only contribute to further application processing delays as less staff and resources would be available to evaluate applications.
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.	Support	The City of St. Catharines was an early adopter of the AMANDA database system and is currently implementing its e-permitting system BuildSTC. A Provincially funded universal e-permitting system would ensure consistency amongst municipalities for data collection and reporting, and support small, less sophisticated municipalities with an opportunity to modernize processes.
51	Require municipalities and the provincial government to use the Ministry of Finance population projections as the basis for	Neutral	The Province's land use planning framework has been predicated on growth targets and implementing policies in the Growth Plan. It is unclear what implications shifting to Ministry of Finance population projections will have on growth management and long

	housing need analysis and related land use requirements.		range planning conformity exercises envisions through the MCR process.
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.	Neutral	The City of St. Catharines currently reports to the Province through building permit data and Financial Information Return data.
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.	Support	The City agrees that public reporting on building statistics is helpful and suggests that the Province create a consistent methodology and reporting structure to support municipalities in providing data. The Province is asked to provide clarity on how demand will be measured.
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.	Support	The City supports the creation of a government committee devoted to housing affordability and requests that municipal planners be included to provide recommendations on opportunities not explored as part of the Task Force's mandate, as well as on the realities of implementation.
55	Commit to evaluate these recommendations for the next three years with public reporting on progress.	Neutral	The City of St. Catharines is strongly opposed with several recommendations as they will have a detrimental impact to the livability of the City, its parkland, infrastructure, and cultural heritage assets, for generations. The City agrees that public reporting on building statistics is helpful and suggests that the

			Province create a consistent methodology and reporting structure to support municipalities in providing data.
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February 10, 2022

Hon. Steve Clark
Minister of Municipal Affairs & Housing
17th Floor – 777 Bay Street
Toronto, ON
M7A 2J3

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

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.

- 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

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.

- 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.

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.

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.

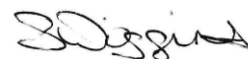
As we look ahead to government consideration of recommendations by the Housing Affordability Task Force and other stakeholders, OPPI would value an opportunity to provide ongoing advice to the Ministry as it seeks to implement changes to address Ontario’s housing affordability crisis. We kindly request 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,



Paul Lowes, M.E.S., MCIP, RPP
President
Ontario Professional Planners Institute



Susan Wiggins, CAE, Hon IDC
Executive Director
Ontario Professional Planners Institute

CC: Luca Bucci, Chief of Staff – Office of the Minister of Municipal Affairs & Housing
CC: Kristin Jensen, Director of Policy – Office of the Minister of Municipal Affairs & Housing
CC: Alex Earthy, Senior Policy Advisor – Office of the Minister of Municipal Affairs & Housing
CC: Jae Truesdell, Director of Housing Policy – Office of the Premier
CC: Kate Manson-Smith, Deputy Minister – MMAH
CC: Joshua Paul, Assistant Deputy Minister of Housing Division – MMAH
CC: Sean Fraser, Assistant Deputy Minister (Acting) of Planning & Growth Division – MMAH
CC: Ewa Downarowicz, Director of Planning Policy Branch – MMAH
CC: Allyson Switzman, Manager of Legislation & Research Unit – MMAH

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.

MFOA Response to the Report of the Ontario Housing Affordability Task Force

Introduction

About MFOA

The Municipal Finance Officers' Association of Ontario (MFOA), established in 1989, is the professional association of municipal finance officers with more than 4500 individual members. We represent individuals who are responsible for handling the financial affairs of municipalities and who are key advisors to councils on matters of finance policy. MFOA promotes the interests of our members in carrying out their statutory and other financial responsibilities through advocacy, information sharing, networking opportunities, and through the promotion of fiscal sustainability. We also provide members with training and education to enable continuous professional development and to support excellence in municipal finance.

Objectives

We understand that Ontario's Minister of Municipal Affairs and Housing established the Task Force with the mandate to focus on how to increase market housing supply and affordability. The Task Force was requested to recommend ways to accelerate the progress in closing the housing supply gap to improve housing affordability. In their report, the Task Force clarified that 'housing affordability' referred 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 the mandate, however some suggestions were provided on this topic as well.

While the report offers many suggestions in the areas of planning and governance, MFOA is limiting its comments to the recommendations that specifically affect municipal finance. Overall, MFOA's response is based on our extensive advocacy work surrounding development charges and is grounded in three guiding principles:

- a) Growth should pay for growth on a place-by-place basis
- b) Complete, vibrant communities are good for everyone
- c) Provincial legislation related to municipal governance should be enabling and permissive

General Comments

MFOA supports the Province's commitment to addressing the issue of housing affordability in Ontario. However, the Task Force's report appears to assume that the challenges around the housing crisis are caused primarily by municipalities and their councils, failing to recognize that

market pressures and regulatory barriers, such as the Provincial Policy Statement (PPS), are critical factors as well.

MFOA supports the Association of Municipalities of Ontario (AMO) in encouraging 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 the “development community”) to work collectively to improve affordability, diversify the housing mix, and increase supply.

Recommendations Affecting Development Charges

MFOA is concerned that many of the recommendations around development charges (DCs) in the Report are verbatim or highly similar to those raised by the development community in past years. This is in spite of the municipal sector’s demonstrations to the Province and development community that some of these recommendations are detrimental to financing growth infrastructure and would saddle ratepayers with growth-related funding shortfalls. Regrettably, the concerns consistently raised by the municipal sector are not addressed in the Report’s recommendations. Indeed, these recommendations raise concerns regarding the fiscal sustainability of municipalities.

Housing affordability is a complex issue driven by a multitude of factors, most of which lie beyond municipalities’ control. While MFOA recognizes the need for greater housing supply in Ontario, it also understands measures that put municipalities into financial difficulty or shift growth-related capital costs onto established ratepayers do nothing to improve, and in fact may even harm, housing affordability. A salient omission in the Task Force’s report is a recognition that property taxes and user fees, and not merely new housing prices, are key drivers of housing affordability. The higher are such taxes and fees, the less disposable income households have left to spend on housing. Curtailment of DCs simply raises property taxes and user fees to excessive levels, reducing housing affordability for all residents collectively. Artificial DC exemptions and reductions serve only to distress municipal finances while doing nothing to address root causes of excessive housing prices. MFOA recommends that the Province instead focus on dismantling provincially-created barriers to housing supply, particularly barriers to greater competition in Ontario’s development industry.

Recommendation #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.

MFOA supports intensification of infill properties to better meet housing demand within neighbourhoods. Concerns lie with the notion of “no new material infrastructure will be required”. Any particular development, whether infill or not, may not require new infrastructure at time of development since the required infrastructure would have been constructed years or decades earlier to accommodate anticipated development. DCs are self-correcting in the sense that yet unrecovered growth-related capital costs remain in DC rates until such time they are recovered

once all the development to which the costs are associated occurs. That is, yet unrecovered portions of previously incurred growth-related capital costs are recycled through the DC background study and by-law. Waiving DCs on infill development is simply apt to raise property taxes and user fees. As an unintended consequence, this recommendation may also undermine DC background studies in terms of growth and capital forecasts.

Higher intensity infill projects have a greater likelihood of requiring expanded infrastructure to accommodate increased traffic, and higher water, sewer and storm water demands. Such demands may result in infrastructure reaching its designed capacity limits well ahead of their DC planned expansion time lines. While a single higher intensity infill project may not significantly impact infrastructure requirements, several such projects throughout the whole community could indeed stretch infrastructure capacity to its limits.

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

A number of municipalities already waive or reduce development fees for affordable housing projects. However, requiring municipalities to track whether such housing remains in the “affordable housing” category for a minimum of 40 years places an undue administrative burden on municipalities. Furthermore, there is no indication in the recommendation as to what penalty ought to apply if affordable housing is converted to market-priced housing or even to a non-residential use. MFOA seeks clarification over the meaning of “all forms” of affordable housing. Does this refer primarily rent-g geared to income units? Are shelters and transitional housing, which are important and necessary supportive housing units, included in this definition? Clear parameters and guidance are needed to understand the implications of this recommendation.

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

MFOA seeks clarification on whether this applies to the s.26.1 or s.26.2 rates under the *Development Charges Act, 1997*. Are there other alternatives that could meet the intended goal of the recommendation? Whereas DC payment deferrals are available to developers while infrastructure construction is routinely required prior to development, artificial reductions to interest rates are apt to simply raise DC rates as municipalities strive to ensure growth pays for growth.

Recommendation #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.

- (a) Municipalities already perform annual reviews of their reserves and report to their councils accordingly. These reports were formally submitted to the Province, however, with a change in policy, this is no longer required. Such reporting to the Province could be reinstated. MFOA urges the Province to consider the unintended consequences of prohibiting collection of development levies (DCs, parkland dedication and CBCs). This could result in growth-related funding shortfalls, delays in the construction of growth infrastructure until sufficient funding is accumulated, and delays in housing construction until development levies are reinstated. All of these effects impede housing supply and thus housing affordability. Intermittent disallowance of development levy collection will, moreover, create inequities as some developments would have to pay such levies while others would not.

There is need for clarification around what is deemed “timely”. There often exists “tipping points”, such as the timing of development projects, to initiate a project vs public opinion as to when such construction is required. Often, there is the need to save for several years to fund certain projects. Checks and balances are already in place, including annual reports to council, along with regulatory requirements such as the Community Benefits Charge (CBC) where 60% of funds need to be allocated each year.

- (b) In most cases, municipalities find area-specific DCs impractical and unwarranted, as evidenced by DC background studies. Forcing municipalities to use area-specific DCs when they are impractical or unwarranted undermines municipal autonomy and efforts to create complete and vibrant communities. Forcing municipalities to track DC collections at the neighbourhood or ward level would create an undue and complicated administrative burden. Such unintended consequences should be avoided. There is also concern about what constitutes a “neighbourhood” and the question of who decides where one neighbourhood ends and another begins. Not only does this recommendation seek to micromanage municipalities, it is apt to create an administrative quagmire while provincially-imposed administrative burdens on municipalities are already far too excessive.

It should also be noted that there is no such thing as unallocated DC or CBC reserves. By law, all DC and CBC funds are dedicated to the growth-related projects noted in the respective background studies.

Recommendation # 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.

Please refer to the reports and letters submitted to the Province on this very topic just three years ago from [MFOA and ORSTT](#), [AMO](#) and Watson & Associates (dated January 2019). A [research paper published by the Institute on Municipal Finance and Governance](#) speaks to the

model proposed in the recommendation that clearly demonstrates that eliminating water and wastewater DCs would have a detrimental impact on rates.

Other Recommendations

Recommendation # 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.

Consideration of this recommendation should include the basis of valuation, timing of heritage designation, who determines the best economic use of land, and municipal affordability. This recommendation could give rise to the unintended consequence of municipalities declining to preserve historically significant buildings and sites in order to avoid unaffordable compensation.

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

The option of accepting surety bonds already exists. Demanding that municipalities accept them undermines municipal autonomy by removing municipalities' authority to act according to their risk profiles and preferences and by permitting developers to dictate financial security terms to municipalities. Instead, the Province should encourage municipalities to educate themselves on financial security alternatives, which may help incline more municipalities to accept surety bonds.

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

MFOA is assuming this recommendation refers to reducing tax ratios for multi-residential housing down to 1.0. If this is an incorrect assumption, please provide clarification as needed.

A provincial freeze on multi-residential taxes for municipalities with multi-residential tax ratios above 2.0 was instituted several years ago, causing municipalities to move these tax ratios down to 2.0. A similar freeze aimed at a target multi-residential tax ratio of 1.0 would eventually implement this recommendation. However, it should be noted that such significant movement of tax ratios often takes time. Municipalities should retain the decision-making power and autonomy over how and how quickly they move towards target tax ratios.

Recommendation # 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.

This would create an undue administrative burden on municipal staff to track land leases and restrictive covenants on land for such an extended period of time.

Recommendation #39. Eliminate or reduce tax disincentives to housing growth.

Clarification is required as to whether this refers to land transfer tax or something else.

Recommendation # 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.

There is no indication in the report as to appropriate parameters in the setting of targets and if this intended to be an annual comparison or a rolling average. Concerns have been raised around blanket targets that are province-wide or "zone-wide". Issues are centred around low or non-growth municipalities, growth patterns that are nonlinear or inconsistent, and unfair comparison or increased competition between municipalities or growth areas within a municipality. Furthermore, the basis of evaluation should be identified for consideration such as permits issued, completed housing, and rural vs. urban development.

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

Clarification is sought as to what funding may be considered in this recommendation. This recommendation may have undue financial impacts if funding outside the fund under recommendation 48 is considered.

We appreciate the opportunity for MFOA to provide comments on the Report of the Ontario Housing Affordability Task Force. Should you have any questions, please contact MFOA's Executive Director Donna Herridge (donna@mfoa.on.ca).

Staff members: Suzanna Dieleman, Manager of Policy; Christine Duong, Policy Team Lead

Sent via e-mail: steve.clark@pc.ola.org

March 15, 2022

The Honourable Steve Clark
Minister of Municipal Affairs and Housing
17th Floor, 777 Bay Street
Toronto, Ontario
M7A 2J3

Subject: Response to the Report of the Ontario Housing Affordability Task Force

Dear Minister Clark,

On February 8, 2022, the Ontario Housing Affordability Task Force (“Task Force”) published a total of 55 recommended actions aimed at increasing Ontario’s housing supply by 1.5 million households over the next ten years. The recommendations, which are aimed at all levels of government and their associated agencies, primarily seek to increase “as-of-right” intensification within urban areas, streamline development approvals and related timelines, improve tax and municipal financing, and reform the Ontario Land Tribunal appeals process.

The Niagara Region appreciates the Province’s commitment to improving housing affordability across Ontario. Over 20,000 of Niagara’s households were reported to have been in core housing need as of 2016, primarily driven by a lack of affordable housing options within the community. Given the recent surge in housing prices experienced across the Province, rates of core housing need are have risen. Action must be taken to ensure more housing of all types are provided to meet the needs of our growing population.

The provision of affordable, accessible, and adequate housing is a complex matter that requires coordination between all levels of government. The report focuses on the inefficiencies in the land development process and how it contributes to the crisis, however planning approvals at the municipal level are only one factor in housing affordability. There are other economic factors contributing to the housing supply challenge and affordability including:

- building industry capacity (lack of labour);
- supply chain and shortages in materials ; and,
- approved land supply being held back by landowners.

While not addressed specifically in the Task Force's report, the Province should also consider the specific challenges associated with increasing the supply of community housing (i.e. housing owned and operated by non-profit housing corporations, housing co-operatives and municipal governments) and supportive housing. Although an increase in market supply can address the issue of housing affordability in part, the private sector alone cannot solve the entirety of this problem and it is the community housing need that is the most dire and needs to be addressed. A collective effort from all levels of government, housing service providers, and the development industry is required to provide the necessary tools and interventions to address this problem.

The Province should also consider the unique housing challenges faced by communities of all types and sizes, including small to medium sized cities and rural communities. A city like Toronto versus a city like Thorold will have access to different resources and require vastly different solutions towards the achievement of improved housing affordability. In short, a "one-size-fits-all" approach should be avoided.

Regional and local staff have reviewed all recommendations provided by the Task Force. At this time, the Province has not specified which, if any, policy, regulation, and/or protocol changes the Province may elect to advance. In the absence of more substantive details relating to the recommendations, Regional and local staff have outlined general comments on the primary objectives and themes of the Task Force's report below, which are shared with the Ministry of Municipal Affairs and Housing for their consideration. In addition to this letter, a few of our local municipalities have also indicated that they will be submitting comments on these recommendations.

Increase Density and "As of Right" Permissions

Relevant Task Force Recommendations

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.).
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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.

 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).

 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.
-

- Staff is generally supportive of the objective to increase the overall density and diversity of housing in built up areas.
- Over 60% of Niagara’s current housing stock is made up of single-detached dwellings. Although recent construction activity has begun a shift towards more medium density builds there is a range of housing types the Region is seeking to encourage through its new Niagara Official Plan.
- Staff do support flexibility in “as of right” permissions for housing, particularly within planned major transit station areas and strategic growth areas and in a manner that is compatible in scale with stable residential areas; however, staff cannot support intensification that is completely unplanned and unrestricted.
- Intensification must be considered in balance with other key considerations needed for the creation of complete communities, such as infrastructure and servicing

capacity, parking requirements, impacts to neighbourhood character, access to employment uses, and landscaping and public realm design. In the absence of municipal oversight through zoning, there are limited tools to ensure development and related services are planned for in a strategic manner.

- **Recommendation 4**, Regional staff support the conversion of underutilized commercial lands along major arterial transit routes as priority areas for mixed residential and commercial use, provided that these sites do not serve as land supply for population based employment.
- **Recommendation 11**, clarification is needed to understand what is meant by development “outside municipal boundaries”. If referring to settlement area expansions, existing Provincial policy provides sufficient ability for municipalities to consider adjustments to their urban and rural settlement area boundaries, and while Regional staff support higher densities and the creation of complete communities on potential expansion lands, staff do not support unplanned development within natural areas or agricultural lands. Development should be directed to settlement areas where infrastructure and service levels exists to support development vs. to areas outside of settlement of settlement area boundaries. The resultant financial burden on municipalites would be significant if development occurs outside of settlement area boundaries.

Streamline Development Approvals

Relevant Task Force Recommendations

- 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.

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.

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

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.

- Regional staff support the objective to streamline the development approvals process, expand the usage of delegated approval for applications that are technical and/or minor and nature, and reduce unnecessary delays in the delivery of needed housing supply. However, several of the recommendations noted above impede the ability for municipalities to consider local characteristics and existing built environments as part of planned development. It must also be acknowledged that development approval processes does not only rest with municipalities; there are

development approval processes that take place at the provincial level and there is the need to have appropriate staff resources available to those ministries and a commitment to streamlining provincial development approval processes as well.

- NIMBY is a significant barrier for the development of affordable housing, community housing, supportive housing, and other facilities needed for homelessness services in particular, and presents a challenge for intensification in particular.
- Addressing NIMBY requires continued dialogue, education, negotiation and relationship building is required to demystify the perceived threats associated with growth and development, which is where the importance of public consultation should also be acknowledged. Public consultation allows opportunities to provide information with local residents, allow for open dialogue, and allow a variety of voices to be heard.
- **Recommendation 12 c)**, although staff support additional guidance for flexible zoning standards, a Regional approach would be more appropriate. The growth forecasts, intensification targets, and existing built form in Niagara are different from those of Toronto and the Greater Toronto Area. A “one size fits all” approach with such technical considerations would contribute to a homogenous urban form that disregards local characteristics
- **Recommendation 13**, Regional staff are of the opinion that the necessity for additional meetings remain at the discretion of the local municipality and/or approval authorities provided they comply with existing *Planning Act* timeframes.
- With regards to **Recommendation 16**, Regional staff note that recent changes to the Ontario Heritage Act includes statutory timeline limitations for when municipalities can designate a property following the submission of certain applications under the *Planning Act*. The conservation of culturally and historically significant resources is a Provincial objective that merit continued priority in site specific cases.

Reform the Ontario Land Tribunal Appeals Process

Relevant Task Force Recommendations

18. Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews.
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.
 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.
- Regional staff agree that additional changes can be made to continuously improve the appeals process. For instance, subject to further information regarding the manner in which these objectives are implemented, Regional staff generally support the aims of **Recommendations 20, 21, 26, 28 and 30** as a means of reducing baseless appeals and reducing the wait times for decisions to be rendered.

- Regional staff are concerned, however, that measures to increase the filing fee for appeals as outlined in **Recommendation 27 b)** or to introduce the ability to award punitive costs as outlined in **Recommendation 29** would essentially eliminate the ability for residents or small interest groups to participate in the appeals.
- **Recommendation 18**, allowing developers to appeal MCRs will result in a dramatic slow down of the growth management process, and ultimately, the development approvals process. In addition, there are competing interests within the development community itself that will serve to frustrate and lengthen the appeals process. One of the challenges of the last several years has been the instability in the planning and development sector as a result of the long protracted appeals associated with the original conformity exercises to the Growth Plan followed by several years of changes to Provincial legislation and Plans. Permitting these types of appeals will serve to undermine the Province's goal of streamlining the approvals process and will prevent municipalities from bringing housing on-line in an expedited fashion.
- **Recommendation 31**, prioritization should focus on proposals that include an affordable housing component, and should allow for equitable consideration across the Province (i.e. in areas outside of Toronto and the Greater Toronto Area). In clearing the existin backlog of appeals priorities should be given to municipal initiated amendments that are appealed.

Improve Municipal Financing and Taxes

Relevant Task Force Recommendations

- 25.** Require municipalities to provide the option of pay on demand surety bonds and letters of credit.
- 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 claw back.
 37. Align property taxes for purpose-built rental with those of condos and low-rise homes.
 39. Eliminate or reduce tax disincentives to housing growth.
 42. Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
 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.

The recommendations included above require further detail and analysis to provide substantive comments. There are a number of recommendations Regional staff have concerns with, including:

- **Recommendation 25**, The Region does not support the use of surety bonds as they do not offer the same financial security as a Letter of Credit.
- **Recommendation 32**, The Region currently has grant programs for development charges on social housing that meet specific grant program criteria. Infill units still create a demand for regional services. Development Charges (DCs) help pay for the construction of growth related infrastructure, waiving them for infill units will have

impacts on the Region's finances and will shift growth costs to existing homeowners. Also, it is not clear what is meant by "no new material infrastructure" and this could lead to appeals based of different interpretations.

- **Recommendation 33**, DCs help pay for the construction of growth related infrastructure, waiving them for affordable housing will have significant impacts on the Region's finances and will shift growth costs to existing taxpayer. Additional information is required on the definition of affordable. The Region currently has grant programs for development charges on social housing that meet specific grant program criteria. However, occupants of this housing type still create demand for services which are paid for by DCs. The cost of growth for these developments are funded from Regional taxes and shift growth costs to existing homeowners which also impacts affordability. The Provincial government should provide funding for such programs.
- **Recommendation 34**, The Region has concerns of the potential funding gap that will occur if interest rates are not included in DCs, this places a greater burden on the existing taxpayer. Municipal borrowing rates fluctuate so flexibility needs to be provided to municipalities.
- **Recommendation 35(b)**, The Region does not support and prefers the current flexibility to adopt area specific or Region wide charges and the flexibility to prioritize use of DCs based on actual growth and need.
- **Recommendation 37**, the Niagara Region has a tax policy already in place that charges new multi-residential at the same tax rate as residential.
- **Recommendation 44**, the Region does not support. Municipal development charge models are effective tools to ensure growth pays for growth.

Moving Forward

Further consultation with the municipal sector is recommended before the implementation of any strategy, actions, or regulations in response to the Task Force's recommendations to ensure that strong and effective solutions for facilitating the development of affordable housing is reflected in all communities across the Province. The Report recommendations does not address the need for additional mechanisms to support affordable housing from Provincial and Federal governments (i.e. tax incentives). Long-term funding from all levels of government must also be available to provide needed support services to create healthy mixed income communities.

Regional and local municipal staff are available to convene and contribute municipal expertise and knowledge in this matter.

Respectfully,

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