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(Hansard)**

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**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Wednesday 15 July 2020

**Comité permanent
des finances
et des affaires économiques**

Étude sur la COVID-19

1^{re} session
42^e législature
Mercredi 15 juillet 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Wednesday 15 July 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Mercredi 15 juillet 2020

The committee met at 0900 in room 151 and by video conference.

COVID-19 STUDY

The Chair (Mr. Amarjot Sandhu): Good morning, everyone. I call this meeting to order. We are meeting for hearings on the municipalities, construction and building sector as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

We have the following members in the room with us: MPP McDonnell, MPP Crawford and MPP Burch. The following members are participating remotely: MPP Hunter, MPP Mamakwa, MPP Donna Skelly, MPP Smith, MPP Blais, MPP Pang, MPP Pettapiece, MPP Kernaghan and MPP Gates.

We're also joined by staff from legislative research, Hansard, interpretation, and broadcast and recording.

To make sure that everyone can understand what is going on, it is important that all participants speak slowly and clearly. Please wait until I recognize you before starting to speak. Are there any questions before we begin?

Our presenters have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation. After we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be broken down into two rotations of six minutes and 30 seconds for each of the government, the opposition and the independent members as a group. Are there any questions?

**BUILDING INDUSTRY AND LAND
DEVELOPMENT ASSOCIATION**

**HEATING, REFRIGERATION AND AIR
CONDITIONING INSTITUTE OF CANADA**

QUINTE HOME BUILDERS' ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Seeing none, I would like to call upon our first witness this morning, the Building Industry and Land Development Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Dave Wilkes: Thank you, Mr. Chair. I'm just going to share my screen before I begin.

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Dave Wilkes: Sorry, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): No problem. Take your time.

Mr. Dave Wilkes: Mr. Chair, I am having a bit of a challenge.

The Chair (Mr. Amarjot Sandhu): In the meantime, can you introduce yourself for the record?

Mr. Dave Wilkes: Yes, I will. My name is Dave Wilkes. I'm the president and CEO of the Building Industry and Land Development Association.

The Chair (Mr. Amarjot Sandhu): Thank you.

Mr. Dave Wilkes: Sorry. I'm just getting some assistance here. I apologize.

There you go. Thank you. Sorry about that, Mr. Chair. Can you now see the presentation?

The Chair (Mr. Amarjot Sandhu): Yes, we can. Please go ahead.

Mr. Dave Wilkes: Okay. Thank you.

I do appreciate the opportunity to join the committee today. As mentioned, my name is Dave Wilkes. I'm the president and CEO of the Building Industry and Land Development Association. I'm pleased to be here today to speak to the committee as you study the impacts of the COVID-19 crisis.

Before beginning, Mr. Chair, I want to applaud and congratulate the Ontario government on its leadership and management of the COVID-19 pandemic. I'm proud to be an Ontarian, and I am grateful for the leadership that our governments have shown throughout these last several months.

I recognize that several of my industry colleagues have appeared before you yesterday, and I've tailored my remarks today to provide a perspective from our vantage point of representing the greater Toronto and Simcoe area.

As you're aware, the government designated the construction industry an essential workplace, and together with our partners, we worked to ensure that much-needed housing was delivered throughout the pandemic in a safe and responsible manner. Our industry is proud of the role we played, and we look forward to being central to kick-starting our economy.

As indicated on this slide, our industry in the GTA must play a central role in ensuring sustained economic recovery.

ery. The numbers tell a powerful story: Ontario is responsible for generating nearly 40% of Canada's GDP. Taking these numbers one step further, over 50% of Ontario's GDP is generated within the greater Toronto area, accounting for over a fifth of Canada's overall economic activity. Within the GTA, our sector generates 361,000 on-site and off-site jobs, and pays over \$22 billion in wages.

Despite the opportunity to work throughout the pandemic, our industry did experience delays due to lost productivity, requiring to ensure social distancing on work sites, enhanced safety protocols, supply chain disruptions and disruption to municipal service delivery.

To understand the impacts of these delays, BILD conducted a survey of its members, covering just under 500 projects, of which 276 were in the city of Toronto proper. Not surprisingly, Mr. Chair, regardless of the stage the projects were at, over three quarters experienced delays of three to six months, and in some cases longer. According to the Altus Group, these delays will result in the loss of some 9,080 housing units over the next two years and delayed occupancy of more than 8,000 units by the end of 2021. This slide outlines these findings and other key results of the survey. This is an additional challenge in a region that was already facing a core housing shortage before the pandemic.

It has never been more important for governments to work with our industry to alleviate financial pressures on homebuyers and remove barriers to the redevelopment of new construction. The province has been instrumental in advancing some critical—

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): Are you there, Mr. Wilkes? I think we lost him. Mr. Wilkes? It looks like we lost Mr. Wilkes, so we'll try to get him back. We'll stop the time for him and we'll go to our next presenter.

Our next presenter is the Heating, Refrigeration and Air Conditioning Institute of Canada. If you could please state your name for the record, and you have seven minutes for your presentation.

Ms. Dorothy McCabe: Good morning. It's Dorothy McCabe from HRAI Canada.

Mr. Martin Luymes: I'm Martin Luymes. I'm the vice-president of government and stakeholder relations for HRAI Canada. Dorothy is going to do the primary submission.

The Chair (Mr. Amarjot Sandhu): You may start.

Ms. Dorothy McCabe: I can start?

The Chair (Mr. Amarjot Sandhu): Yes.

Ms. Dorothy McCabe: Good morning, Chair Sandhu and committee members. Thanks for the opportunity to address you today.

HRAI Canada is the national trade association for the heating, ventilation, air conditioning and refrigeration industry. We represent manufacturers, wholesalers and contractors who collectively employ tens of thousands of skilled trade professionals across the country and in Ontario, and contribute more than \$12 billion annually to our economy. We also provide technical certification training that's recognized throughout Canada.

We're eager to engage with you to chart the pathway to economic recovery to ensure that small business owners, who are the bulk of our members, are once again able to create high-quality jobs and economic development opportunities.

The HVAC sector was included as part of the network of essential services in Ontario, and we thank you for that. Our members install and service the mechanical systems that keep health care facilities, grocery stores, long-term-care homes, commercial and industrial buildings, and your homes functioning safely and comfortably.

We were hit harder in Ontario than in any other province or territory. However, today, members in the residential sector report largely that their businesses have roared back to life, especially in response to the recent surging outdoor air temperatures.

In the commercial sector, however, that story is much different. Members report a significant slowdown in regular business activities. The impact is being felt on existing employees and it is also significantly impacting youth, as the hiring of apprenticeships has dramatically slowed. One commercial contractor shared that where they normally would hire approximately 100 apprenticeships, this year they are hiring only three. The inability to find appropriate apprenticeship training opportunities will cause a delay in the skills, training and education of many, many youth— young people, women, new Canadians and others attempting to enter the HVAC sector.

0910

This slowdown of course is largely the result of the concern and reluctance of many to return to office towers and other commercial and industrial buildings, given the significant concerns people have regarding if and how the virus can be transmitted via a building's mechanical systems. With a potentially airborne virus to contend with, our sector is the sector to consult with regarding air circulation and ventilation in buildings.

We're working currently with industry experts, such as IEQ Global Alliance, the American Society of Heating, Refrigerating and Air-Conditioning Engineers, ASHRAE, to develop a new COVID training program to provide guidance on technical questions regarding ventilation, air circulation, humidification and the role HVAC technologies can play in mitigating the spread of COVID-19. We are looking for opportunities to engage with relevant provincial ministries on technical matters and appropriate guidelines relating to the indoor environment of homes and buildings.

Regarding job creation, given the increased amount of time people are spending in their homes and given concerns and questions about the entire building envelope, HRAI members believe that now is the time for governments to encourage citizens, business owners and those in the commercial, industrial and institutional sectors to invest in their homes and buildings.

Specifically, we are requesting an investment by the provincial and federal governments in a building retrofit program focused on energy savings and improvements to

indoor air quality. A home building retrofit program would deliver a number of important benefits, including:

It would create well-paid trade jobs across Ontario.

It would significantly reduce energy costs for organizations and homeowners.

It would significantly increase energy efficiency in buildings.

And because 17% of Canada's total GHG emissions are caused by heating and cooling—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Dorothy McCabe:—of buildings, it will significantly reduce carbon emissions.

We urge the Ontario government to work with the federal government on programs to stimulate market activity, specifically a program that will encourage investment in existing buildings.

Moving from job creation to the skills training necessary to become a qualified tradesperson, HRAI is very encouraged by this government's interest in and appreciation for the skilled trades. We applaud early decisions to address apprenticeship ratios and the recent decision to invest \$5 million in Skills Ontario to promote career opportunities in the skilled trades, starting in primary and secondary schools, leading to the college system.

Our members remain concerned, however, about the lack of clarity regarding the next steps for the training, governance and regulation of the trade. We are seeking opportunities to consult about a replacement for the Ontario College of Trades. More immediately, however, many of our members are experiencing delays in registering apprentices and renewing licences and certifications for existing workers. These documents are a requirement to enable existing staff and businesses the ability to work and to hire new graduates. There's a pressing need to address concerns regarding skills training; in particular, apprenticeship training and certification. A long-overdue decision to change apprenticeship ratios to one to one now means there is a need to increase the number of seats for trade programs in colleges.

In addition, some of the actual training provided at the public and private career college system needs improvement. Our members continue to report serious deficiencies in the quality of the training of new grads, especially in the gas certification program, where there is currently no apprenticeship program available.

Just on apprenticeship, in this COVID environment, the apprenticeship system is an excellent way to deliver training, as it is done on job sites with small groups, often in outdoor environments, and the classroom training required can be readily converted into a virtual environment.

In summary, the pressing issues in our sector to enable a fulsome return to work are:

—invest in a building retrofits program—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Dorothy McCabe:—stimulate economic investment and job creation while reducing energy costs and carbon emissions;

—address issues regarding the delays in renewal of licences and certification of existing workers;

—increase funding at the secondary school level to allow for HVAC training facilities to encourage the interest in this trade;

—increase available training seats for apprenticeship opportunities at colleges; and

—resume discussion regarding issues surrounding skills training, governance and regulation, i.e., the next iteration of the Ontario College of Trades.

We remain committed to working with you to bring the economy back to full health. We thank you for your opportunity to address you today, and we look forward to your questions.

I would just say, thank you again for the leadership you've provided citizens across Ontario during these most unusual times. So thank you very much. We look forward to your questions.

The Chair (Mr. Amarjot Sandhu): Thank you. Before we move to our first presenter again, I would like to do an attendance check. MPP Khanjin, if you can please confirm your attendance.

Ms. Andrea Khanjin: I'm in [*inaudible*] Ontario, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): Thank you. All right, so we'll go back to the Building Industry and Land Development Association. Mr. Wilkes, you have three minutes and 40 seconds left. You can start from where you left off.

Mr. Dave Wilkes: Yes. One second, Mr. Chair. I'm just re-sharing the screen, please.

I'll start without the presentation, just out of respect for the committee.

As I was indicating, we were very supportive of the work in Bill 197. When passed, this would contribute significantly to increasing volume and housing supply. However, there is more opportunity to undertake support for our widespread and sustained recovery.

BILD has prepared a joint submission on the Ontario jobs and recovery committee, providing recommendations to all three levels of government to kick-start the economy that fall within three areas: more efficient decision-making, stimulating construction and infrastructure projects, and assisting new and existing homebuyers. These recommendations are based on the fundamentals that a healthy GTA will facilitate economic recovery both through direct and indirect jobs. I've shared a copy of our presentation with the Clerk, but would like to use my time this morning to focus on three areas.

Although we are pleased to see the recent proposals in Bill 197 to streamline the EA process for the GTA west corridor, the provincial government still has an opportunity to advance shovel-ready and shovel-worthy core infrastructure projects, to be jointly funded with the federal government. There is a series of projects, such as the GTA west corridor and the Upper York Sewage Solutions system, that require not only investments, but also some key decisions to move them forward. Now is the time to accelerate these with the necessary approvals and construction timelines.

Also, we believe there's another opportunity to reintroduce the home renovation tax credit for 2020 and 2021,

plus provide a permanent tax credit for homeowners undertaking energy-efficient improvements. We firmly believe that these programs would be a great avenue to stimulate local investment, to help increase local jobs and, quite significantly, to protect consumers from the underground economy, and as a result, has the potential to be revenue-neutral for the government.

Our last set of recommendations centre around the importance of financial relief [*inaudible*] municipal service delivery, and finding ways to cut red tape and approve projects quicker. There are two central themes that should be focused on. First, reducing red tape and the 10 to 11 years it takes for housing projects to be approved and completed: We have been impressed with the innovation and commitment by our municipal partners to work differently, for example, by taking permitting online, as well as hosting a number of committee meetings and home inspections on a virtual basis. These efficiencies are welcome, and we hope that we can work together to make sure they continue.

Second, we must take a hard look at new homes and how they are taxed in the GTA by all three levels of government. Research undertaken by BILD has consistently shown that approximately 25% of the cost for a new home results from government fees and taxes, which is higher than any other jurisdiction in North America. We appreciate the government passing Bill 189, the coronavirus support and protection act, but believe we need a more detailed discussion on a potential collective approach to both approvals and the way new housing is taxed.

Thank you very much, Mr. Chair. We look forward to the discussion, and we look forward to continuing to work with you to ensure that construction can truly kick-start the economy. Thank you, and again, my apologies.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to our next presenter, Quinte Home Builders' Association. If you could please state your name for the record, and you can get right into your presentation.
0920

Mr. John-Ross Parks: Good morning. It's John-Ross Parks here. I am the president of the Quinte Home Builders' Association. Thank you, Mr. Chair and committee. I am joined by Ruth Estwick, who is the CEO of the Quinte Home Builders' Association.

Ms. Ruth Estwick: Good morning.

Mr. John-Ross Parks: For the last 60 years, the Quinte Home Builders' Association has represented the residential and renovation industries in the Quinte region, including Northumberland, Hastings and Prince Edward county. Thank you for this opportunity. We really appreciate the time to give our perspective on some recommendations for Quinte after the COVID-19 pandemic.

The Quinte Home Builders' Association is proudly affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association. Together, our membership across Ontario through new home construction and residential renovation has generated approximately \$60 billion in value and over \$32 billion in wages for the last year.

Ms. Ruth Estwick: COVID-19 has had a significant impact on the residential construction industry right across Ontario, but today, we're going to focus our remarks on the Quinte region.

We want to thank the provincial government for working with our industry and our provincial association in recognizing the importance of housing and a roof over one's head during the COVID-19 pandemic. This was clearly articulated when declaring residential construction an essential business as part of the state of emergency orders.

We in turn took this very, very seriously. The health and safety of our workers who are building new communities is our absolute priority. We are very proud of our members' response to these unprecedented times and our ability to keep job sites safe. As far as we understand, there has not been a single COVID-19 case related to the residential construction industry in our region.

The OHBA responded immediately to the emergency orders, and on March 25, OHBA and partners released a COVID-19 resource and best management practices guidance document. We also released regular notices and information on job site health, safety and sanitation from the OHBA and local resources, which were shared with our members to ensure our work sites were safe.

Our members have taken a strong leadership role in both health and safety, and in giving back to our community during this pandemic. Locally in Quinte, we have coordinated the collection and disbursement of much-needed PPE for use in our local hospitals. Our association also provided numerous member job sites with much-needed hand sanitizer when it was impossible to source, and through our Truckload of Support initiative, together with our members, we donated more than \$13,000 to hospitals in our region to support the fight against COVID-19.

Mr. John-Ross Parks: COVID-19 has had significant impacts for the residential construction industry in Quinte. Prior to COVID-19, we in the Quinte region were facing significant challenges on shovel-ready land supply, infrastructure supporting growth, affordable housing and the availability of skilled labour. However, the COVID-19 pandemic has increased these challenges immensely.

There's a unique opportunity for the province to help solve the skilled trades gap that we're experiencing in Quinte by retraining workers who have lost their jobs due to COVID-19 in vital skilled labour roles. We have some great initiatives under way in our region through partnerships with various organizations, but we think there's much more that can be done. We want to ask the provincial government to please consider investing into trades-related initiatives and programs in eastern Ontario, as well as the rest of Ontario.

The Quinte region has always been a popular area for people relocating from the city. We're now seeing that people are accelerating their five- to 10-year relocation plan because of COVID-19 and the increased ability to work from home. This influx of people could have us nearing a level of crisis if it's not addressed immediately.

Our members are experiencing significant delays of up to one year, in some cases, for approvals related to development from the municipalities. Access to high-speed Internet is a significant challenge we face every single day. It seems like an easily overcome issue; however, much of our region is rural and is left without viable options when it comes to high-speed Internet.

In terms of local shovel-ready land supply, the recent changes to the provincial policy statement show promise for rural regions. However, we need less red tape, and municipalities need more freedom. That will support growth in regions like ours.

In Quinte West, for example, the municipality is working through a revised growth projection to submit to the province as part of an official plan update that encompasses all these changes. Our municipalities are looking to you, the provincial government, to help us solve this problem. In Belleville, we're facing significant challenges in terms of unserviceable future land supply with sewer capacity issues and no boundary expansion in sight for at least the next five years. Encouraging staging and development reports in all municipalities could provide a more realistic land outlook for all stakeholders.

We're at a point where major improvements are needed to vital services, including waste, water and water treatment facilities. The time has come to do away with the band-aid solutions that are not considerate or supportive of future growth. We describe much of this in our residential-ready strategy 2025, which we have been presenting to our region's municipal staff and council recently.

In addition, home renovations are vital to our local economy. Renovations represent more than \$276 million in wages and \$458 million in investment locally and equate to more than 4,000 jobs. The QHBA strongly recommends that a home renovation tax credit be an essential component of the provincial economic recovery strategy. The home reno tax credit has a strong track record, as it was successfully implemented by the federal government as part of the financial crisis recovery over a decade ago.

Lastly, we've been supportive of the provincial Housing Supply Action Plan. In fact, we utilized many of the key components of the plan for our role in the city of Belleville's housing summit last year to tackle our housing supply issue. We also believe that streamlining initiatives to support more rapid job creation and modernizing the approvals process will create more opportunity in rural communities like Quinte.

Therefore, we recommend the province consider amendments which were included in the OHBA's submission to the province—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. John-Ross Parks: —to the subdivision control part of the Planning Act. Specifically, we recommend that any number of lots with frontage on an existing municipal road should be allowed to be created by the severance process. A draft plan of subdivision should only be needed to create lots where a new municipal road is needed to be constructed. This would be especially helpful for small projects in rural communities like ours.

I again thank all of you so much for your time and attention, and we look forward to fielding your questions, if you have them.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with questions now. The first round of questions will go to the opposition. MPP Gates.

Mr. Wayne Gates: Good morning, everybody. Thanks for your presentations. My first round of questions—although anybody can answer any of the questions I ask—is to the Building Industry and Land Development Association. We spoke with the Ontario building trades yesterday about solutions they found to deal with the economic impact of COVID-19. One solution they presented was the continuation of a home renovation tax credit. Is this something your organizations would be in favour of, and do you believe it would benefit the industry?

I'd also like to add—for anybody to answer this, because it was raised during your presentations—the Green Ontario Fund rebate, which gave you \$5,000 back in rebates: Is that something that maybe the provincial government could bring back as well?

Mr. Dave Wilkes: Mr. Chair, thank you very much for MPP Gates's question. The short answer, Mr. Gates, is yes, we're highly supportive of the home renovation tax credit, as I mentioned in my remarks. We believe there would be a number of benefits to an overall tax credit for all aspects of renovations for 2020 and 2021. We're also recommending a permanent tax credit for energy efficiency, so similar to the Green Ontario Fund initiative. The multipliers that the federal government witnessed when they introduced that several years back were substantial. We believe it has an opportunity to be revenue-neutral, because without using renovators who fulfill their obligations to tax, then you can't benefit from the credit.

So we think this is a good thing. We believe it would support local jobs, we believe it would generate much-needed revenue for governments, and we believe that now that people have been at home a lot longer, they're looking to do overall renovations as well as improving the efficiency. So much like the Ontario home builders, we are extremely supportive of this measure.

Mr. Wayne Gates: I'll just add to that, David, as well. There's one thing that I found out from the hospital system in Niagara: They had a lot more accidents with people who were doing home renovations or using people who weren't skilled labour to do some of the work in their yards, and they actually asked me if I'd put it up on Facebook not to be doing home renovations and actually going out and getting professionals to do it. So, to your point, the underground economy is a big concern, not only for tax revenue but also for safety as well.

My next question, then—and like I said, anybody can answer these questions. One of the big issues we've seen since the pandemic began has been the toll that it has taken on workers in the province, particularly front-line workers who may be exposed to COVID-19. I have presented legislation to amend legislation guiding WSIB to ensure presumptive coverage for workers if they are exposed and contract COVID-19 on the job. I know this was a big concern in the industry on safety.

0930

Would this be a legislation change that the builders would be in favour of, to protect the workers in this very important industry in the province of Ontario?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Wilkes: [*Inaudible*] always go first, but allow me, Mr. Gates—I was trying to offer an opportunity to others.

What we are very proud of with respect to health and safety on work sites, as I believe one of the earlier presenters indicated: We have not had a case, to the best of my knowledge, of COVID-19 on a workplace. So the record speaks for itself.

The return-to-work commitment that we made, as I believe my colleague Mr. Vaccaro from the Ontario home builders indicated yesterday, was only done so under the strict conditions of the Ministry of Labour guidelines. That resulted in an increased staggering of shifts, increased PPE, increased sanitization.

I believe that from our perspective, the most effective mechanism is addressing the cause and ensuring the safety of the workers, because we are committed to doing that. That was our first and foremost responsibility, and I believe that that would be the continued area of focus for our industry, as we work to build housing and ensure that is being done in a safe and responsible manner. That is our fundamental responsibility.

Mr. Wayne Gates: Would anybody else like to answer? Okay, I'll go to my next question.

The Ontario economy has been hit hard by COVID-19. I'm going to talk a little bit from Niagara, but it goes right across the province. We lost upward of 40,000 jobs in my riding in Niagara. Fortunately, as we gradually reopen, we are seeing some of those jobs come back. But we know we face challenges with consumer confidence for many months ahead.

How do you believe this will impact the residential housing market in Ontario and the future development decisions of builders? In addition, what are some of the steps the province could take to assist those facing permanent layoff due to COVID-19—and this goes to some of the presentations by Dorothy and others—to retrain and enter the trades, which is a huge issue for you guys?

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Dorothy McCabe: Yes, this is a significant issue. We think that offering some retraining programs for workers—particularly, potentially, women, who have been affected more significantly by job loss throughout this COVID pandemic—is an opportunity for the government to look at. On our own, HRAI has been trying to do some more promotion of bringing youth, people from Indigenous populations and, particularly, women into our sector, because right now we have an aging—kind of middle-aged, mostly white male workers.

We'd love to have a program that would help us bring in people from some other sectors. That would be really welcome, because there is a significant skills shortage. Although that needs to accompany appropriate funding

levels in our private and career college system as well, right, because as I said before, with the ratio changes, one to one—

The Chair (Mr. Amarjot Sandhu): Thank you. We have to move to the independent members now for their time of questioning. MPP Blais.

Mr. Stephen Blais: Good morning, everyone, and thank you for your presentations. My first questions will be for the Building Industry and Land Development Association. Thank you for your presentation and your support of the idea for a home renovation tax credit. We heard some other presentations—it was either yesterday or the day before—that suggested that the tax credit, in addition to green retrofits, might also be applied to aging in place and accessibility improvements in homes. Is that something that your association would support and advocate for?

Mr. Dave Wilkes: Thank you very much for the question. A short answer again: Yes. We believe that the home renovation tax credit could apply for aging in place, energy efficiency, a variety of other improvements as people, as I mentioned, are looking to improve their home.

One of the things I've been struck by, MPP Blais, is that as we go through this change, as we go through what the pandemic is bringing to us, we may have changing workplaces and we may be doing more of what we're doing today, but we're always going to need a place to live.

I think that particularly from a GTA perspective, which is our bias, making sure that we provide the opportunity for people to enhance the place where they're living, perhaps through a home office, perhaps through providing opportunities for people to move in to provide with child care—the opportunities, in my opinion, are endless. We mentioned a couple. That's why we're so strongly supportive of this initiative, in addition to the revenue-neutrality opportunities.

Mr. Stephen Blais: That's great. I appreciate that. Thank you. As part of your presentation, you also talked about new home construction, new home sales and the loss of property tax revenue, development charges etc., and the impact that that might have over time. Other than simply increasing land availability for construction, how can the government help accelerate new home construction and new home sales coming out of COVID?

Mr. Dave Wilkes: Within the paper that I referenced and have shared with the Clerk of your committee, we have a series of over 20 recommendations that are looking at that. We believe there are a couple of areas that I could stress.

Improving decision-making efficiency: That's another thing I've been struck by with the pandemic. People are just focusing on getting on with the job and what's right. We've seen a lot of innovation in that. We think of planning further ahead by looking at designating areas for growth using things like municipal as-of-right zoning, so where there's density in an area, that you support additional density of the same nature there; the noise bylaw changes that have been allowing for work on a

much longer basis in the day; and also facilitating social distancing. Those are some of the efficiencies that we're looking at, MPP Blais, but we also have proposed things like removing the GST/HST on new home purchases and allowing interest deductions on a current basis rather than being capitalized in land inventories. We have a number of liquidity ideas that have also been included in our discussion document—suspending land transfer taxes, those sorts of things. We recognize they must be balanced against the fiscal needs of the government, but we also recognize that if you stimulate our economy, the multipliers that were referred to earlier will generate additional income tax.

Mr. Stephen Blais: Sure. And in Ottawa we've had fairly steady housing starts and sales through COVID. I think it's a 15% increase over last year that was reported yesterday, something like that.

But even before COVID, the concern was the availability of supply of labour. If we're stimulating additional growth and additional sales, that will just be expanded further. Long-term training and long-term education and getting people in the industry is great, but how, in the short-year term, do we get more supply of labour to keep up with those sales so we don't have this lingering lag?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Wilkes: Absolutely, it's a problem. I share the concerns with my fellow presenter. I think this is a structural issue. We need to make sure people understand and recognize the good jobs that are available in the sector. It does need to come through the school system.

I'm not sure, MPP Blais, that there's an immediate fix. Like my colleagues in Ottawa, we're experiencing a similar challenge. In addition, we're experiencing a challenge of an overall shortage of housing that was causing unaffordability. So I think it is a complicated issue, and labour supply is one that we need to focus on as an industry and government.

Mr. Stephen Blais: Sure. Thank you. And now for the HVAC group, if I could very quickly: You talked about the potential for COVID and HVAC systems, and some of the programs that you're involved in, in looking at that. Is there any real understanding of what modifications might be needed to older buildings to protect against that particular problem?

Mr. Martin Luymes: Thanks for the question. Yes, actually the science is still evolving as we speak. Almost daily, certainly weekly, there's new data, new information that's being fed into the process. There is not, for example, certainty yet about whether or not the virus can be transported through airborne means and therefore through HVAC systems. Most of the evidence that we've seen says it cannot, but no one in our industry has been prepared to rule it out entirely; no one in the medical community either.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Martin Luymes: In light of that, what we have been advising members and the industry in general is to provide advice to clients, to customers, that talks about the various other types of solutions that can be used to address

indoor air quality in general. As was indicated earlier, this pandemic has created enormous opportunity because people are working at home so frequently that we can try to address their indoor comfort issues in their homes and their offices. So it's created some opportunities to apply the technologies of our industry to address these types of issues. In terms of the silver bullet to address COVID, there really isn't one at this time.

0940

Mr. Stephen Blais: That's fine.

Dorothy, I saw you put your hand up as I was asking that question—if you had something to add?

Ms. Dorothy McCabe: Oh, thanks, MPP Blais. Actually I was putting my hand up for a previous question. I just wanted to mention that when you're talking about the home renovation tax credit, part of what we would like to see from our governments is beyond just minor renovations, like to really get to the deep carbon reductions that we need—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll come back to that in the second round.

We have to move to the government side now. MPP Skelly.

Ms. Donna Skelly: Good morning, everyone. I'm going to continue along the theme of trades, which our government recognized shortly after being elected and coming into office that something had to be done, and we needed to put more focus—which we have done—in our educational system, working in our post-secondary institutions and really encouraging the private sector as well to work with us.

I wanted to ask Ms. McCabe if we could go over some of the recommendations that you referred to. I was writing them down as quickly as I could.

Delay in renewal of licences and certifications: What is the issue and what can we do?

Ms. Dorothy McCabe: Thanks for your question, MPP Skelly. Actually I'm going to refer the technical parts to Martin, who has years more experienced than me in this—

Ms. Donna Skelly: Okay, Martin.

Ms. Dorothy McCabe: —in the interests of time.

Mr. Martin Luymes: Yes. I think the primary issue that we are hearing currently from our members is that while some of the changes that were instituted by the government around the College of Trades and apprenticeship ratios were very much welcomed, right now what they're facing is a very difficult time registering apprentices. So, in the residential sector where there is demand for new trainees and trying to put people through the system, they're not getting responses. The process is very slow. There aren't enough seats in colleges to accommodate apprentices. That's the kind of roadblocks or bottlenecks that they're facing. So while they were—

Ms. Donna Skelly: I'm going to interrupt you because I really want to explore this. You said the process is slow. What can we do? What process—what can we do?

Mr. Martin Luymes: Well, right now, I'm not even sure if our members know who to call because there's been some transitioning between the old College of Trades and the ministry itself. Primarily, it's an administrative issue.

There may be some budgeting issues around ensuring there are sufficient seats so that when someone is signed on as an apprentice, they actually have a seat in a college to go and attend the in-class portion of their training.

Our members are prepared to put people to work on the apprenticeship side, on the job side. The issue seems to be more about putting people into seats in the colleges and getting them registered for that. That's what we're hearing—you know, no callbacks, hard to get hold of people. I think the administrative processes right now are kind of bogged down, and that may be for obvious reasons.

Ms. Donna Skelly: Something I was going to ask, and one of my colleagues flagged it as well, we need to work, and I'm hoping—I think we are—collaboratively with the private sector.

In Hamilton, my riding, KF Aerospace has worked very closely with Mohawk College and created a program in aerospace technology, and the students are working on-site in a hangar that KF has actually built and provided the technology, and that's the type of collaboration that I think we're going to need, moving forward.

Can all of you—and I was going to ask Mr. Parks and Mr. Wilkes and both Martin and Dorothy to respond to that as well. What should and can we do, government and private sector, in terms of collaboration, to encourage more people, because that's the other problem. Not every student—we recognize the value in the trades, but it's to get to the kids. We have gone to the post-secondary and elementary and secondary levels.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Donna Skelly: What else can we do with the private sector?

Mr. John-Ross Parks: If I can begin, thank you so much for the question. We are appreciative of all the work the government is doing to try to reach the younger people, but focusing more energy on the elementary school programs, introducing the parents—that's very, very important, encouraging the trades among parents and the guidance counsellors in high schools and educators in the lower grades. Of course—

Ms. Donna Skelly: What about the private sector, I want to hear what the private sector can do.

Mr. John-Ross Parks: We're ready to partner. All of the private sector, at least in our area, is ready to work with the local colleges. Loyalist College is fantastic. As well, spreading the funding around to the whole province would help, directing more—

Ms. Donna Skelly: Mr. Wilkes, you raised your hand?

Mr. Dave Wilkes: Yes, I did. Thank you, MPP Skelly. One of the initiatives that we had undertaken—we run three home shows. As part of those home shows, we have a try-a-trade program where we teach younger children how to build a wall, how to wire electricity, how to do plumbing. Unfortunately, our home show was cancelled due to COVID, so we couldn't do it. But we believe that through those types of public platforms, we have the opportunity not only to talk about it but to show it. So that's part of our commitment, along with the other areas that my colleagues talked about. But it's a—

Ms. Donna Skelly: Perhaps a summer camp? Perhaps the industry could provide summer camps to get kids to understand it.

Dorothy, you raised your hand as well. I'm running out of time. That's why I'm cutting people off.

Ms. Dorothy McCabe: Just really quickly: I would say that, for our sector, there are currently only three high schools across the province that actually have funding to provide HVAC sector training. Our members could probably donate equipment or find a way to work in collaboration, but there are only three in the entire province, so we need someone to look at that to help us bring them into the college sector.

Ms. Donna Skelly: And they would be able to—and again, this question will go out—provide those very expensive and valuable and unique resources in terms of equipment to train in the sector?

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Dorothy McCabe: Yes. It takes room; it takes physical space, more so than an English class. You need some physical space to house this equipment. Again, our members are probably very open to looking at donating some of it and even providing some training, if necessary, but I think there are ways, like you're suggesting, for the private and public sectors to work together if we're creative about it, and we're certainly open to that.

Ms. Donna Skelly: John-Ross, you're nodding your head.

Mr. John-Ross Parks: Absolutely. We're here to help and contribute in any way possible. One of the programs that was cut locally was the student structures program that existed for quite a while. It was a program in the high schools. It was funded to help students build houses and get them interested in the construction industry. Unfortunately, it had to go because of budgetary constraints. We'd love to share programs like that. If anybody is interested, we'd be happy to help out.

Ms. Donna Skelly: Dave, did you want to have the last word on this?

The Chair (Mr. Amarjot Sandhu): Thank you.

Ms. Donna Skelly: Oh, maybe not.

The Chair (Mr. Amarjot Sandhu): We'll come back to that in the second round.

We'll go to the independent members now for their second round. MPP Blais.

Mr. Stephen Blais: Dorothy, you had started getting into some kind of deep-green retrofit conversation. Could you continue that?

Ms. Dorothy McCabe: Oh, sure. Thanks, MPP Blais. Again, Martin is more the technical person, but what we are thinking about in terms of a home and building retrofit program is really to get at the whole building envelope. The HVAC technologies, as we said, account for about 17% of the carbon emissions, but if you change your windows, that affects what kind of HVAC technology you need. If you change the insulation, that changes the HVAC technology you need.

So it has to be looked at, we think, very holistically, the whole building design, to really get at those deep carbon

reductions that we think are needed, particularly in institutional, commercial and residential buildings. That's why we're talking about something bigger, sort of beyond just tweaks around your home.

Mr. Stephen Blais: Sure. And would an easy place to start be at the point of new home sales, so offering incentives or some other program to encourage those upgrades that are needed, to get that slightly better window or slightly more insulation etc.?

Ms. Dorothy McCabe: I think I should defer to Martin on that one, but I would say certainly a new home sale is the time to put in things like heat pumps or geothermal systems. When earth is being dug up, that's certainly one thing that could be looked at.

Martin, I don't know if you have something else to—

Mr. Martin Luymes: Well, I would only say that most of that is addressed through a building code and programs like Energy Star for new homes. The quality of new homes relative to existing homes is much better from an energy performance standpoint. So I would just say that, by far, the greater opportunity for carbon reduction is in the existing building stock. That's why we would be fully behind any program that would encourage investment in home energy upgrades in carbon reduction through changing equipment to heat pumps and things like that. There's a ton of different opportunities, and it's really low-hanging fruit because existing homes, especially of a certain vintage—there are a lot of them, they're already in place and they are, in most cases, poor energy performers. So that's where by far the greater opportunity exists, in the existing building stock.

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Mr. Stephen Blais: Thank you very much for that. The chap from Quinte, you mentioned that there might be some challenges or that there are challenges with infrastructure keeping up with the growth in your particular community. I think you talked about a sewage plant or a water treatment plant. Could you maybe just enlighten us a little bit more about that and where things are going?

Mr. John-Ross Parks: Sure. We are developing land on surfaces that are ancient. They've been repaired, there have been band-aids put on them to get us to where we are. But right now, infrastructure funding and collaboration between our municipalities is holding us back from the growth that we need to accommodate all of the people who are leaving the city now—my age, especially—because of COVID-19, and they're allowed to work from home.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. John-Ross Parks: So there is a lot of red tape that needs to come down. There's more support needed, likely, for our municipalities, and we're here to work with anyone to try to help that happen.

Mr. Stephen Blais: Thank you very much. I don't have any other questions, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go back to the government side. MPP Skelly? MPP McDonell?

Mr. Jim McDonell: Yes. I want to thank everybody for coming in today. I had a question for Dave Wilkes. When

you talk about the advancing projects, we've had a lot of trouble getting the federal government to approve some of these infrastructure programs that we actually approved last July, and some of them last June. We're just now seeing them come out. These projects are going to miss this construction season now, because by the time you get through engineering—and they can be shovel-ready, but of course a lot of these municipalities, I'm sure, don't spend a lot of money on projects they may never be awarded. Are you seeing that locally or in your territories? Mr. Wilkes?

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): Mr. Wilkes? Is he there? I think he's disconnected.

Interjection: He's rejoining again.

Mr. Jim McDonell: Okay, I can delay that question, then.

You were talking about the differences in heating and air conditioning technologies. I graduated some 30 years ago in mechanical engineering. I imagine there are quite a few changes. Do you see a big change in the last few years, or is this progress that has been basically been in place for the last 10 or 15 years? What stock are we needing to replace as far as technologies go? This would be to the Heating, Refrigeration and Air Conditioning Institute of Canada.

Mr. Martin Luymes: I guess I'll weigh in on that. Probably the greatest breakthrough that we've seen in the last 10 or 15 years is with the development of air source heat pumps, which for many years were kind of poor performers and didn't do particularly well in cold climates. But a number of manufacturers have created a product called a cold climate air source heat pump, which performs extremely well, even in circumstances of 40 degrees below zero outdoor temperatures. They are sufficient to heat the entire home. They do not need any kind of backup. They've come along a great distance over the last 10 or 15 years, as have ground source heat pumps as a full replacement for any type of natural gas heating.

The challenge, of course, that we have in Ontario right now is that the continued very low cost of natural gas makes it a very—kind of a competitive winner in the marketplace because the low commodity cost makes it just a very logical choice for most homeowners. It's one of the reasons why, if we want to go to low-carbon energy options, there probably needs to be some type of intervention in the market to promote the use of heat pumps. Fortunately, the products are now widely available and perform extremely well. So that's an opportunity to address carbon emissions in a very concrete and constructive way.

Mr. Jim McDonell: On the air conditioning side, are there advances there as well? That's on the heating side. But on the air conditioning side—

Mr. Martin Luymes: Well, these heat pumps are both for heating and cooling. They're reversible and—

Mr. Jim McDonell: I realize that—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Jim McDonell: But a lot of people are just worried about—they have natural gas for heating, but they do have—

Mr. Martin Luymes: Yes.

Mr. Jim McDonell: So how is the air conditioning? The same thing—big improvements over the last 10 years?

Mr. Martin Luymes: Yes, there have been significant improvements. The advent of something called the split-system air source heat pump, which doesn't require a central ducting system, can be put in just one level of the home. It creates localized cooling opportunities at a relatively low cost, compared to converting entire systems. So yes, the technology has advanced in that area as well.

Mr. Jim McDonell: A question for the Quinte group: In rural areas much like ours, how is the workforce? The group was talking about a shortage of technicians. How do you find in the rural areas trying to get the people you need as a workforce?

Mr. John-Ross Parks: Actually, I'll let Ruth speak to this, if that's okay. Thank you.

Ms. Ruth Estwick: Hi. I think our trade shortage has been going on for quite some time. We have thoughts on how we can tie in skilled trades and skilled labour as part of the solution. Tying it in to our immigration portal, for example, has been some of the ways. After-school programs for kids, beginning from a very young age, talking with parents of children in grades 5 and up—I think changing the whole perception of what working in the trades as a viable career option is going to be is crucial for the future of our industry and that labour filling those positions.

Mr. Jim McDonell: I know we've instituted a couple of programs, trying to encourage children in basically high school to be more involved. They're great jobs.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Jim McDonell: Most of your small businesses belong to this group of skilled trades. The same question for your heating and air conditioning: Are there issues there as well in getting skilled tradespeople?

Mr. Martin Luymes: Yes. As Ruth said, this is a prolonged issue. We've been facing this for 20 or 30 years. Dorothy mentioned it as well. I would just add what might seem like a minor point, but among all the trades, the HVAC trades are very poorly understood, both by the population in general and certainly by high school teachers and guidance counsellors, so we've always had this very uphill battle. People maybe understand what an electrician, a plumber and a carpenter do, but they have very little understanding of what "HVAC" means. So we have this additional challenge of trying to draw people into our industry, despite the fact that the refrigeration trade is one of the most highly paid trades. It's a very lucrative and rewarding career, but it's just not well known at the high school level. Dorothy—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the opposition side for their second round. MPP Gates.

Mr. Wayne Gates: Hi. How are you, again? A couple of things that came up yesterday, because I did this Zoom

yesterday with everybody—and anybody can answer who likes. I have a couple of really good questions. One thing that was raised was the supply chain yesterday, and the difficulty that we're having in getting supplies out of China and out of the USA right now. The one thing that I've been saying almost through my entire political career, long before I became an MPP, was that we should be supporting Ontario, supporting Canada. Do you think that maybe we should be buying more supplies built right here in Ontario?

Mr. John-Ross Parks: We absolutely need to do our best to secure the supply chain. If that means buying Ontario when the products are available here, absolutely. We should be doing what we can to make sure that we have what we need.

Mr. Martin Luymes: Yes, we would obviously support this concept in principle. I would say that in our industry, the challenge would be that 95% of the products of our industry, the HVAC products, are produced in the United States or overseas.

Having said that, the greater number of jobs by far in our sector have to do with distribution and installation, so on the contracting side, it's 100% Canadian jobs, localized jobs in Ontario, in small communities across the province and country.

Mr. Dave Wilkes: And, if I may, I'm just going to echo what Martin said. We are having supply chain challenges; there's absolutely no doubt. I think that that's part of the lost productivity that we saw in the survey that I referenced in my remarks around the delayed starts and completions. I think you have to balance the need to source locally with the efficiencies that come from a global economy. But I am going to emphasize that the majority of the jobs are the ones on-site. Those are the well-paying jobs. Those jobs are not footloose. Those jobs allow the multipliers that we see in the surveys that we've done, and I think that those jobs are the ones that we really need to place an emphasis on.

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I would also echo some of the earlier comments that the need for trades is one of the fundamental problems that we are facing as an industry, whether that's HVAC or other trades or the sector as an overall industry. We do and I would support a coordinated government and industry effort to make sure we change the culture and the perception of the trades, as well as developing the skills. I think that's a fundamental need that we all have.

Mr. Wayne Gates: Thank you. What I will say to all your comments around relying on China and the States for our parts, particularly in HVAC, we were replying on our PPEs, and we were able to get companies to make great decisions, to say, "We need to have our supplies right here, so we never get stuck in the situation that we had before."

What I want to talk about, and it's something that I can relate to—without giving away my age, by the way; I have lots of hair, but I'm old. When I went to high school, I took a tech course, and in those tech courses, there was woodworking; I did electrical work, I did auto body, I did sheet metal and I did welding. When I got into General Motors, I knew how to do lockout, I knew how to—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Wayne Gates:—and it was something that I think we could really do in our high schools, is go back to that type. You're talking about the skilled trades shortage going back 20 and 30 years; some of that was because we took that out of our high schools, and I think that was a mistake.

I think another mistake is that we're closing our schools and then putting them in for development. We could close our schools, if we have to do that, and put them into skilled trades schools where we could teach our young people to do exactly what I did during my career. I'd like to hear what you think of that idea, because the jobs of the future, quite frankly, are trades, whether that's for women, First Nations or young people. That's where the shortage is going to go. That's where the good-paying jobs are going to be. I know it's a little bit of a speech, but I think it's important to get that out.

Mr. Martin Luymes: MPP Gates, I think we're 100% in support conceptually of what you said. I think our members would agree, almost across the board, that the disinvestment in high school training programs was a disservice to the people of Ontario.

I'll just mention, because MPP Skelly raised this earlier about private sector investment, that the three programs Dorothy mentioned in high schools that exist today in Ontario—just three, for the entire province—are almost all entirely funded by our sector through donations of equipment, financial donations and working with the schools to provide instruction free of charge.

Probably the most successful example of that is Elmira District Secondary School in the Waterloo region, 100% supported by our local chapter. The challenge that they have is that we're stepping up, the industry is stepping up, providing equipment and all the rest, but the funding—every year, every several years, the instructors and the school boards say, “You know, we're not sure if we're going to have continued funding for this program.” It's a constant battle. The private sector, I would suggest, is prepared to step up and support these programs, but we need to see long-term commitments from the provincial government to make that happen.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. John-Ross Parks: As a person who experienced the double year, being on the bottom side of that double year where they got rid of everything, I can tell you that my friends, people who are my age, who are 34 and under—there's a huge gap, and you can see it, and you saw it in the schools. I would just say as a young person that I'm encouraging it. As a home builders president, I am also encouraging it.

Mr. Wayne Gates: I don't have a lot of time left, but I want to say to David that I know you're talking a lot about Toronto, but I can tell you that a lot of the people from Toronto, Peel and Brampton are coming down to Niagara. We got reports today that our housing industry is on fire down here, even during COVID-19, so I want to say to all the people who may be listening to this—David, thanks for having all your people come down to Niagara. It's a

beautiful place to live, a beautiful place to invest, and we need the jobs down here as well. Thank you very much, David, and good luck, everybody. Take care.

The Chair (Mr. Amarjot Sandhu): That concludes our time, as well. Thank you to all three presenters for appearing before the committee and for your presentations.

Looking at the time on the clock right now, this committee stands in recess until 1 p.m.

The committee recessed from 1005 to 1300.

The Chair (Mr. Amarjot Sandhu): Good afternoon, everyone. Welcome back. We're meeting for hearings on the municipalities, construction and building sector as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

Before we move on to our next group of presenters, I would like to do an attendance check. MPP Lindo, if you can please confirm your attendance.

Ms. Laura Mae Lindo: It is MPP Lindo, calling in from Kitchener. Thanks.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP West?

Mr. Jamie West: It's MPP West. I'm calling in from Noëville, Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

LIUNA ONTARIO
PROVINCIAL DISTRICT COUNCIL
FEDERATION OF RENTAL-HOUSING
PROVIDERS OF ONTARIO
CEMENT ASSOCIATION OF CANADA

The Chair (Mr. Amarjot Sandhu): Now, I would like to call upon our first witness, Labourers' International Union of North America Ontario Provincial District Council. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Sean McFarling: Good afternoon, Chair. Thank you for having me today. My name is Sean McFarling. I'm general counsel for the Labourers' International Union of North America Ontario Provincial District Council. It's nice to see many of you via video today. I see many familiar and friendly faces.

I'm here on behalf of LIUNA. We are a trade union that represents over 100,000 hard-working individuals, mainly in the construction sector, although we have a number of members who also work in health care and in building services. We take great pride in working in co-operation with our employer partners and the government to build a better Ontario. Our members build Ontario's infrastructure, from our roads and sewers to our LRTs and subway lines to our hospitals and our schools. These are solid, middle-class jobs that provide an income that contributes to the strength of our economy. Our members are the purchasers and users of goods and services throughout the province.

When the COVID-19 pandemic hit, the work done by our members both in construction and health care was deemed essential, and our members met this challenge. We worked with the government and public health to ensure that safety protocols on construction sites were in place and to ensure that our members were able to work safely through this pandemic and return home to their families.

The increase in inspectors in on-site inspection, along with the development and the implementation of industry-wide guidelines, helped our members work with confidence that they would be safe, and we have been very fortunate. Throughout this pandemic, the incidence of COVID-19 amongst our membership has been extremely low, and we are grateful for that. But as we move forward, we need to be vigilant to ensure that the high standard of health care and safety remains in our sights. And at this point, we also need to ensure that the work continues in the province and that an investment in construction infrastructure is maintained, because we believe that this will be critical to the recovery of Ontario's economy as we come out of this pandemic.

Although many of our construction sites remained open, the pandemic did cause a number of delays on key infrastructure projects. We need to be streamlining the process to ensure that work on these projects begins or continues expeditiously. At LIUNA, we believe that legislation like the Building Transit Faster Act is essential to ensuring that key transit infrastructure projects like the Ontario Line, the Hamilton LRT, the Scarborough and Yonge North subway extensions move forward in an expeditious manner. The public, we believe, doesn't want to tolerate further delay in developing our infrastructure, particularly in transit, and improved infrastructure is what we need and want.

Funding is always key to this, and we need to consider both government investment in our infrastructure and other models of funding. As many of you know, LIUNA has long been a proponent of the P3 model. Our pension fund invests in infrastructure projects, many of which have been very, very successful in two respects: These projects provide employment to our members, and they provide a secure and solid investment for our retirees that guarantees their pension continues to be supported.

Now, we appreciate that major infrastructure projects require proper consideration of environmental and community needs, but we believe that these types of projects have a positive net impact on the environment and our communities. We need to continue to engage in smart city planning to allow residents easy access to public transportation for both work and pleasure. By improving our transit systems, we allow people to commute with greater ease and efficiency and reduce the number of carbon-emitting vehicles on our highways.

Further, LIUNA is specifically committed to recruiting, training and employing those who live within the communities where these projects are taking place. We've put a particular emphasis on targeting equity-seeking groups to ensure that everyone is aware that employment in the

construction industry is a path to prosperity and economic security. To this end, we've partnered with a number of groups to provide training—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sean McFarling:—specifically to women, to Indigenous peoples, youth and other equity-seeking groups.

Our members depend on investment in infrastructure, transit and health care to provide employment. We believe government investment is critical, particularly at a time when many of the municipalities are facing pandemic-related deficits. Investment in infrastructure does not just benefit our members; there are secondary jobs created from the construction industry that bolster the entire economy. We believe that by investing in building, Ontario will create jobs today while equipping us with the modern infrastructure we need for a prosperous tomorrow.

With those comments, that's all the time I need today. I look forward to answering any questions you may have for me as we move on today.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

Before we move to our next presenter, I would like to do an attendance check on some of the other members. MPP Stiles, if you can please confirm your attendance.

Ms. Marit Stiles: Yes. MPP Stiles here from Davenport, and I am here in Toronto at Queen's Park.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Bailey? Can you unmute yourself, please?

Mr. Robert Bailey: Yes. Bob Bailey, and I am here at Queen's Park. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Schreiner?

Mr. Mike Schreiner: Hi. Yes, it's MPP Schreiner, and I'm at Queen's Park.

The Chair (Mr. Amarjot Sandhu): Thank you.

Moving along to our next presenter, the Federation of Rental-housing Providers of Ontario. If you can please state your name for the record, and you can get right into your presentation.

Mr. Tony Irwin: Thank you, Mr. Chair. My name is Tony Irwin. I am the president and CEO of the Federation of Rental-housing Providers of Ontario. Good afternoon, committee members.

FRPO, as we are more commonly known, has been the leading voice of Ontario's rental housing industry for 30 years. We are the largest association in the province, representing those who own, manage, build, finance, supply and service residential rental units. We represent more than 2,200 members who own or manage over 350,000 units across Ontario.

Today, I am pleased to be joined by my colleague Asquith Allen, FRPO's director of policy and regulatory affairs. We are pleased to have the opportunity to provide comments to the Standing Committee on Finance and Economic Affairs as it studies the impacts of the COVID-19 crisis on the municipal construction and building sectors. My remarks are specific to the health of the rental housing sector in the province of Ontario.

The COVID-19 pandemic has hit residents of rental housing harder than most other segments of our population. Many of our residents are hourly workers whose workplaces were shut down for months during the crisis. Most don't have large balances in their savings accounts or equity in properties they can leverage to pay for a rainy day.

Rental housing providers have a long history of helping our residents during trying times. Offering alternative or deferred payment plans when someone is unable to pay their rent on the first of the month is not uncommon. However, what we've seen so far is not a rainy day but an event of global proportions that we have not ever seen before.

Many large-scale rental housing providers have stepped up to do their best to help their residents during these unprecedented times. Most are offering deferred payment plans, waiving late fees and providing what is in essence interest-free support to residents who cannot pay their rent on time. Operators are providing residents with the most up-to-date public health guidance and information on government support programs. And there are many stories of building staff who are helping elderly residents and those in self-isolation by delivering groceries and medication to their door. The sector is doing what we can to work together, to be compassionate and to help our residents during these very difficult days.

However, there are many residents for whom deferred payment plans will simply not work. They will never be able to catch up. A lot of our residents—in fact, a lot of Ontarians, as you all know—live paycheque to paycheque during the best of times. When the economy fully recovers and they are back to work, they may be able to pay rent moving forward, but what happens to the four, five, six or perhaps even more months of accumulated rent payments? For a family living in a \$2,000 a month rental unit, six months of missed rent is \$12,000. A lot of families will never be able to pay back that \$12,000.

We need a solution to address that challenge, a fair process that settles those arrears for those who will never be able to repay the rent they now owe due to no fault of their own. The sector and, I'm sure, policy-makers collectively want to do our best to avoid evictions. We certainly do as well. We want our long-term residents to be able to stay in their homes as we collectively recover from the pandemic.

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As I mentioned earlier, our members do both operate and build rental housing in the province of Ontario. On the operating side, we want to work with government to come up with a solution for those residents who will never be able to pay rent accumulated during this crisis. On the development side, building rental housing has been a challenge for years and will remain a challenge as we look toward the recovery of this crisis. In fact, there hasn't been a significant increase in the supply of rental housing in Ontario in decades. Over 80% of existing rental units were built before 1980, meaning they are now over 40 years old.

Sorry, apologies for just a moment—just a glitch here on my computer.

Vacancy rates, a key indicator of the health of a rental market, is currently near a 16-year low in Ontario. The CMHC's 2019 vacancy rate was at close to 2%. The city of Toronto was even worse, at 1.5% for 2019. As a comparator, Regina had a vacancy rate of 7.8%, Calgary was at 3.9% and Winnipeg was at 3.1%. Recent data out today shows there has been a slight increase in the vacancy rate in the province and the city of Toronto, but it is still extremely low and still far from healthy.

Urbanation, who we recently commissioned, a leading housing market research firm—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Tony Irwin:—assessed the rental housing shortage over the next decade. They examined the anticipated demand levels, along with projected supply, based on what is currently in the pipeline and what the current policy framework is likely to yield. Urbanation concluded that, barring significant policy intervention, the province of Ontario was expected to have a rental housing deficit of 20,300 units per year for the period of 2021-30. That means 200,000 more rental units need to be built on top of what is currently anticipated in order to balance the rental market within the next decade. This is why FRPO has been advancing creative policies to unlock more rental housing to accommodate our growing need.

One such example is unicorn sites. These sites are existing rental housing complexes which can easily accommodate one or two more buildings on the existing footprint. A recent study looked at the scale of those sites in the greater Toronto and Hamilton area and found 950 existing rental sites which could accommodate infill developments. Those sites represent over 160,000 net new rental units which could be on the market with the right policy intervention.

As we look to the other side of the COVID-19 pandemic, we encourage policy-makers to address two core elements: (1) a solution for those residents who will never be able to repay months of accumulated rent through no fault of their own; and (2) continue to work on measures to address the massive rental housing supply crisis we currently face in the province of Ontario.

Thank you for your time. I look forward to your questions.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is the Cement Association of Canada. Please state your name for the record, and you have seven minutes for your presentation.

Mr. Michael McSweeney: Thank you very much. My name is Mike McSweeney, president of the Cement Association of Canada. We and our companies are vertically integrated and located all across Ontario. Vertically integrated means we produce cement, concrete and mine aggregates, sand pits and other quarries. We're located in every community across Ontario, large and small, and we generate over \$25 billion in economic activity, employing over 54,000 in Ontario in well-paid jobs.

Thank you for your tireless efforts in confronting and mitigating the devastating impacts of the COVID-19 pandemic for Ontarians. While it is critical for all of us to remain diligent to minimize the impact of the potential

second wave, the decisive action and initiatives taken by the government have saved countless Ontarians' lives and helped ensure our health care system had the capacity to serve those who needed it the most.

While we adjust to the new normal in our everyday lives, we are encouraged by and support the gradual and measured reopening of the Ontario economy. Over the course of the past three months, our industry has experienced significant losses on the cement side: 29% loss of market in April, 24% loss of market in May, and we are awaiting numbers now for June. I'd like to remind you that nothing gets built in this province without cement or concrete. So when you hear that the construction industry has fared well during the shutdown, please take those comments with a grain of salt.

We recently released a declaration which we sent to the Prime Minister of Canada, suggesting the key elements that will help rebuild a successful economic recovery in Canada. The declaration to the Prime Minister wants to put the construction industry and municipalities at the heart of the COVID-19 economic recovery plan.

Construction has a track record as the most reliable and the fastest engine for economic growth and can act as the foundation for economic stimulus. It can drive the post-pandemic development and is vital to stimulating medium- and long-term economic growth. Investments in urban-rural infrastructure such as schools, roads, bridges, agriculture, railways, ports, waste water facilities and renewable energy will support economic growth by increasing both private and public sector productivity and help future-proof Ontario's economy.

Our declaration highlights the need for the federal government to absorb a greater share of the cost of infrastructure projects in communities in Ontario and de-risk these projects for provinces and municipalities.

As you've heard many times during your hearings, municipalities are experiencing significant losses of revenue that are putting pressure on both operating and capital budgets. We believe it is important that all levels of government continue to stimulate local economic activity by proceeding with infrastructure projects that will get construction businesses back in operation and employees back to work.

More than ever, shovel-ready projects that invest in the future of the province, coupled with simplified procurement and tendering procedures, will be of immediate advantage in stimulating local construction activity. But let me be clear: The window for the Ontario construction season is quickly drawing to a close. Please don't think of just the GTHA; think of northern Ontario, eastern Ontario, where the construction season stops in three and a half months from now. If we don't get shovels in the ground soon, we'll miss the opportunity to truly stimulate the economy in 2020.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Michael McSweeney: It was very good yesterday to hear Premier Ford intimating that negotiations on the civic federal relief package were going swimmingly, as the Premier said, compared to a week ago when he suggested

he was holding out for a deal that doesn't shortchange the municipalities of Ontario. But let's also get a jump on the projects for 2021 and approve those projects that are ready to go in 2021 now so that they can get shovels in the ground as soon as possible in 2021.

As an industry, we also advocate for less red tape across the government and for a modernized infrastructure procurement system. Often in Ontario, decisions are made on a first-cost basis, ignoring the fact that a cheap sticker price often results in lower value and greater costs in the future. Think of the LRT in Ottawa as an example.

We champion a taxpayer-value-driven framework called the three-screen approach. This includes performing a full life cycle cost assessment, a comprehensive carbon assessment to promote low-cost green solutions, and an assessment of best-available technology. We have a new cement, Portland-Limestone cement, and when you use that cement, it reduces greenhouse gases by 10% at no cost to the taxpayer. It should be mandated now. These kinds of changes would attract innovations and help make Ontario a leader in infrastructure-based solutions.

As we look to ways to do things differently in the post-COVID area, an opportunity exists to obtain greater value from our infrastructure investments by taking on this three-screen lifestyle approach. Similarly, a robust life cycle assessment can help governments make more balanced decisions about sector-specific investments and supports. More transparent and scientifically rigorous life cycle assessments could help the province more accurately and equitably invest in industrial innovations towards meeting greenhouse gas and other priority objectives.

In closing, the Cement Association of Canada and our industry partners in ready-mix, precast, pipe, masonry and pavers are here to work with the government of Ontario and unions to assist with the economic recovery in the province, and our municipal and federal partners to stimulate the local economies. We look forward to contributing to plans to bring Ontario back to economic prosperity and as the economic driver of Canada. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start the first round of questions with the government side this time: MPP Crawford?

Mr. Stephen Crawford: Thank you to the three presenters for your presentations today. I have questions for all three, if I have time, but I'd like to start out with Sean from LIUNA. You talked a little bit about infrastructure. I know you're very involved in that. We, here in Ontario, believe the—we're on the same page. We've got the largest investment in infrastructure here over the next decade in Ontario's history. So we're on the same page with respect to that.

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My first question to you would be, it's important that obviously we do infrastructure that's going to give us a return on investment. We're not going to build a bridge to nowhere. We want to make sure we're getting a bang for our buck, we're creating efficiencies, generating revenue, making lives easier, smoother. Where are the key areas

that you see that we can invest in infrastructure over the next decade?

Mr. Sean McFarling: I think, without being too GTA-centric, the immediate return in this region, though, is with building the transit that I mentioned in my presentation. So we've got the Ontario Line, the subway lines. I think that improving our transportation infrastructure within the GTA region, in addition to extending infrastructure transportation through Oakville and out to Hamilton, is going to be critical to allowing the smooth flow of goods and services, to allow people who work in communities outside of the GTA who come here for work, to allow everybody to better use their time and to be able to come to work in a more expeditious fashion so that we're not wasting productivity by being tied up.

I'm looking out my window right now in Oakville at the QEW, and with the lack of traffic there's supposedly supposed to be now, it's shocking how tied up everything is. That's, I think, an immediate return that we get on our investment by improving our productivity generally for workers in these large urban centres.

We need to continue building that kind of transportation infrastructure around the province, so extending it into the Kitchener-Waterloo region as well as into London and then through to Windsor. We've got good work that we've done in Ottawa, notwithstanding some criticism of how it's being maintained or run. But actually putting it in place I think was critical to Ottawa and important for that region as well. I'm from Sault Ste. Marie, and continuing to work on our highways in order to better facilitate transportation throughout the northern Ontario region—I know there is a tremendous amount of bridge-building and highway work happening up there, and I think that's also critical to the economic benefits to our—

Mr. Stephen Crawford: Yes, that's great. I think we're on the same page, then, from what I'm hearing in terms of our government and what you're thinking in terms of transit being a top priority.

We recently put through Bill 171, which is Building Transit Faster, which has also been a priority to get things done quicker. Did you have any additional thoughts in terms of making things quicker, red tape or issues that you foresee that you think can help things move quicker?

Mr. Sean McFarling: Well, our view is that consultation with the broader community is important, but these things will inevitably get bogged down and never get done if we engage in an endless round of consultation. Decisions need to be made, and I think there's a general consensus that we need more transportation and we need better transportation, and we need to get these projects started. So as much as it's important to engage in a consultative, collaborative process, we need a legislative regime that allows these things to be done quickly.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Stephen Crawford: And my last question to you would be, I know you mentioned and you've been involved in some P3s. Ontario has been a world leader in P3s. Infrastructure Ontario really is a gem. What is your experience with P3s?

Mr. Sean McFarling: LIUNA has had a very positive experience with P3s, and I touched on this briefly. And you can appreciate—I also sit on behalf of LIUNA at the Ontario Federation of Labour, and this is a hot topic amongst some of my colleagues and brothers and sisters in other unions.

But from LIUNA's perspective, investment in various public works projects needs to happen, and the P3 model allows money to flow to the projects. We've positioned ourselves in order to be part of the money that actually engages in these investments. So we see it as good for working people to be involved in the investment of public works, because it then in turn employs our members and then has the further long-term effect, because the investment is done through a pension plan, of providing a solid economic foundation for our retirees to keep their pensions secure. I think that often gets overlooked in the discussion on P3s, so there is in fact a way for working people and the people of Ontario to benefit from this model, notwithstanding there may be some criticisms about how these projects are maintained or operated. Personally at LIUNA, we are invested—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Sean McFarling: —in a number of projects across Ontario and, in all of them, our experience has been a very positive one.

Mr. Stephen Crawford: That's great. That's good to see that.

To Michael from the Cement Association of Canada: Good to see you. We only have 45 seconds. If there's one or two key points you think the government could help your industry get things going, what would you highlight?

Mr. Michael McSweeney: Build it once; build it right; build it to last. My only cautionary note on P3s: They're a good vehicle, but you must make sure that the ultimate product isn't overdesigned and overbuilt. There's always a concern from the owner, the private side of the P3, that when they turn the project back to the government in 25 or 30 years, they don't want it failing. Sometimes you can get increased prices with P3s because they are overdesigned and overbuilt to protect the proponent.

Mr. Stephen Crawford: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the opposition side now, and I'll start with MPP Morrison.

Interjection.

The Chair (Mr. Amarjot Sandhu): MPP West. Okay.

Mr. Jamie West: Thank you, Chair. I want to thank the speakers, Tony, Michael and Sean, for their deputations today. I think it's really important.

My question's going to be for Sean McFarling from LIUNA. First, a comment: Your comment today about the investment in construction infrastructure has been repeated several times on the different meetings that I've attended, and I just want to make sure that we highlight how aligned unions are, labour is and businesses in terms of getting shovels in the ground. In fact, Michael McSweeney's comment—I wrote it down here: "If we don't

get shovels in the ground soon, we'll miss the opportunity"—especially in the north, right? If you don't get in the ground before the frost, you're missing a whole cycle. I want to emphasize that for the government. I rely on members of the government—some of them in farming communities let me know about that industry as well.

You highlighted really well, Sean, about how employment and construction is the path to prosperity. These are good-paying jobs. Your members shop and they buy in the economy, and that's how you drive the economies. You have money in your pocket to spend on extra stuff, and that's what drives the other small businesses that drive the larger suppliers. What can we do or what should we be doing as the government, as the province, to help promote more and more people getting into this?

I did my apprenticeship as an electrician, but I went to college and university before I got into the trades because guidance scared me away. My parents were worried about it, and it's an excellent job; it's a good-paying job.

Sean, do you have any thoughts about that?

Mr. Sean McFarling: I do, and while we're at it, I just want to thank Mr. McSweeney for reminding me of the north and the importance of the north in our economy in his comments. Being from there but working in the south, I sometimes forget that.

I think the importance—in addition to committing the money, right, the money needs to be there from the government to support these infrastructure projects and, then, reaching out to the communities that require jobs, especially in the north. I think it's very important that we put a lot of attention and effort into partnering with our Indigenous communities to ensure that they are aware that there are job opportunities so that they too become proponents of construction on their land so that we develop infrastructure in places where it's desperately needed.

The first thing that comes to mind is water treatment plants throughout the north in many Indigenous communities. We should be building those across the north, and that is easier to facilitate if we're going into the community, as LIUNA does, and saying, "We will train you, and we will ensure that our employer partners have no structural impediments because of our collective agreements that would prevent us from hiring from your community." We waive any of those things to ensure hiring occurs in the community, and then when the projects are done, you have individuals from the community who now have skills that they can export out of the community, that are desperately needed across Ontario. We need to build things throughout this province and we have a shortage—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sean McFarling: —of skilled labour that is very much needed.

So, reaching out to communities and offering training and making sure we're reducing any structural barriers in our organization that prevent people from those communities entering into our organization.

Mr. Jamie West: Thanks, Sean.

Chair, I'm going to hand it off to MPP Morrison now.

The Chair (Mr. Amarjot Sandhu): MPP Morrison.

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Ms. Suze Morrison: I'd like to direct my question to the Federation of Rental-housing Providers of Ontario. I really enjoyed your presentation and clearly the care that you have for your tenants and your residents across your association.

I know, particularly in downtown Toronto, where rents in my riding are upwards of \$2,200 or \$2,300 a month for a one-bedroom apartment, with the CERB benefits only being \$2,000 a month, right off the bat, folks aren't even able to pay the rent. They're making difficult decisions between, "Do I pay part of my rent? Do I keep my Internet connected so my kids can still participate in school, knowing that they're learning online from home? How do I put food on the table?" And so, one of the things that we've been pushing for in opposition is a rent subsidy program that would top up CERB and go to tenants to help them get caught up on these arrears so that we aren't in a situation where we're seeing mass evictions in Ontario. Is that something that your federation would be supportive of? Or are you looking at a different type of support to help tenants get caught up on those arrears?

Mr. Tony Irwin: Thank you for your question, MPP Morrison. It's good to see you today. It has been a while since we've been together. I appreciate your question.

To that point, and certainly we understand that this is an unprecedented time, and the challenges for many are extraordinarily difficult. We as an industry association early on in the pandemic put forward a plan to government which we called the Ontario Rental Assistance Program. We did that because we were concerned that there would be residents who would be having great difficulty paying their rent. We know that these are very stressful times for many.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Tony Irwin: So we put that plan forward before we really understood the full gravity of the situation. Obviously, no one did, back in March and early April.

Fast-forward to now: As an industry, we're very fortunate, I think, compared to some. The vast majority of rent in the province is being paid, but that doesn't mean that there aren't still a significant number of families who are struggling to get by. We need to be compassionate. We need to be flexible. We need to figure out how as an industry we can ensure that people's housing is secure, that they don't lose their housing and that we work together, both with residents and with government and with our members on how we can go forward together—what that might look like, how we help pay people pay arrears who may not be able to get out of that. We don't want to put people in situations they can't get out of. So we're definitely looking at how we can be part of the solution, what ideas we can bring forward so that we can all get through this crisis together and move forward.

The Chair (Mr. Amarjot Sandhu): Thank you.

Ms. Suze Morrison: Thank you so much.

The Chair (Mr. Amarjot Sandhu): We'll go to the independent members now: MPP Blais.

Mr. Stephen Blais: Thank you, everyone, for your presentations. Again, a couple of questions for Michael—

Michael, it's good to see you again. At the end of your presentation, you mentioned a new concrete product that is more environmentally friendly. I was wondering if you could maybe just give us a little bit more information about that: how it works, but also, is there more than one vendor for it? Can it be purchased competitively?

Mr. Michael McSweeney: Thank you, Stephen. Yes, we make two kinds of cement: GU, general use cement, and GUL, Portland-limestone cement. Both are made by all cement producers in Ontario and, in fact, across Canada. It is a no-cost premium product, and sometimes it's even cheaper than general use cement. When you use this cement, because of the way we manufacture it—making cement is very energy-intensive, and so you put it through a kiln, heating the kiln with fossil fuels and other fuels. When we make the general use cement, we add 15% ground limestone. We use electricity for that, so the greenhouse gases from electricity are a lot less than they are from fossil fuels. You end up with a net reduction of greenhouse gases of 10%.

We've been trying now for about five to seven years to get successive governments in Ontario, municipalities and the federal government right across the country to mandate the use of this new cement. This is the lowest of low-hanging fruits, and if we can't do this, then we'll never solve the climate issue before us. This cement in Ontario would reduce 300,000 tonnes of greenhouse gases a year at no cost to the taxpayer.

Mr. Stephen Blais: Thank you. And you would propose this being the province dictating infrastructure standards to municipalities and then adopting it themselves? And does the GUL cement have the same kind of lifespan as typical cement?

Mr. Michael McSweeney: Yes, it's equivalent in all aspects, and most likely within the next three to five years it will be the only cement that we manufacture. We'd like to see it adopted as soon as possible because then we're getting the greenhouse gas savings right away.

What was the first part of your question, Stephen?

Mr. Stephen Blais: Just how we would actually go about making it to standard.

Mr. Michael McSweeney: I'm a big supporter, when we fight climate change, in the role of government-mandated and regulating. That's the only way we're going to solve the greenhouse gas crisis globally. So we really believe that there should be a climate lens imposed on all infrastructure investments by the province. And when the federal government gives money to the province, when the province gives it to municipalities, we really believe that the provincial government, in this case, should dictate the use of a Portland-limestone cement and say, "We'll give you the money. This is the cement that you're going to use—"

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Michael McSweeney: —if you choose to build with concrete." But I really think that people don't understand climate change. I always say, when people ask me, "Where is the impediment along here?" and I'm quite cheeky about it: "It's white male engineers between 55 and 65." They're risk-adverse. I say it to all mayors, I say it to

MPPs, I say it to cabinet ministers right across the country: Engineers have to be more flexible, and if they're not, there's a role for government to regulate.

Mr. Stephen Blais: Fair enough. Thank you very much. I appreciate that. Chair, I think MPP Schreiner has some questions.

The Chair (Mr. Amarjot Sandhu): MPP Schreiner?

Mr. Mike Schreiner: Thanks to all three presenters. I'll hopefully get to all three of you in the second round, but I'm just going to pick up on the questioning to Michael at the cement association. Michael, I think you can also even get even more greenhouse gas reductions if some of the fuel standards would change as well. Could you maybe talk about that?

Mr. Michael McSweeney: Again, this isn't just directed at Ontario. We're working very closely with the current Minister of the Environment in Ontario, as we did with former Minister Murray when he was there. But right now, the province, the Ministry of the Environment almost dictates that we use coal as a fossil fuel and that if we want to use zero-carbon fuels or lower carbon fuels, that we would have to apply for a permit to do so and that that permit could take somewhere between three and seven years to get and cost between \$5 million and \$7 million in legal fees and lobbying fees etc.

So as I say, right across the country, we've got to—the government of Ontario regulates the cement plants. The government of Ontario says, "Here's what you can omit from your stack." Surely to God it's not the role of the government or the Ministry of the Environment to tell us how to make cement.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Michael McSweeney: Tell us what the GHG, the dioxins, furans, NOx and SOx—set those limits and close us down if we exceed those limits. But let us decide how we're going to make the cement, and I'll tell you, we'll make it with lower carbon.

Mr. Mike Schreiner: Just in my final 30 seconds or so here, Michael, I just want to be really clear. The government oftentimes talks about reducing red tape. You're really saying, if we reduce red tape and add a little bit of regulatory certainty, we can build infrastructure using cement and significantly reduce our greenhouse gas emissions, our climate pollution, if the government would just let you do it. Is that correct?

Mr. Michael McSweeney: Yes, that's correct, and we're working very closely with Minister Yurek on that, and I believe that we'll get over this hurdle in this term of government—

The Chair (Mr. Amarjot Sandhu): Thank you.

Mr. Mike Schreiner: Thanks, Michael.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the second round now, and I'll start this round with the opposition.

Ms. Suze Morrison: We're going to go to Marit Stiles first. Jamie West was on the call but he's having technical issues—

The Chair (Mr. Amarjot Sandhu): MPP Stiles?

Ms. Marit Stiles: Hi, there. Thank you very much, and thank you to all of the presenters today. That was very interesting. I've enjoyed listening to you and also to the questions that committee members have been sharing today.

I want to address my first question to Mr. McFarling from LIUNA, and I want to also acknowledge him as one of my constituents. I definitely need to do a shout-out for Davenport.

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I wanted to start by acknowledging that throughout and especially at the beginning of the COVID pandemic, when your members were still working in those difficult times on the front line and continued to do their jobs, I did get many, many calls from family members. My riding, of course, has the highest concentration of LIUNA members, I think, in Canada, and I had many calls from concerned family members who were worried about the health and safety of their family on construction sites. I want to acknowledge and also applaud LIUNA for advocating for health and safety protection in the workplace for your members and all the amazing work that your members did throughout that difficult time. I know there was some anxiety. I want to thank you about that.

I wanted to ask you: How do we continue to ensure that beyond this unprecedented moment, those protections continue to exist for workers in the construction industry?

Mr. Sean McFarling: Thank you for the question. You're absolutely right. Our neighbours and constituents in Davenport—it's the highest concentration of LIUNA members that I'm aware of. There's nothing like walking around the neighbourhood with our logo.

In terms of keeping safety for us, you're absolutely right. The number of calls we got at the beginning—and, I'm sure, at your constituency office—at our office, it was overwhelming. People were really terrified at the prospect of going to work in the construction industry, but we were able to demonstrate by working collaboratively both with all parties and our employer partners to ensure that protocols were put in place. The importance now is making sure that we don't let our guard down. I think it's going to be important, particularly as we move into the autumn season, as the next flu season begins, that people don't forget that we stayed safe on the construction sites because we put these protocols in place.

We have to make sure that people are aware of their rights. We have to make sure that we maintain the level of inspectors who are coming to sites and responding to concerns about the workplace. And then, moving beyond this specific pandemic, it's ensuring that there's a culture of safety around our construction sites. One of the most unfortunate and distressing parts of my job is that I do our coroner inquests when our members pass away on construction sites. There's nothing like that that drives home the fact that people who work in this specific industry are exposed to a greater level of danger than any of us are. Nobody worries when I leave my house that I may not come home—some may wish I wouldn't come home, but they don't worry that I won't.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sean McFarling: It's in taking the lessons that we've learned from this pandemic that we can very effectively drive home messaging in this industry—and I'm sure those lessons can be applied more broadly throughout the economy—that if we take health and safety seriously, we can protect people and we can ensure that even in the midst of a pandemic, people can continue working so that the health and safety threat isn't also an economic threat. I think we successfully steered our way through that in construction, and that was in large part through the collaborative effort of industry, unions, employers and government.

Ms. Marit Stiles: It was pretty extraordinary. Thank you for that.

I had one other question, because you did mention the work—and I know a little about this, so I'd love for you to share more details on the work that LIUNA has been doing to encourage and support women, Indigenous—BIPOC people, generally—and youth entering the construction trades. I think about that often, because it really does also require certain other supports across the industry. I'm wondering if you could just shed some light on what the obstacles are and the nature of the work you're doing.

Mr. Sean McFarling: It starts at the top. It starts with our leadership, and it's sending the message throughout our organization that this matters, that you don't achieve equity in our economy without putting effort into it. And so you make the mandate that that's what we're going to do, and then you expect people to carry it out.

What we've done is shared that message with our employer partners and put in place training programs throughout the province, and we've reached out to groups—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Sean McFarling: A lot of work has gone into reaching out to Indigenous groups. I personally have been involved in a number of initiatives in that regard, both at the national level and at the community level, so that we're building trust. That's all you can do, is build trust. You have to deliver results, and you don't deliver results by just putting things on paper. You have to actually do things like change our collective agreements. Hiring halls in the construction industry are an impediment to Indigenous people entering our workforce, so you have to make sure that you eliminate those barriers.

With women, we've made a point of having women-only training, particularly with 183 in Toronto, so that the classroom environment isn't a negative one due to toxic masculinity; it's a more inclusive environment so that women are able to acquire the skills so that when they enter the construction sites—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: I just want to say to Sean, you just answered the question I was going to ask, so I just want to say, good job. It's really impressive to hear you talk about the ways in which you're being inclusive and equity-seeking, so thank you for that.

I'm going to direct my question to the Federation of Rental-housing Providers of Ontario. I want to really open

with some more details about your Ontario rental assistance program.

I want to preface by saying that, all too often, I think when some of us are calling for rental support for tenants, they don't realize that that also benefits landlords: If tenants have the money to pay their rent, then landlords have income coming in to cover off their costs. So I don't think it should be as adversarial as sometimes it's painted out to be.

Can you maybe go into a bit more detail about your assistance program proposal, which I thought was pretty impressive?

Mr. Tony Irwin: Absolutely. Thank you, MPP Schreiner. I appreciate the question. So the proposal that we put forward to government—as I say, it was in the early days of the pandemic—really contemplated, I think, or was based upon our concern that there could well be a widespread challenge or difficulty across the rental housing universe of residents who could have great difficulty paying their rent.

We look at our industry, as you pointed out, costs and people we employ, safety protocols, and we're doing everything that we absolutely have to be doing, as we all are, but of course, there are costs involved in that. But as well, we want people to be safe in their housing and to not feel the stress and anxiety of potentially losing that.

The proposal we put forward contemplated a scenario where the resident would come forward—and the messaging to our members at the time was, and still is, work with your residents. Work with them to come up with a payment plan or come up with some sort of a way forward where you can work together to ensure that, as best as possible, rent is paid where it can be, and when it can't be, there's some sort of agreement for how that will be addressed.

This program contemplated residents coming to their property manager or landlord and saying, "Here's my circumstance. My rent is X. I'm able to pay Y amount due to CERB"—I never know how that's pronounced on a daily basis—"or other assistance. I can pay something. I can't pay it all." So there's a self-declaration that's made. The landlords says, "Okay, so there's an outstanding amount you're unable to pay." That would then be forwarded to government, reconciled through the tax system to ensure everything is being done properly, and then the amount that is not able to be paid could then be forwarded to the landlord to ensure that housing is secure and that people know that they're going to be all right, if you will.

That was a few months ago. Fast-forward to now. We're getting a better sense of what the environment looks like. As I said earlier, the vast majority of tenants in Ontario are paying their rent, and that's great news. But we know there are many families who are not able to, and so we want to make sure that we're not leaving anyone behind or putting someone in a debt situation that they can't ever get out of.

We all have to play our part. Our members certainly will. Certainly we think there may be a role for government to play, too, to ensure that the families who really are most in need, that we're going to have—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Tony Irwin:—forward for them.

Mr. Mike Schreiner: Yes, my hope is that government can play a role in that regard as well, especially as we move forward. We don't want to see anybody without a roof over their head, which prefaces my next question.

1350

We know that we need to ramp up the amount of dedicated rental housing in Ontario. Do you have some suggestions on some ways in which government can work with rental housing providers to increase the amount of rental housing that is available for people?

Mr. Tony Irwin: Thank you again for the follow-up. You're absolutely right. Before the pandemic came upon us all, we were spending a lot of our time and focus with government on getting more supply built. We do have a housing crisis in this province; the numbers pretty strongly support that. While we've obviously been dealing with other matters and the emergency that we were all gripped with over the last several months, there is still a need for more housing. That will continue to be the case.

So what can we do to actually get more rental housing built? One of the ideas that we think really has merit is the one we're calling unicorn sites, so looking at sites that already exist around the province where there may be a building or two, a rental that's there—maybe it was built in the 1960s, 1970s, 1980s or whenever it might be when land use was different. We live in a different time. Perhaps there is space on those sites.

We know from work we've had Urbanation do, in a report we'll be releasing very soon—it shows there are a significant number of sites like that, over 900. This wasn't a province-wide study; it was GTHA. So if you push it out, I'm sure there would be more. But sites that we have identified as ones where we think it makes sense to be able to put another tower or two on those sites—they already have one there. There's an expectation that that kind of density exists. We know there are all kinds of concerns and considerations around where you build, being mindful of existing residents, and all kinds of environmental concerns and otherwise. But I think we have to recognize that we do need to get—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Tony Irwin:—building where we can. If we can identify sites like the ones I've described that we could utilize for more rental housing, I think that would go a long way to getting more product to market and getting more inventory for people to rent who need to.

Mr. Mike Schreiner: Great, I appreciate it. I think MPP Hunter may have a question, but I don't think I've left her with much time—maybe a bit of a comment.

The Chair (Mr. Amarjot Sandhu): MPP Hunter?

Ms. Mitzie Hunter: I just wanted to say thank you to all of the presenters. Is Mr. McSweeney still on? Why don't you finish your thoughts on what is needed and how government can stay out of the way?

The Chair (Mr. Amarjot Sandhu): Thank you. Unfortunately, we are out of time.

We'll move to the government side now for their time of questioning. MPP Piccini.

Mr. David Piccini: I like the question from MPP Hunter about government staying out of the way, so I'll just put that to everyone and allow them to give a response. Thank you, MPP Hunter.

Mr. Michael McSweeney: Great. As you know, it's always answer period, not question period.

If I could just go back to getting increased diversity, Indigenous and women: We cannot deliver enough concrete this month, next month, September and October because we cannot get drivers. For ready-mix concrete, these are well-paid jobs somewhere between \$50,000 to \$80,000 a year jobs. They are 8 to 4 jobs. They're great for women who could drop their kids off at child care and then pick them up at night. These are not long-distance driving jobs. We just need to get in—if you don't fish in the right communities you're not going to catch the right fish. So we've been working with Minister McNaughton, trying to say—I don't want to call them apprenticeship programs—“How do we target women, diverse communities and Indigenous communities right across the province into the concrete, masonry, precast industry?”

Again, as the NDP MPP said, he had to go to college and university, and then he became an electrician.

We need to get pride back. It starts, I think, in high school. When I was in public school, I learned how to do shop, right? Unfortunately, back then, the girls went to home ec and the guys went to shop. We got rid of that, thankfully, but how do we get the trades back into high schools and get people knowing that trades pay really well; that unions provide a great, supportive environment; and working together, we can be more productive and add more economic value?

Mr. David Piccini: Thank you. My next question is for LIUNA. I would just start by saying I've really enjoyed the opportunity to visit a number of the training centres—a phenomenal job being done to attract youth and get them involved in the trades. My question—and it's more of a comment, but perhaps you could elaborate on what role we can do and you can do to support more of our youth to get them into the trades. It's on, relative to the system—some of the training centres I've seen, like in Hamilton, I saw a number of local schools. But in my own backyard, I would say we don't have as strong a relationship between the LIUNA training centre and our school boards as I might hope.

What steps can we take to really standardize that across the province, take some best practices from areas like Hamilton, which I visited, and extrapolate that into more rural areas like mine, where there seems to be a heavy push on our youth into the university stream? I'm just sick and tired of going to graduation ceremonies—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. David Piccini:—where 50% of the class has no idea what they're doing after high school. I think if they were exposed to the trades, they'd really have some purpose in that next year.

Mr. Sean McFarling: I'm going to pick up on Mr. McSweeney's comments: It's getting the trades back into the high schools. Young people need to understand that that is a career option available to them and learn at an

early stage that they don't have to go to university to have a good job. In fact, in many cases, too many people are going to university to incur debt before they realize, actually, the trades is where they were best suited to be.

I think getting trades back into our high schools is important, or at least getting the message into high schools, if nothing else, that this is a career option. Then for rural communities, partnering with trade unions like LIUNA—we have remote training facilities. We could easily take one of our trailers and go to a high school in a remote community, just as we do in northern Ontario. Often, when we're training in Indigenous communities north of Thunder Bay, we bring our training to the people.

One of the issues is that people often don't want to leave their communities. They want to stay within their community and work within their community. If you bring the training to them—there's infrastructure that needs to be built throughout the province. If people are trained in their own communities, they can find work in their own communities, if the investment is there. That, I think, is a path for young people to find their way to the trades.

Mr. David Piccini: A quick question for you and Mr. McSweeney: Would you support re-examining the 40-hour volunteerism, perhaps incorporating some work experience into that, that students could take hours—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. David Piccini:—learning a trade and apply it to that 40 hours of expanded scope?

Mr. Sean McFarling: Quickly, so Mr. McSweeney has an opportunity, I would support that, but there has to be a strong health and safety component. Construction sites are inherently dangerous, and you need to make sure that young people are safe if we're going to be bringing them onto sites.

Mr. Michael McSweeney: Yes, I'd take it to 100 hours over the course of high school and would emphasize what Sean said, that health and safety have to come first. Then I think everybody in high school should learn what health and safety is all about.

Mr. David Piccini: Thank you all very much, and again, thanks for the work you're doing.

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time. Thank you to all three presenters for your time and for your presentations.

LONDON HOME BUILDERS'
ASSOCIATION
GREATER TORONTO
APARTMENT ASSOCIATION
CITY OF KITCHENER

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters, first, we'll start with the London Home Builders' Association. If you can please state your name for the record, and you can go right into your presentation.

Ms. Lois Langdon: My name is Lois Langdon. I'm the CEO of the London Home Builders' Association and I've been with them for 27 years.

The Chair (Mr. Amarjot Sandhu): You may start.

Ms. Lois Langdon: Thank you. Our association has 300 members representing builders, renovators, suppliers, subtrades and manufacturers that support residential construction and renovation in London and surrounding municipalities. I want to thank the Chair and members of the committee today for setting us up with this opportunity to make a deputation on behalf of our membership and to be able to provide our perspectives on economic and jobs recovery. The London Home Builders' Association is proudly affiliated with the Ontario Home Builders' Association. Together, our membership across Ontario through new home construction and residential renovations generated approximately \$66 billion in value and over \$32 billion in wages last year. Locally, this equates to approximately 28,000 well-paying, high-skilled jobs in professions as diverse as concrete formwork to biologists and city planners.

1400

As everywhere, the COVID-19 pandemic has had a significant impact on the new housing and professional renovation industry in our community. I want to acknowledge the provincial government for declaring residential construction an essential business on March 23 as part of the state of emergency orders. Our members took this responsibility seriously and, to my knowledge, there has not been a single case of COVID-19 in London connected to the residential construction industry. We were thankful that our provincial association, OHBA, immediately responded to the emergency orders and worked collaboratively with all local associations on resources for job site health, safety and sanitation.

I'm very proud of our members' response, making health and safety of their workers their absolute priority. While members were working hard to understand and implement the new requirements, our office was working diligently to ensure they had the latest information. What has happened is that our association and members have become an even closer unit. Members have been helping each other by sharing ideas on how to best comply with the new protocols, providing names of suppliers to each other, and held a full session to ensure that all-sizes builders have the knowledge and resources they needed.

The long-standing community spirit of our association also came through, with members turning showrooms into mask-production spaces. As a group, we gathered donations for PPE for our local hospitals and conducted a fundraising initiative for our local food bank.

While we have been an essential service and we are thankful to the government for that, throughout the last months we have been operating at varying percentages of productivity. Early on, a number of builders and even suppliers needed to shut down to reconfigure their protocols. Renovators have also been hard hit, having to struggle to provide inspections through engineers, as our city was not able to enter occupied homes. We also lost a few manufacturers along the way, but by and large, now we are regaining our momentum.

Going forward, locally our industry can lead the recovery and generate not only tens of thousands of jobs in our

sector but spinoff jobs throughout our supply chains. Locally, we are already seeing positive signs from our members. Builders are reporting that sales are returning, and now that our city has recently returned to doing inspections for renovations, this is also gearing up.

As part of the Ontario economic and jobs recovery plan, we have a few recommendations. We have two major infrastructure projects that are ready to go and would benefit from provincial support, those being our Highbury Avenue reconstruction project for \$25 million, and the Victoria Bridge.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Lois Langdon: Support for these would be appreciated.

Secondly, the HST threshold needs to be increased. Even in our local community, the cost of houses has gone up significantly—\$473,000 was the average house price in June. A \$400,000 threshold needs to be increased to \$600,000.

Lastly, a home renovation tax credit would be immensely beneficial locally. Our association and members find it intolerable that there are illegal contractors, and I personally have fielded many phone calls over the years—heartbreaking phone calls—with homeowners who have become associated with these illegal contractors. Having an HRTC would incent homeowners to look for professional renovation experts who provide insurance and provide warranties. So we ask that this renovation tax credit program also be instituted.

Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to our next presenter, the Greater Toronto Apartment Association. If you could please state your name for the record, and you have seven minutes for your presentation.

Mr. Daryl Chong: Can you hear me?

The Chair (Mr. Amarjot Sandhu): Yes, we can.

Mr. Daryl Chong: Thank you, Mr. Chair. I'm Daryl Chong, president of the Greater Toronto Apartment Association, commonly known as "the other GTAA." Mr. Chair and members, thank you for allowing me to speak today as you assess the impacts of COVID-19 on Ontario's economy and guide our province through some recovery. GTAA's members own and manage more than 150,000 units of purpose-built rental housing across the greater Toronto area, with the highest concentration in the city of Toronto. Our members are private sector apartment operators. We do not represent any social housing, nor do we include homeowners or multiplex owners, or even condo investors who rent a condo unit. We're exclusively private sector apartment building companies and managers.

I wish to echo the comments made by my colleague who spoke in the last group. Tony from the Federation of Rental-housing Providers of Ontario went over some of the details regarding tenants who have been negatively impacted by COVID and what housing providers have done so far. Rather than duplicate what he's already said, I just want to add a few comments.

There was a lot of concern in the very early days due to the uncertainty regarding the federal government's financial relief, especially the timing, but various programs were quickly announced and the funds started to flow. Most renters have managed over the past four months, as the programs have provided sufficient income replacement, to buy food, buy necessities and pay their rent, but there are obviously many, many families who are suffering financially.

I don't have any formal data, but by informal count I would say, in Toronto, maybe 5% are in arrears. It's difficult to count. It varies from building to building, neighbourhood to neighbourhood. What it means is there are still a lot of families in dire need of more assistance. On the brighter side, it means that way more than 90% of renters are currently okay, and as we enter into stage 3, I think everyone is optimistic and hopeful that things will get better.

It's really useful to know how many families do need help and the level of help they need so that a proper assistance program can be created. I'm suggesting, rather than an across-the-board assistance program that is the same for everyone, that an assistance program be focused and allocated according to need. Obviously, those who need more should get more.

As stated by Tony an hour ago, we want to avoid evictions as a result of the pandemic. That's not what we do. Aside from what some advocates might say otherwise, evictions are the last thing that we want to do. GTAA and our members are here to help you gather more qualitative information and work on any sort of assistance program that will help those who are desperately in need.

Now I'm going to switch over to some comments regarding construction and building. As part of the response to the 2008 financial crisis, in June of 2009, program guideline details for the Canada-Ontario Affordable Housing Program's new rental housing component were revealed. The program's stated goals were to increase the supply of rental housing for households on, or eligible to be on, social housing wait-lists; to increase the supply of affordable rental housing for low-income seniors and persons with disabilities; and to ensure that safe, adequate and affordable rental housing is available to Ontario households.

Additionally, a couple of the other objectives in 2009 were other target groups, to include Aboriginal persons, recent immigrants, victims of domestic violence and the working poor. Accessible and barrier-free designs were also encouraged and the priority was given for projects that, and I'm going to quote from the document, "contribute to increased job creation in Ontario."

That program, 11 years ago, moved very quickly. On July 3, 2009, the province approved 23 Ontario-wide, quick-start rental projects. These are the ones that I guess they got ministerial orders for or something. They just went from conception to shovels really, really quickly.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Daryl Chong: I'm going to read you a very short excerpt from a Toronto city council report. It says:

"In the August 12, 2009 report to the Affordable Housing Committee, city officials reported on the results of a Request to Pre-Qualify (RTP) process.... The initial call resulted in a tremendous response with 48 proponents requesting funding for 9,738 rental homes. This represented an unprecedented interest in developing affordable housing in Toronto. The city's non-profit and private sector community is to be applauded for their support and interest in making housing happen and contributing to the economic recovery."

I can send you a copy of the report if you're interested in reading it.

Of those responses in Toronto, 31 were short-listed, representing 6,095 units. Toronto's allocation of funding dollars resulted in only six projects being built, but that was a total of 1,253 units. If more money was available, the interest was certainly there. I don't have the numbers from other municipalities across the province, but this program was across the province and I think across the whole country. It was a federal program.

1410

Everyone knows the direct and indirect benefits of construction. You know the direct construction-related jobs, you know the spillover effects that it has—this one serves a dual purpose, because if you're building market and affordable rental housing, you already know that we're way behind on supply. So a program like this has—it's not just infrastructure-building. It's not, I heard somebody say a moment ago, a bridge to nowhere. It's infrastructure that we are in dire need of, and there are huge societal costs and government costs of not providing housing for people who need it.

It worked then; this can work again. We could really just edit the dates, copy and paste, and let it go.

Another way to promote construction is—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Daryl Chong: Thank you. Another quick way is what Tony mentioned an hour ago, which would be to fast-track some of the projects that are vacant land sitting on apartment sites or apartment neighbourhoods that are ready. Tower in the Park created two or three pin towers with lots of expansive green space, which is perfectly suitable for another tower.

So thank you for your time and consideration. Thank you, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is the city of Kitchener. If you can please state your name for the record, and you will have seven minutes for your presentation.

Mr. Berry Vrbanovic: Hi, I'm Mayor Berry Vrbanovic from the city of Kitchener. Chair and members of the committee, thank you for inviting us to participate in the municipalities, construction and building consultation process. COVID-19 has impacted our city, our region and our province, and that includes many market sectors that drive the health of our municipal budget and economy.

Municipalities are facing a financial crisis and we cannot tackle this crisis alone. The Federation of Canadian Municipalities has appealed for emergency municipal

operating funding a few months ago, and FCM's plan recommends the following:

(1) Nationwide, municipalities need at least \$10 billion in emergency operating funding, \$7.6 billion in general funding, plus \$2.4 billion for municipalities with transit systems. Our federal, provincial and territorial partners will need to work together urgently to support municipalities with this funding.

(2) Starting with the \$14-billion commitment to provinces and territories from the federal government, the allocation of federal funds intended for municipal needs must be clearly specified so local leaders can make informed choices on the ground.

(3) These funds must protect services Canadians rely on: front-line municipal services like fire, ambulance, public transit, clean water and shelters. Funding must address both initial COVID-19 lockdown costs and the implications of a gradual restart.

(4) It must reach municipalities quickly and directly. Only an allocation-based funding mechanism can ensure that, and we strongly urge leveraging proven allocation-based tools like the gas tax fund and the public transit stream of the Investing in Canada Infrastructure Program, which is directed to upgrading costs.

Municipalities are working at maximum levels for our residents, but we have cratering revenues from property taxes, transit fares and user fees, and we don't have fiscal tools to service deficits. We're running out of acceptable options. Enabling municipal deficits won't work because we couldn't service debt without huge property tax levies or significant service cuts, and shelving infrastructure projects undermines Canada's recovery in the long term.

We need our federal and provincial partners to work together to solve this problem. We watched the federal fiscal snapshot last week and also heard Premier Ford's news conference last week that he was working towards a deal with the federal government for flexible funding that reflects Ontario's proportion of the national population. We appreciate the leadership that Premier Ford has shown in this regard, and we urge the federal government to step up with a national COVID-19 recovery plan for municipalities of all sizes, and then for provinces and territories to step up as partners. I urge you to set any differences aside and work to the benefit of all of our residents.

Canada and Ontario will need municipalities to help lead this recovery. We're the ones who understand local needs and we deliver stimulus efficiently in ways that create jobs, build needed infrastructure and boost the economy. Cities and communities of all sizes are ready to build a more prosperous, resilient and connected Ontario, but the first step needs to be getting municipalities the support we urgently need from both the federal and provincial governments.

In terms of specific-to-Kitchener issues of construction and building from a municipal perspective, I'd like to share a few thoughts. Development applications remain strong in Kitchener, with building permit levels at about the same level so far this year compared to the same time last year. This has all been done with our planning and

building divisions working from home since the beginning of the pandemic. We have moved to online processes, but have noticed that there are additional costs for technology to sustain and improve this process. This impacts our ability to provide timely and efficient service to these sectors, thus impacting recovery and growth of this industry. We recommend that due to the budget shortfall—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Berry Vrbanovic:—the province consider funding municipalities where improvements to technology could expedite things like site plan and building approval processes going forward.

We also want to cut red tape, but we've noticed that there is a lot of process time for non-municipal staff to get approvals. For example, the Ministry of the Environment, Conservation and Parks requires many steps to secure the record of site condition, and it's not a quick process. Also, there are sometimes other approvals needed, like from the Minister of Transportation or from conservation authorities. We recommend that the province streamline provincial agency processes related to municipal permit issuance.

In terms of industry, we've been working together collectively with our partners in the region on economic recovery in a variety of areas. Manufacturers are continuing to operate at 50% to 70% of pre-COVID-19 volumes. They're incurring additional expenses for PPE, and in some cases line speeds have been reduced to accommodate physical distancing.

In the food and beverage industry—this is one that has been hit particularly hard, with many restaurants and quick services, if they are operating at all, operating at only 25% to 35% capacity.

In retail, physical distancing, the ability to try on clothing, and challenges with cross-channels are all a challenge, but we've also been able to adopt things like the Digital Main Street program with partners like Google and Shopify to support our small businesses.

Speaking of small businesses, we recommend that if a business closes due to COVID-19, resulting in personal bankruptcy, mechanisms need to be put in place to support these individuals in terms of their personal credit rating not being impacted for seven years. This is a particular challenge because we know that this is an area that is going to be particularly hard hit. We're all trying to be innovative, but all measures are temporary, to try to bridge the gap to a new normal. By no means do they cover significant financial losses; they just try to minimize losses.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Berry Vrbanovic: We hope the province will continue to provide assistance. We hope that you will take these ideas and recommendations into consideration. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start the first round of questions with the independent members this time. Independent members? MPP Hunter.

Ms. Mitzie Hunter: Thank you, Chair, and thank you to all the presenters. I wanted to begin with the GTAA, or "the other GTAA," and just ask you—you seem to be

sensitive to the needs of tenants. We want to make sure they maintain stable housing, especially during a pandemic. I don't think it's in anyone's interest to have more disruption in people's lives.

I'm wondering about—I know that I've been asked this question by tenants, that something should be done about the rental increases that are being applied. Is that something that you think your members would support as a recognition of the challenges that families and individuals are facing? Do you think that that is something that they would consider?

Mr. Daryl Chong: Evictions are always a last resort, now and before—always. That's not something that we like to do. It's something that individual owners have to do when rent stops coming in. The business doesn't work that way.

But in regard to the increase, there's a process that they have to follow through the RTA, and they have to give advance notice, and if they don't, then they forgo it. As you know, the increase over the last five or 10 years has been sub 2% a year, which is the provincially mandated guideline increase for rental, but it's far below what everything else goes up by, so our operating costs go up significantly higher than that. Municipal property taxes go up a lot more than that. Insurance has been one of the big drivers in terms of increases, and wages, as well. As much as it is calculated using the CPI basket of goods, it's probably not the right calculus to determine a rental increase.

So the question is, should we forgo that? Well, the process is that we have to follow the process, and that's it. We have to give the notice 12 months before—at the anniversary of, and if we don't, then we lose it. If we lose it, there's no getting it back, and the annual increases have been lower than the cost of the increases of everything else. Some have forgotten it, for sure; some have not.

1420

Ms. Mitzie Hunter: I guess renters are just looking for some supports. I know the evictions have happened and it's been backdated to May, but people are still worried. It could be something that sector-wide could happen to help renters. I guess it's just something to think about, maybe, to get some information from your members if that would be supported.

Mr. Daryl Chong: In regard specifically to that, what I've found with the membership is many of them put in the notices on the proper forms in advance with the proper dates and timing, as per the legislation, and then they said, "But we're not charging you. Here's all the right paperwork, we filed it, and you have the notices, everything. All the i's are dotted and the t's are crossed, but we're not going to charge you right now. We will later, when hopefully"—or sooner, as that means everything is recovered. But, "At some point later, we will." That's kind of what you're leading towards, and I think, broadly, that's what has been going on.

Ms. Mitzie Hunter: Right. But it's not a requirement, so it's kind of uneven.

Mr. Daryl Chong: Yes, it's not mandatory, but the rules are the rules, and we've got to follow the process.

There are a lot of rules in our industry, and there are a lot of things that we have to do the right way. Otherwise, we can't do them.

Ms. Mitzie Hunter: I have another question—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Mitzie Hunter: —and maybe I will ask the London Home Builders' Association to weigh in as well. That's a concern around the yellowbelt, where some people are sort of stuck in the housing that they have. It might be too much for their family at this time, but because of planning and other restrictions, they're not able to change the configuration. Is that something that you have been hearing anything about—maybe the GTAA might want to weigh in as well—in terms of utilizing available land and density?

Ms. Lois Langdon: I can't say in London that that's something that we have heard about. We always looked for opportunities for affordable housing projects and for lands that are available. We've worked with our city of London to identify areas. So that is always on our agenda of what we look for, but I can't say I've heard of that specific situation that you've just cited as being in London.

Ms. Mitzie Hunter: Okay. I know, Daryl, that you would have. It's a big issue in the GTA.

Mr. Daryl Chong: Yes, and here's an odd one: If I was the owner of an apartment building and I had 200 units—a big building, a high-rise—and I had some old office space on the main floor—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Daryl Chong: —that wasn't currently being used or I could convert it into residential, most of the municipalities in the GTA would charge me between \$40,000 and \$70,000 in development fee charges if I wanted to convert that underutilized space into a new residential unit. So you look at the numbers, and you say, "With all the construction costs, renovation costs, onward and onward, and then I have to pay the city of Toronto \$40,000," or maybe Peel and Mississauga \$70,000, "it's not worth it." So they don't.

But in the previous bill, which is still being sorted out, I believe the provincial government has tabled that a couple of units will be exempted inside a purpose-built rental building. That's what we call the lowest-hanging fruit. I think I can find 1,000 units like that, 1,000 buildings with enough space to do one more unit. If you guys could make the municipalities forgo the cost—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to move to the government side for their time of questioning.

But before I do that, I need to do an attendance check. MPP Sattler, if you can please confirm your attendance.

Ms. Peggy Sattler: Present and in Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the government side now. MPP Smith?

Mr. Dave Smith: My first question is for Daryl Chong. Daryl, not just in the GTA, but I see this in my area as well in the city of Peterborough, where my parents are, just south of Belleville—basically, it's across the entire province. There are not a great deal of purpose-built apartments that are being started. There are a lot of condominiums that

get sold to individual investors, and then those condos are in turn rented out. Why do you think that there aren't purpose-built rentals being built, and how do we fix that?

Mr. Daryl Chong: I hear the comments, especially in the city of Toronto, about how wealthy apartment owners are, and I keep saying to them, "If it was as profitable as you believe it is, why aren't there tens of thousands of units being built every single day?"

There's the need. The supply isn't coming, in spite of the huge demand and outcry for more, so you wonder why it doesn't happen—because the numbers don't typically work. The costs, the length of time it takes and the uncertainty: All of these things lead to most people saying, "I can do something else," or "This just doesn't make sense for me."

We've been lucky that there have been enough small-time investors—condo purchasers—who become very small housing providers, but there's no security of tenure there, because once that owner decides to divest, the new person could be an owner-occupier, so the rental part of it is removed. We need some sort of incentives or discounts for purpose-built, permanent rentals.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Dave Smith: Thank you very much for that. Actually, when you look at it, if it's a condominium and someone is buying that condo, it's an added cost which then gets passed on to the renters. It makes sense to have purpose-built. We need to have an environment where there's a good reason for people to build purpose-built apartments.

Mr. Daryl Chong: You're absolutely right, sir. Somebody retiring in Peterborough who needs to downsize from their larger home doesn't want to move to Toronto to find a rental. They would prefer to live in Peterborough, but they don't have a lot of choice. We really need to accelerate purpose-built rentals in other communities outside of the GTA as well.

Mr. Dave Smith: Chair, if you could, could you stop muting me? Because what's happening is I'm losing some of the time that I could be asking questions.

I'm going to switch over to the home builders' association of London. Lois, you talked a great deal about the building industry itself. One of the challenges that we have been seeing has been a lack of tradespeople across the board, not just in construction but across the board. I'm on the northern Ontario development and jobs recovery advisory committee, and one of the things that we've heard from a lot of areas and a lot of construction companies in northern Ontario is that they don't have enough work for a full-time apprentice but they do have enough work for a part-time apprentice.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Smith: Could we [*inaudible*] the system so that two companies could potentially sponsor, simultaneously, an apprentice? Do you think that that would help at all in the home building industry if we were able to do that?

Ms. Lois Langdon: It would be a good situation to foster as many apprentices as possible, of course. We have the same situation with lack of trades.

Last year we did a review of our members' capability for apprentices. In the new one-to-one they were currently at the max of what they could hold, so I don't know that they would be able to share apprentices. There's sufficient work here to be able to hold on to them. But any efforts to bring on more apprentices is greatly appreciated across the province, for sure.

Mr. Dave Smith: Chair, how much time is left?

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Dave Smith: My next question then is going to be for mayor Vrbanovic. You talked about modernizing and digitizing and so on with municipalities. Last year we had a fund that we gave to municipalities specifically for that. That was the municipal modernization fund. How did you guys spend it?

Mr. Berry Vrbanovic: We used that funding and we worked toward putting some areas in our building services and planning services online already, so in many ways we were foreshadowing what might happen down the road. In fact, that allowed us to be nimble and respond to some of the situations that we were faced with with COVID and having to work from home in a more effective way. That certainly helped make the application process, site plans and things like that actually go quicker and more efficiently than they have in the past.

1430

Mr. Dave Smith: Thank you. Chair, how much time do I have left?

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Dave Smith: I'm going to pass it over to my colleague MPP Cho.

The Chair (Mr. Amarjot Sandhu): Actually, MPP Cho just stepped out of the room.

Mr. Dave Smith: Oh, okay. Then I won't pass it over to MPP Cho.

I'm going to come back to Daryl, then, again. MPP Hunter asked about if you would forgo the rental increases this year. I believe it's about 2%, or 2.2% I think is what is allowed. But as you mentioned, municipal property taxes have gone up by more than that. When you've got a long-term renter, having been a landlord myself at different times, you want those people who are going to stay long-term. How does that affect your ability to stay in business when your costs consistently go up beyond, but you want to keep those people in those units because they're good tenants?

The Chair (Mr. Amarjot Sandhu): Thank you. We'll come back to that in the second round. Now we have to move to the opposition side. MPP Lindo.

Ms. Laura Mae Lindo: Thank you to all of the presenters. I'm going to focus my question to Berry. Hi, Berry. It's very nice to see you there. One of the things that stood out for me in your presentation was the notion of allocation-based tools, right? The need to make sure that with the investments going into the municipalities, whether they are the emergency or the long-term investments, you have more control over how to invest them so that you can respond to the needs in community. I want to connect that to something that happened in the panel before.

There are a number of people who have spoken to us in the hearings about the trades being an amazing job, an amazing option. There's a lot of work being done within the trades to ensure that Indigenous communities, Black communities, people of colour enter into those trades, but a lot of the time when we think about Indigenous communities in particular, we're thinking Far North.

I know that in Kitchener, for instance, we have asks from Indigenous community members for ceremonial space or construction of spaces where they would be able to gather. What I also know is that in order for us to encourage people to take the jobs that we're trying to offer, we have to make the surrounding area, like that social service part of what municipalities do, to encourage people to stay, right?

I'm wondering if you can speak a little bit just about the importance of the province participating in giving the municipalities—investing in municipalities so that they can also expand their reach to those kinds of services, construction perchance or space for Indigenous, Black and other people of colour to feel at home on the social side, and not just sort of say to them, "We need the trades," but then nobody has the financial investment to be able to provide them with that social support.

Mr. Berry Vrbanovic: Absolutely, and thanks for the question, MPP Lindo. What I would say to you is that as a community, we're in the midst together with many other communities across the province, across the country, in fact around the world, as part of this pandemic response dealing with impacts on our communities, particularly in the area of various social issues and impacts associated with anti-Black racism, anti-Indigenous racism and so on. As you're also aware, we're dealing with a land-back camp situation in Victoria Park in Kitchener.

What I would say to you is, we are actively pursuing these areas because we recognize, particularly during this COVID period, that they're amongst the most essential services that we need to allocate funding towards. But when you consider the fact that as a city, by the end of the year, on a gross perspective, we'll have lost over \$11 million on a net basis—just in terms of operations, around \$6 million—and we've had to defer \$21 million in capital projects this year just to assist with cash flow, it gives you a sense of the scope of the problem that we have.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Berry Vrbanovic: If we're going to tackle the kinds of things you're talking about, which I wholeheartedly agree with and support, we're going to need to have those partnerships with the federal and provincial governments, particularly when it comes to things like stimulus infrastructure programs coming out of the pandemic.

Ms. Laura Mae Lindo: Thank you so much for that, Mayor. I can tell you, just before I pass it on to my colleagues, that Chair Redman was with us yesterday, the chair for Waterloo region. She also spoke about concerns that the only way to deal with the deficit is to look at the potential of cutting services, and that's adding to the anxiety. So I just wanted to make sure that we had on

record the need for the province to also think about investments in the social services as part of our economic recovery strategy. Thank you again for that.

Mr. Berry Vrbanovic: It's hugely important. I can't emphasize enough that that is the area where we're feeling the most pressure right now, and quite frankly, have the least ability to resource going forward, particularly because as revenues grow for the economy in the future, as the economy starts humming again, that doesn't happen for municipalities. So we're dealing with all the financial impacts without any of the benefits.

Ms. Laura Mae Lindo: Perfect. I'll hand it over to my colleagues. Thank you.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Kernaghan.

Mr. Terence Kernaghan: Thank you to all of our presenters for your presentations today. My question will be for Lois from the London Home Builders' Association. I'd like to first thank you and your members for not only producing masks, but also donating PPE to health care professionals and fundraising for our local food bank.

I think your recommendation for an expanded home renovation tax credit and a board to regulate and oversee home renovators is quite wise. I know that through your organization, you also provide the RenoMark certification for folks.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Terence Kernaghan: My question today is, how much additional construction do you expect will happen in the near term as a result of Bill 197?

Ms. Lois Langdon: I'm not exactly sure how to respond to that in terms of a total, but the legislation going forward will make it easier for new home construction as well as renovation. I know that our renovators are gearing up and are considerably busy right now, so those efforts would be greatly appreciated. I'm sorry, at this point I couldn't give you a number. I'll look for that and send you something.

Mr. Terence Kernaghan: Excellent. Thank you very much. I think it would also be helpful to have, as you said, an expanded home renovation tax credit to help incentivize such projects. So thank you very much for your participation today.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the government side now for the second round. MPP Khanjin.

Ms. Andrea Khanjin: Thank you to all the presenters. I wanted to start off by asking Berry to comment, if you don't mind. In your opening remarks, you had mentioned some of the red tape that could be streamlined, specifically a record of site conditions. Could you elaborate a little bit more on what that would involve and what you're looking to see?

Mr. Berry Vrbanovic: Sure. Obviously, through the development process, there are a lot of steps that need to be undertaken. I know some of the challenges that we hear from the development community are the amount of time it takes to get the necessary approvals and paperwork in place in order that they can proceed with their projects.

I think it's fair to say that the vast majority of them are responsible people and want to do the right thing in terms

of making sure they clean up sites and so on. But sometimes, getting the paperwork approved after that work has been done takes too long and simply delays their ability to move forward with the projects.

It speaks to the collective effort that all of us have made and need to continue to make, particularly now, during these challenging times, to help facilitate these kinds of projects so we can get people back to work quicker.

Ms. Andrea Khanjin: Right. Just to also elaborate on that back to work quicker, how will streamlining approvals help economic recovery in terms of the cost and cost overruns for a project?

Mr. Berry Vrbanovic: Obviously, when it comes to any project, whether it's a municipal stimulus project or a private sector project, time is money. When you can get these projects moving quicker, it means that monies aren't being spent in potentially driving up the cost of housing, potentially limiting some of the other things that we want in terms of urban design and so on in buildings, potentially limiting our ability to encourage X number of units of affordable housing in a particular project.

1440

Those are all issues that are impacted when processes are taking too long. That's why at the city of Kitchener—and I've had an opportunity in the past to speak with Minister Clark about this—we've really been focusing on our development approval processes and how we can, from the things that are our responsibility, reduce time frames and speed things up.

It has been a challenge over the last months; I'm not going to lie to you. I think we're all having to pivot and do the best that we can.

Ms. Andrea Khanjin: That's really helpful. I know there was a launch that was done at the local chamber there, months ago, when Rod Phillips was minister as well, when it came to streamlining DA processes. You were talking about stimulus and you said federal, municipal or provincial—and getting the private sector involved.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Andrea Khanjin: What are your thoughts on the role P3 projects could play in terms of stimulating the economy? I know our Minister of Infrastructure, Laurie Scott, rolled out about 37 of these P3 projects across our province. What role could that kind of model play, getting funding to our communities?

Mr. Berry Vrbanovic: Listen, I will be upfront and honest with you. The municipal sector hasn't always had a great experience with P3s. We've had some experience ourselves, and it has been a mixed bag where we have done it. I think, really, where the focus needs to be is on recognizing that when we work collaboratively together, we can actually get people working faster.

One of my best memories, quite frankly, was being a municipal councillor involved with FCM back in 2010 and then-finance minister Flaherty—it was a little while after getting elected—said initially that the federal government has no business fixing the potholes of the nation, but then partnered collaboratively with us on the economic stimulus program in 2010. That really helped drive economic

vibrancy across the country, and I think that's exactly what we need to do, federally and provincially, this time around.

Ms. Andrea Khanjin: And what would you recommend? I know Premier Ford has really been championing, amongst the provincial level, to the federal government to give municipalities more funding from the federal government. What other role can municipalities have to really push the federal government for more of those funds?

Mr. Berry Vrbanovic: Listen, we're advocating this continually. We have regional council today—in fact, I stepped out from regional council for this very meeting—and we've got labour partnering with us in that call right now to deliver that message.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Berry Vrbanovic: But it's really everybody coming together—private sector, public sector, labour, everyone—to say that, really, it needs to be a three-way effort to move this forward.

Ms. Andrea Khanjin: Thank you very much, and thanks for stepping out of your meeting to join us today.

Mr. Berry Vrbanovic: No problem.

The Chair (Mr. Amarjot Sandhu): Thank you. We will move to the opposition side now. MPP Sattler.

Ms. Peggy Sattler: Thank you to all the presenters.

As the member for London West, I'm going to focus my questions on Lois from the London Home Builders' Association. It's really nice to see you, Lois. Thank you for taking the time to come. Thanks also for the leadership of the home builders in the community during this crisis, and congratulations on your effective precautions to ensure that none of your workers contracted COVID-19.

You mentioned two infrastructure projects that you would like to see move ahead: Highbury Avenue improvements and the Victoria Bridge. Can you elaborate a little bit more on what level of funding commitment you are seeking from the province and what those projects would mean in terms of job creation in the London area?

Ms. Lois Langdon: The total funding for each of the projects: Highbury is \$25 million; the Victoria Bridge is \$16 million. The city has been seeking support from all levels of government for that, so we would be supporting what their requests are for the different levels of government. I'm not sure of those dollars exactly what they've been asking for, but those are the total project amounts.

The infrastructure jobs would be more of the under-ground servicing and the construction elements, which is more the LDCA, so they would probably have more of those numbers of actual job spinoffs than what I would have for residential construction. But, Peggy, behind the scenes, I can certainly connect with them and find you those numbers and get them to you.

Ms. Peggy Sattler: Okay, thank you. My other question is about the home renovation tax credit. I participated in the meeting yesterday when Joe from the Ontario Home Builders' Association was here and talked about the importance of the tax credit in both dealing with the under-ground economy but also creating jobs. Have you done an analysis based on our area of what the home renovation tax credit could mean for London in terms of job creation and revenues?

Ms. Lois Langdon: No, we haven't done an analysis on that. I can tell you just anecdotally from the last time when there was one, I know that our members were extremely busy. I can't tell you the numbers of jobs and that that were created, but we hear all the time—I get the heartbreaking calls from people who are dealing with underground operators. Right now, with people having been off work, we are very much more fearful that anyone who has any handy skills is going to be out there competing with our professional members.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Lois Langdon: So we are concerned that there is an incentive for homeowners to seek out professional renovation.

Ms. Peggy Sattler: Okay. Thank you very much. I'm now going to pass it over to my colleague MPP Morrison.

The Chair (Mr. Amarjot Sandhu): MPP Morrison?

Ms. Suze Morrison: I'd like to direct my questions to the Greater Toronto Apartment Association. Welcome, and thank you for being here. It's good to see you.

I know we heard previously, in the previous panel, from Tony Irwin from the Federation of Rental-housing Providers of Ontario as well. We had a bit of a discussion about the need to support renters right now in this province so that they are able to pay their rent, so that landlords big and small aren't having to absorb the cost that tenants aren't able to pay in their rent through no fault of their own, and not wanting to put landlords in a position of having to evict tenants. I don't think anyone on either side—the government or the opposition, or landlords or tenants—wants to see that as the ultimate outcome.

We talked a little bit about different solutions that could look like rent subsidies for tenants or a rent assistance program. Could you speak a little bit more about where your association stands on what types of supports the government should be providing to make sure that tenants are able to pay their rent in full and not be facing potential evictions right now?

Mr. Daryl Chong: Thank you for your question, MPP Morrison. One of the things the city of Toronto has had for many, many years is something called the rent bank. They administer the process—it's an application process. It basically loans a tenant up to two months of rent, the equivalent of the money for two months of rent, and it works out some sort of repayment plan. I think that instead of the city handling it or administering it internally, they use a non-profit organization to handle the paperwork for them.

An expansion of something like that—I don't believe the other municipalities, or not all of the other municipalities across Ontario have anything similar to that, but that's something that you wouldn't have to draw up from scratch.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Daryl Chong: Copy and paste again, make it a little bit bigger and make the requirements a little bit different to curate them for the COVID response instead of how it has been for many years since before me.

Ms. Suze Morrison: Yes, I'm very familiar with the rent bank program. I know my staff in my office refer constituents to it often, and it's a local organization in my

riding, Neighbourhood Information Post, that manages it in our neck of the woods. We're very fond of that program.

Would you like to see action from this government in terms of funnelling more investments into those types of programs and spreading them out across the province, or in any other sort of rental subsidy program? And what is the risk if we don't see any sort of action for support for tenants to pay their rent?

1450

Mr. Daryl Chong: Yes, any programs—I mean, we're not fixed on one program over another. Anything that can help people, we're all for.

The size of it, I think, is a little bit more manageable right now, because in the early days no one knew how big this was going to be, and it could have been monstrous. As Tony mentioned, we fared really well as an industry and most people, through other sorts of income replacement subsidies from the feds, have been okay for now. We're not sure what this means three or four or five months from now. If there's a second wave—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the independent members now. MPP Hunter?

Ms. Mitzie Hunter: Daryl, why don't you finish your sentence there?

Mr. Daryl Chong: Right, thank you. There should be a little clock somewhere.

Yes, so any program—again, the ones that we like are the ones that are already in place, that we could just mimic or expand instead of starting from scratch, rent bank being one of those easy-to-replicate: Change the terms, make the allocation of money a little bit bigger than it has been in the past and make it available to more people.

Ms. Mitzie Hunter: Okay. Earlier, you were saying that the landlords that you represent want to avoid evictions and keep people housed—I think that's a good goal that we all share—and that you felt that the assistance should be based on a needs basis. Can you talk about that just a little bit more?

Mr. Daryl Chong: That's how the rent bank works. It's an application process and it has parameters. It's not everyone who applies gets it. That way you can really focus in the evaluation at a staff level, and I think it's through MPP Morrison's local non-profit, the Post. You can analyze who needs it more and provide more on that basis instead of a flat amount to everyone.

Ms. Mitzie Hunter: Okay. So you're not in favour of what BC has done, which is provide \$500 to—

Mr. Daryl Chong: I like that too; don't get me wrong. I mean, everything helps. People need help across the board. I'm obviously more concerned with those who need it the most.

Ms. Mitzie Hunter: I think it's more the emergency response versus when things get back to a more regular routine.

Mr. Daryl Chong: Right. I think the broad programs were things that were easy to get out fast and help as many people as possible, but now we can go in a little more surgically and help those who are in the most desperate need first.

Ms. Mitzie Hunter: I do want to ask Mayor Vrbanovic about—I think you framed it very well that funding is urgently needed right now for municipalities who deliver essential services to people. There is a federal \$14 billion that has been announced; I think it's about a month now. The Premier has said 38% of that should come by population to Ontario. But we're waiting to also hear about the provincial contribution in this support to municipalities and also the flexibility that municipalities—certainly, the mayors who have come forward to this committee have said, “We know our needs the best. We want that flexibility to apply any funding directly to our needs.”

Can you comment on that and also on what you've done in your budgeting process, maybe, to identify efficiencies and things that you may have to give up, have given up or things that you've done to respond to the urgent pandemic issues?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Berry Vrbanovic: Absolutely. Thank you very much, MPP Hunter, for the question.

First of all, from a city of Kitchener point of view, as I've said, our estimates are that by the end of the year, from an operating perspective, we will have taken a gross hit of about \$11.2 million. We've been able to mitigate about \$5.3 million of that. A large part of that is through staff savings. We have over 900 staff that have been on COVID leave. At this point, we've brought some of them back, but we still have probably about 650 staff who are on COVID-designated leave.

Then, discretionary spending is down by about \$1.2 million in places, in things like conferences, office supplies, all those kinds of things. Anywhere where we can save and we don't need to spend money this year, we're not. And we've seen about \$600,000 in utility savings.

But that does not even touch on things like our parking enterprise and so on, which will have lost over \$2 million in revenues. Because it's an enterprise, it's outside of our operating budget. So these are huge issues.

What I would say to you in terms of the point of where negotiations are at, from conversations that we've had with both federal and provincial leadership, is that we're at a point where we clearly need a national federal strategy for municipalities. The amount that's on the table right now is certainly a welcome start, and I applaud the Prime Minister for that, but it's not going to be enough to deal with the challenges that provinces, territories and municipalities are dealing with. The scope of the municipal issue alone is \$10 billion.

Sure, I agree and wholeheartedly support the Premier on the 38%, but then we also believe it should be divided up using the allocation method that has been spoken of where a chunk goes to our operating funds for all municipalities and then 24% is dedicated to municipalities with transit systems.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Mitzie Hunter: Talk a little bit more about the transit risk right now. The funding needs to go to that system to sustain that system as we begin recovery, because without it, the recovery also won't happen as well.

Mr. Berry Vrbanovic: Absolutely. Listen, we know that people who rely on transit need it now more than ever. The \$2.4 billion is designed to address some of the costs that municipalities with transit systems are dealing with. But we also need to make sure that next year's numbers are based on what our ridership numbers were and not the 70% less that we've been seeing in many municipalities over the last while, because that will have a long-term impact on municipalities that will only further complicate the problem.

Ms. Mitzie Hunter: Right. Thank you so much, Mayor. I think you're absolutely right that we have to—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you to all three presenters for appearing before the committee and for your presentations.

ONTARIO REAL ESTATE ASSOCIATION
CITY OF ORILLIA
ASSOCIATION OF MUNICIPALITIES
OF ONTARIO

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters, first we'll start with the Ontario Real Estate Association. If you could please state your name for the record, and you have seven minutes for your presentation. Can you unmute yourself, please?

Mr. Matthew Thornton: We just need some help getting Mike unmuted.

The Chair (Mr. Amarjot Sandhu): We can hear you now.

Mr. Matthew Thornton: Can you unmute Mike Stahls? Good afternoon, everyone—there he is.

Mr. Mike Stahls: Okay, got it. I've been unmuted; thanks.

Good afternoon, Chair and members of the committee. My name is Mike Stahls. I'm a broker at Royal LePage Real Quest Realty in Orillia and chair of the government relations committee for the Ontario Real Estate Association. Joining me today is Bradley Mayer-Harman. Brad is a real estate sales rep at Century 21 in Brampton and chair of OREA's Ontario REALTOR Party Committee.

By way of background, OREA is the trade organization that represents Ontario's 80,000 realtors. It's our pleasure to be speaking to the committee today to share OREA's recommendations to help grow Ontario's economy, following the economic shutdown brought on by COVID-19. COVID-19 has brought devastating impacts to the Ontario and Canadian economy. Early on in the pandemic, the real estate and housing market saw a double-digit decrease in sales and moderate declines in prices across the province. Home sellers and buyers were significantly impacted, with many sellers holding off putting their homes on the market with much uncertainty about how the pandemic was going to impact their home values and prices going forward.

Because many Ontarians were putting off listing or buying during March through May, we're now seeing

pent-up demand from both sellers and buyers coming back into the market. While the real estate market has begun to recover, most local markets continue to suffer from a lack of inventory and supply of homes. This has contributed, in part, to high rates of activity in some markets as demand has outstripped supply.

According to our research, the lack of supply is being driven in a large part by consumers' uncertainty about the stability of the market going forward. For a home seller in particular, listing your property during a time of global and domestic instability can be daunting, but these issues have been made even more apparent with the addition of health and safety issues associated with putting a home on the market during a pandemic. While our industry continues to be concerned about consumer confidence, mortgage deferrals and Ontario's employment situation, we know that housing can be a key driver to stimulate Ontario's economy and get back to work as we recover from COVID-19.

1500

Housing helped make Canada's economic revival following the recession of 2009 and we can do it again. Housing is one of the largest parts of Ontario's economy, with the real estate rental and leasing industry generating an estimated \$96 billion towards Ontario's GDP in 2019. Real estate accounts for 12.9% of the province's GDP, and the housing sector more broadly generated \$107 billion in economic activity last year alone.

Housing is also a job creator, with more than 602,000 families in Ontario depending on a loved one employed by the real estate, housing and finance sectors.

Realtors are urging the province to harness the power of this sector to generate further economic activity, create jobs and help set Ontario back on the path to prosperity and growth. We know the province is laser-focused on this goal, and builders are stepping up to help with OREA's bold recommendations on how we can get it done.

I would now like to turn it over to Bradley Mayer to provide details on our specific recommendations. So Brad, I'll turn it over to you.

Mr. Bradley Mayer-Harman: Thanks, Mike. OREA's action plan for the government's job and recovery committee puts on the table short-term and long-term recommendations that will help drive Ontario's economy forward.

To start, OREA is recommending the province inject new supply into the market quickly, using a time-limited holiday from the provincial land transfer tax for homes under \$600,000. We estimate that this will save Ontario families \$8,975 when purchasing a home and would help encourage those who are on the sidelines to jump back into the market, easing cost pressures on families. Beyond more inventory for buyers, this recommendation will also create jobs. Each home sale generates about \$80,000 in ancillary consumer spending, and every 1,000 homes sale leads to a \$30-million increase to the provincial GDP.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Bradley Mayer-Harman: A six-month holiday from the land transfer tax is a great way to stimulate housing transactions to get people back to work as quickly as possible following the pandemic.

To create jobs and greater economic activity across the province, realtors also recommend implementing a home renovation tax credit for Ontario homeowners. Many of you will recall that a home renovation tax credit was introduced by the government of Canada in 2009 as a short-term stimulus measure to help restart the Canadian economy following the financial crisis. The tax credit enabled taxpayers to claim up to 15% of the cost of a substantial renovation in their home, condo or cottage for renovation costs between \$1,000 to about \$10,000. The max tax credit was \$1,350 per year and the average credit received by those who took advantage of the program was \$700. A provincial version of a home renovation tax credit would help to kick-start the provincial economy. This program would create jobs in the home renovation, service, retail and manufacturing sectors, generating billions in economic activity.

Following COVID-19, many will be looking to make upgrades to their living spaces, particularly because many people are looking to create home offices as they will be working from home more. Similarly, seniors are feeling less enthusiastic about entering a long-term-care home, so renovations that would allow them to remain in their homes longer are becoming more and more desirable, whether it is installing greater accessibility measures, such as ramps or elevators or creating in-law suites.

The national home renovation tax credit brought \$4.3 billion into the Canadian economy and increased investment into the renovation and construction sector by 18% per quarter the year the tax credit was in place.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Bradley Mayer-Harman: Finally, housing affordability remains a significant issue across the province. The lack of affordability in Ontario is driven by the limited supply of homes. To generate further real estate transactions in the province, red tape in housing and development needs to be cut to allow the private sector to build a greater supply of housing. Reducing red tape is a low-cost solution to increase housing supply and to create jobs, and make homes more affordable.

The province should prioritize the implementation of Bill 108 to create more transit-oriented communities, reduce approval timelines and support municipalities' planning departments to reduce development timelines. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is the city of Orillia, but before I do that, can we confirm the attendance of MPP Singh?

Ms. Sara Singh: Hi there, it's MPP Singh and I'm in Brampton, Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you.

City of Orillia, if you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Steve Clarke: Thank you very much. My name is Steve Clarke, mayor of the Sunshine City. I was glad to see a prominent citizen just present a few minutes ago, Mr. Stahls, and another former citizen that I'm quite familiar with, Matthew Thornton. Hi, gentlemen. It's very nice to see you, even virtually.

I'll only take a moment or so to introduce the group with me today. With us, we have Gayle Jackson, our CAO of the city; Jim Lang, our city treasurer; and Jasvinder Rattigan is our manager of accounting services, and she's going to be presenting.

Personally, dealing with this every day of the week, I'm running out of ways to describe the scenario that we find ourselves in—we're certainly not alone—across the province, across the country, and for that matter, around the world. I do want to take a moment to applaud the MPs and our staff, the staff that are with us today. Quite frankly, personally and as mayor, I applaud the way that the province has handled the COVID emergency, and so I just want to thank them very much for what they have done to this point.

We've been impacted in so many different ways. Sometimes those things are obvious, in terms of lost revenue and increased costs. Sometimes things sneak up on us. For example, the mental health issues that we're now starting to deal with coming out of COVID and the increased need for services isn't necessarily something we would have seen coming early on. Also, very counterintuitively for the city of Orillia, such a tourist destination, we've actually had to put a lot of effort and resources into mitigating the number of visitors that we normally get at this time of year because we were having so many that we were being, quite frankly, overwhelmed with uncontrollable numbers—so things that we see and some things that we don't always see coming up. We also have a low average family household income, one of the lowest in the province, and a significant percentage of seniors: 25% of our population is 65 years of age or over.

Anyway, thank you very much for the opportunity. Jas, if you would be so kind as to present our position. Thank you.

Ms. Jasvinder Rattigan: My name is Jasvinder Rattigan, the manager of accounting services for the city of Orillia. Good afternoon to the Chair and members of the standing committee.

Municipalities are ground zero for the COVID-19 pandemic. We provide a magnitude of services, and we are the first responders in terms of being the first in contact to hear the voices and concerns of citizens as they pertain to residents and business owners alike.

The city of Orillia, much like most municipalities in Ontario, has limited revenue tools and fiscal capacity, yet the services we provide are vitally important to citizens during the COVID-19 pandemic. Unlike the federal and provincial governments, municipalities cannot run deficits, which leaves us with very few options, resulting in potentially huge increases to property taxes, massive service and programming cuts, and depleting reserves at levels never seen in the past.

The city of Orillia is projecting a \$5.5-million shortfall for 2020 and is anticipating additional losses for 2021 as a result of the COVID crisis. Without service cuts, this would require an increase to property taxes of approximately 9%. A tax hike of this magnitude is unprecedented for a small to mid-size community such as Orillia, with a population of 33,000.

Orillia's age profile illustrates 24% of residents are ages 65-plus, indicating a high seniors population on fixed incomes. The average household gross income in the city was approximately \$77,000 in 2019, one of the lowest—and has been one of the lowest for the last five-plus years—compared to our surrounding municipalities.

On March 20, 2020, at 8:27 p.m., the mayor for the city of Orillia, Steve Clarke, declared a state of emergency in response to the COVID pandemic. Since that time—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Jasvinder Rattigan:—the city has taken action and put measures in place to aid economic recovery: \$1.2 million has been approved directly from the city's reserve for social and economic recovery efforts, critical lead service grants and emergency management costs. In addition to prioritizing recovery efforts, the city has continued with business, but not as usual, and at what cost?

These losses must be made up through mitigation measures put in place by the municipality, including temporary staffing suspensions, hiring freezes, waiving penalties and interest on taxes, zero transit and public parking fees and reduced expenditures in areas such as travel, professional development, non-essential materials and supplies, and delayed capital and infrastructure projects due to an ever-changing and shifting environment.

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The city has largely been impacted in the following areas and has seen losses like never before:

—\$1.6 million lost in the community services department, which is largely due to decreased programming revenues and user fees;

—health and social services. The city has seen increased costs in long-term care and paramedics of approximately \$550,000.

—with many Orillia residents working from home, the city is projecting a shortfall in transit revenue of \$600,000 and parking of \$300,000;

—losses in water and waste water of \$750,000;

—reduced revenue for penalties and interest on taxes, as well as reduced income from investments of about \$550,000.

To avoid significant tax and user fee increases and additional layoffs and costs to services that Orillia citizens rely on daily to maintain their quality of life, we are looking at the province to assist municipalities, not only for our current deficit but for the potential losses that will be experienced in the mid- to long-range forecast.

As the cities—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Jasvinder Rattigan:—continue to gauge the impact of COVID-19 on the existing 2020 budget, staff are amidst establishing guidelines in preparation for the 2021 budget cycle. Part of the 2021 planning process has taken into consideration the change in commuter patterns citizens desire for low-contact services, due to health concerns, enhanced online services and revised public engagement processes. As these impacts extend into 2021 and the future, it will heavily restrict the municipality's ability to raise revenue through user fees while still in-

curing the same level of expenses, and even more expenses due to the COVID procedures. With limited options to raise revenue, the difference will be forced onto the taxpayer.

The province is taking great strides to support and protect the health and safety of the citizens and ensuring economic resilience. However, municipalities require a stronger partnership with the province when it comes to supporting local municipal efforts to help resurrect our communities.

What can the province do to assist?

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. Your time has come up now. We'll have to move to our next presenter, the Association of Municipalities of Ontario. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jamie McGarvey: Good afternoon. My name is Jamie McGarvey, and I'm president of the Association of Municipalities of Ontario and the mayor of the town of Parry Sound. Also on the call I have with me Brian Rosborough, our executive director for AMO.

Thank you, Mr. Chair and members of the committee, for the opportunity to be here. I know that you've heard from many AMO members over the past three days. I know they've painted a compelling picture for you. My remarks will outline why AMO and our partners FCM and CUPE have been calling for immediate federal and provincial emergency relief funding for municipalities.

I will begin by acknowledging the important help that Ontario has provided through the Social Services Relief Fund and other measures. But much more is needed. With the right support, municipalities can be partners in Ontario's recovery.

First, we need to recognize that 36,000 Ontarians have been infected with COVID-19 and more than 2,700 people have died. These are tragic figures. Swift action from all orders of government prevented this from being much worse. It was the right choice to save lives, to safeguard our health and to protect our health care system.

While lockdown was the right measure, the economic costs have been enormous. In January, Ontario's unemployment rate was 5.2%; by May, a staggering 13.6% of workers were unemployed. It has been nearly 40 years since unemployment was high, and numbers cannot convey the real impacts on individuals and families in our communities. But there is a reason to be optimistic. As the lockdown is lifted, jobs and workers are returning. Ontario saw a significant increase in jobs—last Friday's employment report: nearly 400,000 over the last two months. However, without a vaccine or an effective treatment, some effects will be long-term.

We all understand that some impacts on the global economy will be permanent. Municipalities have played an essential role in the emergency response. We have kept communities safe, provided urgent assistance to the most vulnerable, kept emergency and other essential services running, such as transit and safe drinking water, and taken up the front line in public health, paramedic services,

homelessness, shelters, child care and long-term care—but at a substantial cost.

Municipal governments in every part of Ontario, rural and urban, large and small, have faced massive increased costs for human services. Revenue shortfalls have followed, especially in transit-operating communities. You've heard many examples of the impacts from AMO members during your hearings this week. There are many other examples in our written report, illustrating impacts in every part of the province. With these impacts, you can see just how urgent the need is for immediate financial assistance, but there is another reason municipalities need financial relief.

On Monday, Minister Clark noted to his committee that municipalities will lead the economic recovery. He is right, but municipalities must be financially sustainable in order to succeed in leading the recovery. We have an important job to do in supporting private and public enterprise in our communities, protecting the services people and families rely on to be productive and employed, and making key infrastructure investments that will create jobs, improve productivity and stimulate the economy.

But without an adequate federal-provincial emergency relief program, we are instead looking at implementing property tax hikes, cutting services, laying off more of our workforce and delaying capital projects.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Jamie McGarvey: All of these measures would serve to undermine the economic recovery. That's why immediate and adequate financial assistance is so important. Our members are working on their 2021 budgets right now, and it's a grim picture. If we have the resources to do the job, municipalities can and will rebuild local economies that are the foundation of Ontario's prosperity and growth.

Other actions can also help. Immediate improvements to programs, such as the investing in Canada infrastructure plan, ICIP, could be made, approving projects faster and front-loading costs for municipal governments. Investing in municipal infrastructure means improved productivity, job creation, increased GDP, and higher income tax revenues. Municipal service improvements make communities better places to live, work and invest, and make Ontario more competitive.

Infrastructure improvements make it more efficient to create transport and trade goods and services. Additional new capital investments in municipalities can play a major role in increasing economic potential, and these include child care and housing; roads, bridges and transit; storm-water flood protection; water and waste water systems; and conductivity and broadband improvements. But municipalities will need more flexibility, less reliance on the municipal share and programs that respond to local priorities and local economies.

In conclusion, municipal governments have worked hard to support their residents, businesses and communities through the emergency. In remarkably difficult circumstances, they have kept communities safe, protected essential services and helped maintain the fabric of our

society. To be effective, we need help to stop the financial bleeding so we can support growth. We need financial support to transform and sustain the services people rely on most, and we need investment in municipal infrastructure to underwrite Ontario's economic future.

The lockdown saved lives. Prosperity is founded on health. Laying the right foundation for municipalities today means we can help our communities make up lost ground and help Ontario lead Canada's economic recovery.

Thank you for the opportunity to be here today.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the questions now. We'll start this round of questions with the opposition. MPP Burch.

Mr. Jeff Burch: Thank you very much, and thank you to all the presenters for the excellent presentations this afternoon. I will have a few questions for President McGarvey from AMO, but I thought I'd give the city of Orillia a moment to finish their presentation. I noticed they weren't quite done.

Ms. Jasvinder Rattigan: Thank you. I really do appreciate that.

Basically, what I was going to finish off saying is that the province has taken great strides, but municipalities are looking for additional support in terms of the local municipal efforts to help resurrect our communities.

So what can the province do to help? Increase the funding provided to municipalities through the provincial gas tax program, so that we have the support that we need to continue to operate transit systems without fare increases. Support for parks and recs programming and facilities, as these are one of the first and most crucial services to return to communities—parks and recreation play a critical role in mental and physical health, as well as the economic revival of our community. Lastly, local and regional economic stimulus funding to help support the efforts of municipalities that are experiencing severe losses but continue to provide the much-needed services that our residents require. Thank you.

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Mr. Jeff Burch: Thank you very much. I'll turn to AMO now. President McGarvey, thank you for the leadership that you and your organization have shown through a very difficult time. I'd like to get this out of the way at the beginning. Emergency operating funding: We heard yesterday from the city of Toronto in respect to timelines that, within weeks, they may be making steep service cuts. What's your sense from your member municipalities of the kind of timeline that we're looking at before those kinds of things start to happen?

Mr. Jamie McGarvey: I may refer to Brian on this one, but I think it depends a lot on the level of service that those municipalities are providing and, certainly, where their reserves are, because there are a number of municipalities that are dipping into their reserves to help sustain what they currently have.

Actual timelines: Brian, do you have something more on that?

Mr. Brian Rosborough: Yes, thank you, Mr. President. I'm happy to respond. We've been working very

closely with the city of Toronto on tracking costs, and their experience is replicated across the province and municipalities of all sizes. Certainly it is a crisis in terms of cash flow. It's variable depending on the municipality, but many municipalities have already started reducing services, cutting services, deciding not to reopen certain services as stage 2 moves forward.

Of course, municipalities are also working on their 2021 budgets and without pretty quick information on what is available, they're going to be making some pretty difficult decisions about 2021 as well.

We really are in a crisis situation. We know that the province and federal government are in discussions. We and others have asked for those discussions to be concluded quickly and productively and to get money out the door just as quickly as possible, so that municipalities can remain sustainable and continue to provide the essential services that people rely on.

Mr. Jeff Burch: In terms of sustainability, moving forward, we heard the presentation from Mayor Crombie from Mississauga yesterday. She made an interesting comment; she said we're expected to build 21st century cities with 19th century tools. Of course she was talking about revenue tools.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Jeff Burch: How important do you think it is that the province engage municipalities in a discussion about new revenue tools? Maybe you could also address AMO's position with regard to deficit funding as a way to address operating deficits as well.

Mr. Brian Rosborough: I'm happy to do that. I think that the COVID emergency has shone a very bright light on the provincial-municipal fiscal situation and the ways in which municipalities raise money, and showed that those are insufficient, especially to deal with a crisis like this or any other kind of severe economic impact. I think that when the dust settles on this emergency, it's time for us to sit down with the province and have another discussion around the provincial-municipal fiscal relationship.

Sorry, and the second part of your question again?

Mr. Jeff Burch: AMO's and FCM's position on using deficit financing for operating—

Mr. Brian Rosborough: Ah, yes, a very important point; thank you for that. We believe that allowing municipalities to borrow for operating deficits is no solution whatsoever. It falls short of what is needed, and that is adequate and urgent financial assistance to help municipalities remain sustainable. Taking on debt in order to balance operating budgets is not going to help at all, and it's not something we or any other municipal organization or individual municipality has requested.

Mr. Jeff Burch: Thank you. We also heard a lot of presentations around long-term predictable and permanent infrastructure funding formulas as we move forward into our recovery phase.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Brian Rosborough: Yes, I can comment very quickly on that. I mean, there are two very good examples of that. One is the federal gas tax, and one is the provincial

gas tax. That was mentioned by our colleagues from Orillia. Both of those are allocated based on a formula, so that municipalities can plan around what's coming. They can easily be doubled, as the federal gas tax was last year, to generate some extra activity, and they provide reliable sources of funding that could be borrowed against, that could be planned for, and they really are an equitable and powerful way to get money directly into the hands of municipalities so that they can deploy it effectively and quickly.

Mr. Jeff Burch: Thank you very much.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members for their time of questioning. MPP Blais.

Mr. Stephen Blais: Thank you, everyone, for your presentations this afternoon.

For Brian or Jamie, we've heard a lot about these ongoing discussions that are happening for some kind of federal-provincial program to support municipalities, but we haven't seen anything concrete, or even a commitment from the provincial government yet. Have you heard anything in the last few days as to when you might expect something and whether or not the province is going to match it?

Mr. Brian Rosborough: I'm happy to answer that question. We have heard that discussions are under way. There was a call with the Premier and the minister with heads of council last week indicating the progress on those discussions. We are hoping that over the next week or so those discussions nationwide will conclude.

We do know that they will require a provincial contribution as well as a federal contribution, and that's a matter of negotiation that's occurring between provinces and territories and the federal government now.

That's about it for the details that we have. We know it's a part of the \$14 billion that the federal government allocated nationwide for all provinces and territories, for all of their reopening activities. There has been no public discussion about the amount of that money that was allocated for municipalities, but we are optimistic we'll hear something soon. As you heard from Mayor Vrbancovic earlier in the discussion today, the FCM request—which is the one that we support—calls for about \$10 billion in federal funding for municipalities for both operating costs and losses of transit revenues. We've been working closely with FCM and other municipal organizations here in Ontario, and our members, to support and advance that proposal. It's one that would provide funding on a per capita basis to all municipalities, with an additional allocation available for transit losses.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Stephen Blais: Yes. I keep getting muted, Mr. Chair.

Yesterday, some of the government members of this committee suggested they weren't happy with the lack of strings attached to municipal transfers. Of course, the province is upset that the federal government might have strings attached to this particular program. Just to reiterate,

AMO's position is that it should be a block grant based on a per capita distribution?

Mr. Brian Rosborough: That's the model we've supported. It's similar to the federal and provincial gas tax model. One of the reasons for that is it allows the money to be deployed immediately and to get right into the hands of municipal governments that can deploy it effectively, without a process like an application, which takes time, and other factors related to it that make it a less efficient way to distribute funding.

Mr. Stephen Blais: I appreciate that. Thank you very much.

To Jasvinder and to the mayor in Orillia: I'm sorry, I might have missed this during your presentation, but I'm wondering if you can break out exactly what your shortfall is for the balance of this year, and if you forecasted any kind of carry-over into next year.

Ms. Jasvinder Rattigan: Thank you. The overall shortfall for 2020: We are projecting it to be \$5.5 million. That is currently what we've projected to the end of the year.

The municipality is beginning discussions on our 2021 budget. They actually start tomorrow.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Jasvinder Rattigan: We are providing council with a few options. We are anticipating larger-than-2020 decreases to revenue as a result of additional cleaning measures put in place, physical distancing measures put in place, and a lot of it still resides with consumer confidence. We're still not seeing numbers of individuals coming out in what you would have seen in 2019.

That \$5.5 million is made up of \$1.6 million in the loss in community services, and that's largely due to programming revenue and user fees; \$550,000 in health and social services; \$600,000 in transit revenue losses; \$300,000 in parking; loss in water and waste water of about \$750,000; reduced revenue for penalties and interest on taxes of \$250,000; and reduced income from investments of about \$300,000. We've also approved, to date, \$1.2 million for economic relief efforts to the community, as well as grants for lead organizations, such as food banks, and additional efforts for opening up facilities.

1530

Mr. Stephen Blais: Thank you. I have two follow-up questions. Is the \$1.2 million included as part of the \$5.5 million or is that an additional expense? My second question would be: Your deficit, what does that relate to—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Stephen Blais: —in terms of a percentage property tax increase if you need it to fund it locally?

Ms. Jasvinder Rattigan: Thank you. That \$1.2 million is included in the \$5.5-million loss, and that percentage of \$5 million would be approximately—the Treasurer, are you able to calculate that for me? I'm not in my office. I'll turn it over Jim Lang.

Mr. Jim Lang: Yes. Thank you. I am Jim Lang, city of Orillia. Through the Chair: The \$5.5 million—annual taxes are approximately \$60 million. So \$5.5 million would result in approximately a 9% tax rate increase to make up for that loss.

The Chair (Mr. Amarjot Sandhu): Thank you. We have to go to the government side now. MPP Gill.

Mr. Parm Gill: I want to thank all the presenters also for taking the time and appearing before the committee. My first question is going to be for OREA, if that's okay. CMHC called for an 18% price correction earlier this year during the pandemic, but in fact the Toronto Regional Real Estate Board reported price increases of nearly 16% in some sectors of the market recently. So my question is: Is the answer to helping with affordability price controls or rent controls? Why or why not?

The Chair (Mr. Amarjot Sandhu): Can you unmute yourself, please?

Mr. Mike Stahls: I think Matthew could take that one.

Mr. Matthew Thornton: Thank you, MPP Gill, for the question. I think the answer to that issue, the issue of affordability and increasing prices, is not price controls. Instead, it's addressing shortfalls in supply, particularly in the short term. We're seeing a real lack of inventory, a lack of listings in the market. We've had a lot of pent-up demand. Folks who went on the sidelines through the spring, March, April, May, are now coming back into the market and competing against each other.

That's why we're recommending that the jobs and recovery committee look at a short-term land transfer tax holiday. I think that's going to be a great incentive for families to list their homes, take advantage of that tax break. It would inject some badly needed inventory and I think act as a moderating influence on those increases in prices and obviously improve affordability for families as well.

Mr. Parm Gill: Thank you very much. For my next question, I'm actually going to go to AMO. I want to thank President Jamie McGarvey for your leadership on AMO and also the MOU table. Thank you for everything that you're doing. It's been a real pleasure working with you over the last year or so.

My question is, how would you characterize the municipal remote work experience so far? Can you speak to that?

Mr. Jamie McGarvey: Thank you, MPP Gill. It's good to see you as well, and thank you for the very kind words. It's been great working with the Ministry of Municipal Affairs and Housing as well.

The remote working experience?

Mr. Parm Gill: Yes.

Mr. Jamie McGarvey: In a number of cases, for certain departments, it's worked okay. That hasn't been too bad. One of the issues that came up was some of our staff and child care. They were working during the day at home when they could, and then making up the rest of their time. They might come in when their spouse/partner was home then so that they could actually come in to the office and do that.

For some of those departments that aren't interacting with the public as much as—I'm going to say—public works, for example, it worked fairly well. But it is going to be good to get them back into the office so that they can interact with each other. Having the periods of time when

we couldn't have people into the office made it very difficult for people trying to get marriage licences—

The Chair (Mr. Amarjot Sandhu): Three minutes

Mr. Jamie McGarvey: —and various things like that. But we worked through a number of things to make sure that the public was served. We did what we had to do to survive and keep the municipality running.

Mr. Parm Gill: How are the municipalities preparing a return to workplaces where the staff are currently working from home?

Mr. Jamie McGarvey: What we're doing here in Parry Sound is we're bringing them in gradually so that not everyone comes in at one time. We're staggering the work week and then we're bringing more and more in over the next month to make sure that everybody is working together. We're certainly working on the social distancing and the PPE to make sure that that's available for staff. We want to make sure that they feel comfortable and safe in that environment. We hope that within the next month to month and a half we will have our full complement back.

Mr. Parm Gill: Thank you. And to what extent are municipal staff actively redeployed to maintain service delivery? Could you speak to that?

Mr. Jamie McGarvey: I can speak to our particular case. One of the things that we did is we maintained our full complement. There was work that basically every year—that things might not get done, but we found jobs for those people to do and some people were redeployed into other areas to clean up, make things get done. It worked very well. We had conversations with the union, and the union was quite malleable—and we appreciate that—to move people around where we had to—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Jamie McGarvey: —so it was good.

Mr. Parm Gill: Thank you. As municipalities begin to consider the transition to economic recovery, what early insights are you getting from members and their plans? Would you be able to speak to that?

Mr. Jamie McGarvey: I think a number of them are really hoping that some of the infrastructure programs will go ahead, because they see that as extra stimulus for the economy in Ontario. In our particular case, we have a project between joint municipalities. We're hoping it comes through. So municipalities want to do things, from what I read, for the majority of them, and any that I've talked to, they want to do things. They just want to get moving. They want to get—we're hoping that the government still sees their previous commitment for infrastructure funding—to continue that through on both levels so that we can proceed with the jobs that need to get done and keep people working and grow the economy.

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off.

We'll have to move to the independent members now. Any questions from independent members? MPP Blais.

Mr. Stephen Blais: Some questions for the folks from OREA. You mentioned a couple of ways that we might be able to stimulate or encourage new home ownership and

competition in the marketplace. On new homes in particular, what mechanisms do you think will work the best to try to stimulate new home construction sales after COVID?

Mr. Matthew Thornton: Brad or Mike, do you want to try that? Or I'm happy to.

1540

Mr. Mike Stahls: Well, I would say that certainly the land transfer tax, either one of them, would certainly help with new home construction as well, but I'm sure Matt could get into more detail on some other ideas that maybe weren't on the list, too.

Interjection.

Mr. Mike Stahls: You're muted still.

Mr. Stephen Blais: Yes, sure, so the land transfer tax—just deferring the land transfer tax for first-time homeowners, basically?

Mr. Mike Stahls: It wasn't on today's presentation, but we can send you some info. We did also suggest potentially upping the first-time homebuyer's land transfer tax credit. It's currently at \$4,000. Potentially doing a short-term—whether it's a year—up to maybe \$6,000, would make it more affordable on closing costs for buyers right now, too. They should be more motivated to buy something if they didn't have that huge added expense on closing.

Mr. Stephen Blais: Sure. I appreciate that. Thank you very much.

Jim, you were in the process of finishing something when our last round ended. I think you said the \$5.5 million would be somewhere in the order of a 9% tax increase. Is your typical tax change around 2% or 3% with inflation, so it would be 9% plus the typical 2% or 3%?

Mr. Jim Lang: Through you, Mr. Chair: Yes, the typical tax rate increase has varied. We have spent the last probably six years working very hard to build up some of our reserve contributions, so we have been in the 2% to 4% tax increase. To be quite honest, yes, in answer to your question, the 9% would be on top of that. To be perfectly honest, that would be one of our mitigating factors which would be a significant step backwards in terms of getting those reserve contributions up significantly for our asset replacement program; so yes, but that would be one of the areas that we would have to look at to provide some mitigation of impact.

Mr. Stephen Blais: And so in Orillia, what would, let's call it a 12% tax change, be on an average home in Orillia?

Interjection.

The Chair (Mr. Amarjot Sandhu): Can you unmute yourself, please?

Mr. Jim Lang: Through you, Mr. Chair: I'm going to first see if Jas Rattigan has a quick calculation on that.

Mr. Stephen Blais: If you don't know, it's fine.

Mr. Jim Lang: I don't have the number, but I believe Mrs. Rattigan will.

Ms. Jasvinder Rattigan: I apologize. Sorry, MPP Blais. I'm trying to do the calculation. Just to put it into perspective, an increase of about 1.8% is around \$22—

The Chair (Mr. Amarjot Sandhu): Two minutes.

Ms. Jasvinder Rattigan:—so you're looking at 12%. You're looking at something that most Orillia residents, based on the current average salary, would not be able to afford.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Stephen Blais: I don't have any other questions, Mr. Chair. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go back to the government side for the second round. MPP Crawford?

Mr. Stephen Crawford: Thank you to all the presenters today. I'd like to start off with the Ontario Real Estate Association. The first question I have is related to the home tax credit, which I know was successful back after the 2008-09 financial crisis here in Canada. The Canadian government did that. But I want to just get an understanding in terms of today, in the pandemic we're in. The environment is different. Obviously there are certain sectors that are hit a lot harder than others: the hospitality and tourism sector, for example, airlines and hotels have been severely hit. I think it's fair to say that construction and real estate—you're affected, but not to the magnitude of these industries.

Do you not think it would make more sense, with our very limited budget—because we obviously have severe financial constraints—to target the money to the most affected areas, and that might be those sectors, say, over yours?

Mr. Matthew Thornton: I'll start, and I know Bradley would like to add in some thoughts here.

Thank you very much for the question, MPP Crawford. I think that the government needs to take a balanced approach in deciding where the stimulus goes. Our message today is quite simply that housing was a major factor in our recovery in 2009. We're confident that it can be again here, post-COVID recovery. When it comes to the home renovation tax credit, construction jobs, according to the latest stats from Statistics Canada and the latest employment numbers, are still down 30,000 to 40,000 net jobs here in Ontario, so that part of our economy could use a real boost. I think from a job creation point of view as well the tax credit could go a long way in creating additional jobs in that sector.

What does the COVID recovery mean for the long term when it comes to things like retail, the airline industry? Are we potentially facing some permanent job losses in those areas? I'm not sure at this point; it's tough to say. But we can say with some certainty that a tax credit like the Harper-style 2009 tax credit has been proven to boost jobs and economic spending in our economy in the short term.

Brad, did you maybe want to add anything else there?

Mr. Bradley Mayer-Harman: Yes, thank you. I was going to also say that we talked about the services and we talked about minor construction companies that benefit from retail transactions, but the magnitude of small businesses that are involved in that process would also have ripple implications when it comes to tourism and hotels and other forms of travel if these small businesses, these families, receive an income. I think when you look at

home renovations you'll see that it's largely small businesses that are the ones benefitting from those renovation tax credits.

Mr. Stephen Crawford: Thank you. For my next question I'll move on perhaps to both AMO and Orillia. It's really applicable to both of you, but I'll start with AMO.

You did very briefly mention broadband. That's something I see as a big opportunity for us here.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Stephen Crawford: We have so many people in Ontario who don't have proper access to broadband, and that was very acute during this pandemic. Whether you're a family doing online schooling or you're a business, there were so many people in Ontario who didn't have proper access.

We've certainly made a commitment. We started with a \$150-million program that was announced a number of weeks ago. Could you give us some thoughts on what kind of impact expanded broadband would have in a lot of these rural communities? They're not even necessarily rural; sometimes it's very close to the GTA, even.

Mr. Jamie McGarvey: Thank you. I'll start and then Brian can pick up.

Yes, it's extremely important. I think that this pandemic has shown greatly how broadband—it's not just rural areas; it's also within towns and even some cities—is just not up to the performance that it should be. As many have mentioned, we need to be looking at two gig, not just one, when we're building these systems because you don't all of a sudden want to create a system and then have it out of date just as you get everything going.

With schooling, work and a variety of other different things, people in different types of business and people working from home have shown that it can be done, but good connectivity at a good speed is really, really important. If we're going to move forward as a province and I think if we're going to look to the future, this is what we need to do: better broadband. It needs to be a collective approach to this: municipal, federal, provincial.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Jamie McGarvey: One of the things is that there are partners out there that have money and are willing to expand. We need to take a look at those who have the money and the bank accounts that are willing to invest in this and support them as well, because it becomes a private-public sector partnership. We can get this done. We just need to get the right partners on board and start building and expanding the infrastructure.

Brian, do you have anything you want to add?

1550

Mr. Brian Rosborough: Yes, just to build on that, I think, as you mentioned, it's a rural issue, it's a northern issue, but it's also happening in urban communities such as the city of London and places like Caledon. So it's even happening in the GTA that there are significant impediments to participation.

The COVID emergency has shone a light on the importance of broadband and accessibility. We know that in

terms of education opportunities, the ability for people to successfully work at home. It's also important in terms of innovations in health care and social isolation of seniors, social enterprises and private enterprises. So given the importance of—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll move to the opposition side now. MPP Burch?

Mr. Jeff Burch: Thank you, Chair. I'll be splitting my time with my colleague Sara Singh.

Just back to AMO for a moment, I'd like to follow up on the infrastructure theme. One of the things we've heard from municipalities, construction and building trades over the course of the last few days is the importance of using local labour and local supply chains efficiently, and that's something that's come through from all three of the groups.

I remember a project I was involved in as a municipal councillor—a fairly large project—and we awarded points for the proponent's ability to demonstrate that they were using local labour in the project. That's come up a number of times and it seems to be something that all sides are kind of agreeing with. It's becoming more popular and something that, as we move forward recovering from the pandemic, may become more important, along with the issue of using supply chains for construction properly. Do you have any comments on that or input from your members?

Mr. Brian Rosborough: I'm happy to comment on that. Thank you for the question.

There's no question that municipal infrastructure investment creates jobs locally, it creates income tax revenues for federal and provincial government; it's a real boost to the economy. Municipalities are certainly eager to the greatest extent possible to make sure that they're investing their dollars locally.

They do, however, have to comply with interprovincial and international agreements and do so. There are some requirements that are placed on municipalities that impact supply chain and tendering, so those do need to be complied with. But there's certainly a very strong will to the greatest extent possible to make sure that those investments are local, in Ontario and in Canada, and to try to leverage those investments in a way that generates prosperity in the community and more broadly in the province.

Mr. Jeff Burch: Great, thank you. I'll hand things over to MPP Singh now.

The Chair (Mr. Amarjot Sandhu): MPP Singh?

Ms. Sara Singh: Thank you, MPP Burch, and thank you to each of the presenters. They were very informative presentations.

My question is directed to OREA. As we've heard from all of the presenters over the last couple of days, especially the municipalities, there are a lot of concerns around not only housing in our communities, but affordability and, as we've heard from presenters today, concerns around unemployment and returning to some sense of normal for folks.

I know that you've recommended some incentives like a land transfer tax, renovation credits, which are all I think very important. But that's not necessarily going to assist with one of the underlying problems we have with our housing crisis, which is the supply issue. That isn't going to necessarily also help build diversity in supply, and I think that's one of the things we keep hearing from municipalities, that they would like to see diversity in supply because, essentially, making sure that affordable housing is available has been downloaded to municipalities and their responsibilities.

I'd love to hear from you with respect to what you think needs to be done to help create diversity in supply here in the province to address the housing crisis.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Mike Stahls: Thank you for that question. There's a lot of things. I know we've worked on some stuff in the past and we could probably provide you with some more detailed information as our time is limited today.

Certainly, one example would be, say, red tape reduction in trying to get some of these projects off the ground faster would help. Some of the work that we've talked about around the major transit and building near major transit and along the Highway 400 corridors—and that where people have access to transit, so they may not need a vehicle to get back and forth to work, it makes it easier to commute and less expensive. I don't know if Matt has something to add to that, but this is an example of some of the things that we have considered. I don't know if, Matt, you want to—

Mr. Matthew Thornton: Yes. Thank you, Mike, and thank you for the question, MPP Singh. It's great to see you again.

I think there are a couple of solutions. Mike referenced our support for development around transit stations. Transit-oriented communities make just tremendous sense from a public policy perspective. If municipalities and the province can team up to green-light development around those transit stations, I think what you'll see there is a wide array of housing types that will get built and address some of the shortages we're seeing, in particular, in that missing middle area where growing families, in particular, really need that space to move into with the addition of kids and that kind of stuff in the mix.

The other thing that I'll say is—and I think the province has got to be given credit here—removing the straitjacket of a one-size-fits-all growth plan for municipalities, giving them the ability to set their own density targets or at least some flexibility in those density targets so that they can build the kinds of housing that their communities need. I think those are two really positive steps.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Matthew Thornton: As Mike mentioned, we're happy to share maybe some more offline with you and your office.

Ms. Sara Singh: Thank you for that response. Perhaps I can just ask a quick question to President McGarvey with respect to AMO. I know we've heard from regional council members who have indicated that a lot of these housing costs for affordable housing have been downloaded to the

municipality, and they feel that it should be uploaded to the province. Do you think that that is something that would assist in addressing local housing crisis issues?

Mr. Jamie McGarvey: I think most people know that Ontario is really the only province where municipalities are responsible for housing. We're certainly a major partner in this whole housing situation, and any financial assistance that we can get from the government—AMO has a housing task force, which we involve others, many housing partners that are—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time.

Thank you to all the presenters for your time and for your presentation.

TOWN OF TECUMSEH
MUNICIPALITY OF WEST NIPISSING
NATIONAL ELEVATOR AND ESCALATOR
ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Before we move to our next list of presenters, I'd just like to let you know that the municipality of West Nipissing has an additional presenter who will be presenting with the mayor: Jean-Pierre Barbeau, chief administrative officer.

Mr. Jean-Pierre Barbeau: That's correct.

The Chair (Mr. Amarjot Sandhu): We'll start with the corporation of the town of Tecumseh first. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Gary McNamara: Thank you very much. Gary McNamara. I'm the mayor of the town of Tecumseh and part of the great county of Essex. Thank you, Mr. Chair, for the opportunity to appear before the Standing Committee on Finance and Economic Affairs as the committee considers the impacts of COVID-19. I'm here to speak on the impacts on the municipal sector as mayor of the town of Tecumseh.

First, let me begin by telling you how much we appreciate the strong measures taken by the provincial government to battle the pandemic and protect public health and safety. The provincial and federal governments' financial support to citizens during the time of need, through various income, social and business programs, was warranted. If it were not for these swift and comprehensive measures, there is no doubt that the virus would have had a much worse part of Ontario.

Also, as warden of Essex county, I wish to thank the provincial government for their support and intervention during the pandemic outbreak among farm workers in Essex county. COVID-19 has strained the operations of the town of Tecumseh, and we have done our part throughout the pandemic to:

- maintain essential services to the community;
- close down non-essential public facilities and programs;
- keep our employees whole and safe;
- abide by and enforce provincial orders and public health guidance; and

—work diligently to amplify public health messaging in our community.

1600

Rest assured that we've kept all essential services running: water, sanitary, storm sewers, roads, transit, garbage and recycling collection, power through our Essex Powerlines utility, fire and rescue, police, construction projects as permitted, planning and building applications, and bylaw enforcement for life safety of provincial orders. These services are the foundation of civil society and are needed to maintain public health and societal functioning. During the darkest days of the pandemic, citizens never had to fear for lack of these essential services.

Committee members, we also took measures to protect our staff and our public. We closed our town hall to the public, and we offered services remotely. We closed facilities and programs, including our arena, play equipment, pool, splash pads and halls, and ceased all programming. We closed virtually every facility and program where people might congregate. We made alternate arrangements for employees, such as remote work and electronic meetings, one employee per truck, and shift work. All through this pandemic, we kept our employees productive, safe and whole. Council moved to online electronic meetings, and we suspended all of our council-appointed committee meetings and activities.

We cancelled community events, festivals, concerts, parades and fireworks. Basically, we took away all the fun stuff so that people could not congregate. We incurred additional costs for enforcement of provincial orders and policed our parks, trails and communities to keep citizens from congregating in our public spaces.

I started doing a weekly video for citizens, to help keep them informed of what was happening during the pandemic, amplify our public health guidance and offer messages of encouragement and kindness.

As council, we moved to provide financial relief to our community where we could. We provided relief by waiving late-payment fees and penalties on property taxes and utility bills. We offered public transit service for free. We deeply discounted permit and licensing fees. When it was possible for businesses to reopen, we relaxed requirements for signage and patios.

Through all of this, we have incurred additional costs, directly and indirectly. We have disrupted budgets looking for savings, and diverted funds to procure additional cleaning supplies and services, purchase more personal protective equipment, physically modify facilities and vehicles, and upgrade and buy new technology solutions for remote working with people. We have incurred added costs by bylaw enforcement through overtime. We have diverted significant staff time to deal with COVID-19—

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Gary McNamara: —especially senior management time to arrange alternate service delivery and keep up with the changes in provincial orders, legislation and regulation. This has all been done at the expense of the 2020 working capital programs, which are behind for the year.

Committee members, we ask today for financial aid to the municipal sector to offset revenue shortfalls and expenses experienced through COVID-19. In Tecumseh alone, non-tax revenue is estimated to be down 55% over the year. We're doing our best to contain our expenses and find efficiencies, even in the face of new costs associated with the pandemic. To date, we have forecast a reduction in operating expenses of 9% over the year. At this point, we are looking at an operating deficit for the year, which will have to be made up. We have limited means to do this, possibly by increased property taxation or by tapping into reserves. At a time when we are looking to kick-start our economy, starting 2021 resolving our deficit on the backs of property owners just doesn't seem to be right.

Once again, members of the committee, I want to take this opportunity on behalf of all of us here in Tecumseh to thank you for the opportunity to present to you today. I am available for questions from the committee members.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

Now we'll go to the municipality of West Nipissing. If you could please state your name for the record. You will have seven minutes for your presentation.

Interjection.

The Chair (Mr. Amarjot Sandhu): Can you unmute, please?

Mr. Jean-Pierre Barbeau: There you go. My name is Jean-Pierre Barbeau; I'm the chief administrative officer for the municipality of West Nipissing. I want to say at the outset that our mayor should be on this call, and I don't see her, so I am going to provide you with an overview myself right now—

The Chair (Mr. Amarjot Sandhu): Sorry, to cut you off. She has joined through an audio call.

Mr. Jean-Pierre Barbeau: Oh, okay.

Ms. Joanne Savage: Excuse me. It's Joanne Savage, mayor of the municipality of West Nipissing. I unmuted my phone. Sorry. I was captivated by the presentation of Tecumseh. Do we get to start?

The Chair (Mr. Amarjot Sandhu): Yes, please. Go ahead.

Ms. Joanne Savage: Okay. Well, I want to say first and foremost a big thank-you for allowing us the opportunity to provide a presentation to the Standing Committee on Finance and Economic Affairs. Along with myself is our chief administrative officer, Mr. Jean-Pierre Barbeau. As the mayor of the municipality of West Nipissing, I appreciate this opportunity to participate in this important initiative, study and recommendations relating to the economic and fiscal update 2020 and the impact of the COVID-19 crisis from the perspective of a northern Ontario rural community.

The municipality of West Nipissing, just to give you a brief overview of who we are and where we are, is situated on the northern shores of Lake Nipissing, between the cities of North Bay to the east and the city of Greater Sudbury to the west, all of which are a commute of less than one hour from our municipality. We also have two First Nations that abut our municipality, Nipissing First Nation to the east and Dokis First Nation to the south.

West Nipissing's population is approximately 14,500, and it covers approximately 2,000 square kilometres. West Nipissing has been in existence since 1999 and consists of an amalgamation of five previously incorporated towns and townships, as well as 17 and a half unincorporated townships. The identity of each community was maintained, and each community has an economic sector that contributes to the wealth of the municipality of West Nipissing. These sectors consist of agriculture, forestry, tourism and the commercial and public service hub predominantly located in the town of Sturgeon Falls.

The average household income is much lower than the provincial average and our urban neighbours. Our municipality has one hospital; one home for the aged; one French college; three high schools; seven primary schools; one recreational centre with an indoor swimming pool; two arenas; one museum; five libraries; seven fire stations; an OPP service with a temporary location in Sturgeon Falls, with a permanent location that will be established within the next 12 months; three public works garages; six landfills; and one hydro generating plant.

We've experienced many challenges throughout our 20-year history. We had the permanent closure of our pulp and paper mills, which was predominantly the main industrial employer, and also the permanent closure of our food and storage facility known as Sysco. We've also experienced relocation of some government and health services to abutting cities such as the city of North Bay.

Our municipality does not have transit, and that does create a challenge for some of our residents, who need to commute in excess of 30 kilometres within our municipal boundaries from their home to the town of Sturgeon Falls, and outside our municipality to other cities for actual services. We've survived due to creative solutions such as the acquisition of the hydro generating plant and the solid waste management company. This enables our municipality to be able to find some new sources of revenue to thereby reduce the dependency on municipal taxes.

Our residents are beyond amazing, and contribute daily with initiatives and community projects that showcase our pride and joy. I have to say that in 2019, West Nipissing hosted the International Plowing Match, which is the largest outdoor agricultural event in all of North America, and it was a huge success.

West Nipissing was recognized in a survey by MoneySense magazine in 2018 as having the lowest taxes in Canada. We were also recognized by Maclean's magazine in 2019 as the top-ranked community in northern Ontario for quality of life. Our growth rate over the past decade has been better than our northern neighbours. We remain below the provincial average, forcing us to rely much more heavily on the tax increase and on the user fees.

In 2018, we did experience a state of emergency due to forest fires. In 2019, we also had a state of emergency that was declared due to flooding. The cost to the municipality was approximately \$358,000, and unfortunately we didn't qualify for financial support from the province, since we were below the required expenditure threshold. These two occurrences have created severe financial strain to our

tourism sector. Mostly, our tourist launch operators are retail establishments that generate the bulk of their revenues from out-of-town visitors.

1610

In our current fiscal situation, which is pre-COVID, we have done everything possible to try to reduce the burden—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Joanne Savage: One minute left? Okay. Well, you know, what I'm going to do is I'm going to talk about the fiscal challenges regarding COVID. We've experienced reduced budget revenues. We also had to defer and cancel rents. We had elimination of penalties and interest, which was in the range of \$150,000; loss of user fees in the range of \$500,000; and we also have many possible increases, such as our Au Château Home for the Aged, in the range of \$100,000, and an increase in social service cuts due to slow economies.

We are in a position, as are many of our neighbouring municipalities, where we have lost so many revenues, and it has a major impact on potential major tax increases. We are requesting support and financial aid from the government to be able to alleviate the COVID-19 expenditures and the loss of revenues that the municipality—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. Your time has come up now. We'll move to our next presenter, National Elevator and Escalator Association. If you could please state your name for the record, you can get right into your presentation.

Mr. Christian von Donat: Perfect. Hi there. I appreciate your time today. We'll try to keep things pretty brief. I know that it has been a long day, I'm sure, for everybody here, so we'll get right into it.

My name is Christian von Donat. I'm joined by my colleague Richard Mullin. We're both here together as representatives for the National Elevator and Escalator Association, otherwise known as NEEA. NEEA represents the four largest manufacturers of elevating and escalating devices globally as well as in Canada. Those are Kone, Otis, Schindler and thyssenkrupp.

NEEA has been an association in Canada since the 1970s. In that time, our industry has adapted to the changing needs of the built environment. I would imagine that most individuals here are somewhat familiar with elevators and would interact with them, based on the constituencies that they represent, with perhaps the exception of the member for Haldimand-Norfolk, who perhaps might be a bit more familiar with grain elevators than the elevators that I'll be speaking about.

Our members continue to drive innovation and technological advances within the elevating industry, aimed at delivering the best possible experience to the riding public. Safety is the number one principle in our industry, for the riding public and for those who install and service escalators and elevators. Each member holds the highest standards in order to ensure the safety of all, and we are proud of our record in Ontario.

COVID has been a challenge to our industry in many ways, including for new construction as well as in the maintenance of existing elevators and escalators. Our members take this pandemic very seriously, and we have

been working to ensure the job environment for employees is safe and includes adequate PPE. As construction site activity has resumed in Ontario and as we continue to move ahead with the reopening, which will see a rise in the public use of commercial and other buildings, we have risen to meet the needs of Ontarians.

We recognize that elevators can make it difficult to maintain social distancing and reduce high-touch areas in a building. Based on our ever-growing vertical communities, this trend will continue. In light of this, we would like this committee to make the following recommendations to ensure that Ontario's transportation systems and buildings are meeting the needs of those they serve. This includes hospitals, schools and universities, and public offices that deliver services.

First and foremost, we ask that the Ontario government implement a traffic analysis framework that would ensure every new building in this province has an adequate number of elevators installed. This type of framework exists in many other jurisdictions across the globe, and there are readily available ISO guides on the matter which would be easily implementable in Ontario. This guide was developed in concert with technical experts, some of which are based here in Ontario as well.

As our communities become more vertical, we should ensure that a new 30-storey residential building has more than two elevators to serve them. Accounting for routine maintenance, moves and now physical distancing with COVID-19, it makes sense for our province to follow a long-established global precedent that would ensure we are building the adequate number of elevators in our building. It's important to note that, currently, there is no requirement in Ontario for a new building to have a certain number of elevators. The ISO guide provides for mathematical calculations and incorporates factors such as the building use, the number of individuals to transport in a given period, how many floors in the building and so on.

The Ministry of Municipal Affairs and Housing could easily add this ISO guide to our existing building code on a go-forward basis. We are encouraged by the support this measure has received from our initial conversations with the government.

I'd like to ask my colleague Richard Mullin to add a few words.

Mr. Richard Mullin: Thank you, Christian. We would also like to recommend that the government further support business innovations and modernizations that will support COVID-19 measures now, while also introducing technologies for the future. For example, our members have developed escalator handrail sanitizers that would provide a measure of continuous sanitization on handrail surfaces. Members are also working on incorporating self-cleaning surface technology on transportation systems.

Lastly, our member companies are working on new technology for elevator users that would allow them to use an app on their phone to call an elevator and select what floor they would like to visit. This is especially helpful in office buildings and residential buildings where individuals are using elevators on a daily basis and these buttons

are high-traffic surfaces. This personalized destination control will allow and adapt for COVID-19 uses.

NEEA members have world-class training and maintenance facilities here in Ontario. We recommend programs to support further development in the implementation of these solutions in the province. As we enter the next phase of COVID-19 in Ontario, NEEA and its members will continue to innovate and work to ensure the riding public can safely interact with the built environment in their communities.

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Richard Mullin: The government has an opportunity in this time to introduce lasting measures in our province that will see us catch up to other countries around the world—not just to better serve the public during COVID-19, but to do so on a go-forward basis.

Thank you for your time today. We would be happy to answer any questions you have.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the questions now and we'll start the first round of questions with the government side. MPP Cho.

Mr. Stan Cho: Thank you to all the presenters for being here today. Certainly, our two mayors and the message you've delivered has been heard at this committee, and it's well-received. The two words that we keep hearing are "unprecedented" and "extraordinary" as it relates to this pandemic, and we appreciate that you are very much the front lines here. Thank you to all 444 municipalities in this great province during very difficult times, indeed.

I think both mayors have brought up some very valid concerns that certainly we at the Ministry of Finance are aware of. I think Minister Clark and Minister Phillips have been very clear that we understand the difficulties you're going through, but we're going to need our municipal partners to get through this together. That's all three levels of government.

So my question is quite general, back to both of our mayors: I'd like you to get granular and specific with what new revenue-generation tools you would like to see the province consider. Minister Clark and Minister Phillips have said everything is on the table. The more specific you can be would be very helpful.

Certainly, to Mayor Savage, I appreciate that you're the lowest-taxed jurisdiction in the country, if I heard that correctly. Wow, that's music to my ears, and we certainly don't want to have to hear that you're increasing taxes in your beautiful riding. Hopefully, with your new revenue-generation ideas, we won't have to see you do that.

Ms. Joanne Savage: If you're looking for a specific formula, I know that our main concern is the Ontario Municipal Partnership Fund, which has been pretty well the same amount every year. So whether we call it COVID funding or whether we look at increasing this funding to municipalities, there's definitely room for our formula to be able to equalize the need of the increased expenditures and the loss of revenue for the municipalities. That should

be a consideration. Even if we were to ask each municipality to provide our thoughts and our ideas on specific formula base funding that would help us alleviate the burden, that would be greatly appreciated as well.

Mr. Stan Cho: Mayor McNamara?

Mr. Gary McNamara: For small communities, the OMPF money, as alluded to by the mayor of West Nipissing: That wouldn't benefit my municipality. Obviously we get very little in that response. But the OCIF funding, which is formula-based and was introduced in the last four or five years, has been a good source of revenue, in particular on the capital side, for communities that have built a solid asset management program, a life-cycling program. That in itself has been built in now, certainly into the capital.

1620

The issue at hand right now, for this year in particular, at the end of 2020 going into 2021, more than anything, is the operations of our communities, where the real shortfall is going to fall. At the end of the fiscal year this year for us in December, which would be at the tail end of the fourth quarter, that's where the rubber is going to hit the road for us, particularly with the small business community that is struggling right now. They're closing shops. Bankruptcies are up. Tax arrears are going up. All of the shortfalls in revenue—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Gary McNamara:—that we have from the operational side are where we need attention immediately.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Piccini?

Mr. David Piccini: Thank you very much. I'll be quick, and then hand it over to my colleague MPP Barrett for the second round.

I just have a question for the two mayors regarding the ICIP funding. I was wondering; I know we've heard from a lot of municipalities over shovel-ready projects. I know a number of the streams were oversubscribed. The province worked hard and diligently to get the funding out the door. I think of local, rural and northern projects in my riding. We approved them within two months, yet it's been a year for federal approval.

If we could tell our Minister of Finance—he's got a very productive relationship—what message can we send to the feds in terms of (a) timely approval of projects, and (b) potentially identifying those shovel-ready projects as future infrastructure spending, as key to stimulus in the post-COVID-19 recovery?

Mr. Gary McNamara: If I may, Mr. Chair: That is a great question. I can tell you that we all know the recovery itself will start at the municipal level. If you look back to 2008 or look at any time you've gone through recessions, municipalities are the driving force that get us out of there.

The ICIP funding for a lot of these shovel-ready programs is a great indication to get our construction and small businesses back into the black, so to speak. Whatever the provincial government can do to encourage our counterparts at the federal level to start allocating those

dollars sooner than later will certainly help municipalities get their local economy moving again.

We've seen it now, as our construction is going on for some of our projects. That's the way you're going to build the economy, one municipality at a time. I do understand the oversubscription, but I can tell you, the mechanisms in place provincially and federally are much better than they are on the municipal side. If there are additional dollars to—

Mr. David Piccini: Just quickly, because I don't want to lose this, though, on the shovel-ready projects already identified through these previous ICIP streams: Would you support the federal government looking at those projects instead of developing new intakes?

Mr. Gary McNamara: Well, no question. We've made applications. The shovel-ready projects—

The Chair (Mr. Amarjot Sandhu): Sorry. I apologize to cut you off. We'll move to the opposition side now. MPP Vanthof.

Mr. John Vanthof: Thank you to all the presenters, and specifically to Joanne and Jean-Pierre.

I'd like to hear from the two municipalities. This is unprecedented, but have you done any calculations like, with the status quo, where you are going to be tax-wise? How big a hit are your people going to have to take, or how big a service cut are you going to have to sustain without some kind of intervention?

Ms. Joanne Savage: If I may, just as a quick analysis, and these numbers can change very drastically and very quickly: Right now, we are looking at roughly a 6% tax burden, which would represent in excess of \$1 million. Knowing the expected increases that are coming, that we're going to be hit with in 2021 when it comes to social services, health units, homes for the aged, the impact probably will also be greater—because we were fortunate this year that we didn't experience the increases that were forecasted, but they haven't gone away. They're going to be back at the table by the end of the year, and we've got so many issues and so many liabilities that we have to look at.

As far as the projects, we have many that are shovel-ready. We have some that are very critical pertaining to an infrastructure need, bringing the sewer and water to the community of Verner, where we've encountered many expenditures to get it shovel-ready and had the engineering report and the environmental assessment completed. It was quite an investment of time and money, and the sooner that we can get the shovel-ready projects, the better it is for the economy, the better it is for the municipality and for our own infrastructure to hopefully move forward and look at future investment.

Mr. Gary McNamara: I certainly want to add to Joanne, that we're in the same position. At the bare-bones best, just on operations of the municipalities alone, it's anywhere between a 2% and 4% tax increase. This is why the third and fourth quarters of this year are going to be important because we don't know, in terms of public health, long-term care, EMS—there's a whole host of other contributing factors that certainly will up the ante at the tail end of the year.

Mr. John Vanthof: I think it's worth noting too that those tax increases, if you are forced to do them, are going to be on residents who are under pressure, businesses that are under pressure, right? It's a cascade effect. When things go good, it's a cascade effect, but when things go badly, it's a cascade effect.

I would just like to switch to the elevator association. I come from northern Ontario where our elevators peak at, I think—Joanne, how high is yours? I think two storeys, three storeys?

Ms. Joanne Savage: We are two storeys.

Mr. John Vanthof: Okay. But while I'm down here, I live in a building with elevators. I'm surprised that we currently don't have regs on—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. John Vanthof:—how many elevators per number of units or per height. We don't have that yet?

Mr. Christian von Donat: That's correct; we don't. I would say that Ontario is actually not different—I mean, every province in Canada currently does not have a regulation on this. It's kind of unique to Canada. They exist in many other jurisdictions.

Currently, the method that would happen is, a builder who wants to build a 30-storey building would have an elevator consultant come and write up a proposal that would say, “Based on what you plan to build, here is what we'd recommend that you install in terms of transportation systems,” and then at that point the builder would be allowed to basically say, “The price per square foot is quite high right now and putting another shaft on every floor all the way up might not be something that we want to do.” So you're seeing often, even in hotels, where they're eliminating the service elevators and residential buildings are eliminating the number of elevators.

Unfortunately, there is nothing to say how many you have to have.

Mr. John Vanthof: Okay. How much time, Chair?

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. John Vanthof: Getting back to the municipalities, other than the shovel-ready projects, what is the quickest way that could provide you some relief regarding COVID-19 from any level of government? Why don't we go to Gary first?

Mr. Gary McNamara: As I stated earlier, just on the operational side, a couple of things: Obviously, the cost of managing our operation now where we've lost 55% of our general revenue is a huge hit for us. We only have two choices at the end of the year: raise taxes to make up for that shortfall, and that takes away obviously in the servicing side maybe, or we dig into our capital reserves to fund operations, which is unheard of, really. Again, it's the double-edged sword.

1630

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Gary McNamara: If I take out capital just to manage to pay for COVID issues, the whole recovery piece, reinvesting in infrastructure—it really throws a monkey wrench in our asset management program as well as our life cycle plan, where those tranches of dollars are dedicated for the improvement in our community.

Even FCM has put up to the federal government the \$10 billion that municipalities need today to support our transit systems, to support all of those services that right now are shuttered and basically a strain to the operation itself. We need those additional dollars to help out.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the independent members now. MPP Hunter.

Ms. Mitzie Hunter: I want to say thank you to all the presenters for sharing today. I'm wondering if the mayors could—if we could talk about the need that you have. I would like to start with Mayor Savage. You've been talking about your services and the adjustments and the cost of those services. I know right now there are negotiations that are happening, but I would like to hear your perspective on what you want to see, and more specifically the flexibility that you might need.

Ms. Joanne Savage: Okay. Thank you so much for the question. I know that we don't have much wiggle room. Even though we've been creative throughout the year, and I have to strive—we can boast and we can be proud of the lowest tax increase possible, but we do have other sources of funding that basically have reduced the burden on taxes, such as the hydro-powered generating plant and our land-fill environmental company.

But if we wanted to look at an opportunity to alleviate and reduce the burden of the operational increase, or the loss of revenues, if we could have relief, also, provided to social services agencies regarding a potential increase. I do know that there has been a movement in the past historically that we were funding many of these through our municipal taxes. Throughout the years they decreased, but now it's anticipated that we're going to rejuvenate an increase. That could be a mechanism that could be explored to try to mitigate and reduce the impact on the funding requirement for municipalities. Let us take that money aside and invest within our operation, and invest in opportunities in exploring partnerships with community stakeholders and community partners in trying to rebuild the economy and focus on rebuilding the operation to meet the norms of post-COVID-19.

Ms. Mitzie Hunter: Mayor, I want to just make sure that I understand this. You would prefer a service upload to the province, in terms of cost?

Ms. Joanne Savage: Right now, we contribute levies towards social services, levies for the home for the aged and levies for health units. Those levies are not decreasing right now; they are subject to increase. That should be reviewed, and as much as possible, mitigate those increases and even consider the opportunities of having a decrease provided to the municipalities. That would lower our financial contribution and that financial contribution could be reinvested within the operations of our municipalities.

Ms. Mitzie Hunter: Okay, Mayor. What about the funding that is being negotiated right now? Do you want to see the maximum flexibility, were you to apply that where you believe it's needed within your operations, knowing that you've already made contributions and found areas that you can reduce costs?

Ms. Joanne Savage: Definitely, because each municipality will have their challenges and rules, depending on their tax base pertaining to commercial businesses and industry, and it varies.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Joanne Savage: I have to say that, in our municipality, we have an aging population. We have many people who are working at minimum wage. We have businesses that are at risk as well. So we should be able to have the flexibility to be able to adapt and meet the needs of our constituents pertaining to essential services, and be financially feasible so that we don't have to cut back and eliminate on critical services.

Ms. Mitzie Hunter: Okay. Mayor, I know you couldn't see Mayor McNamara nodding there, but I did see him nodding. Did you want to add as well?

Mr. Gary McNamara: I think Joanne is hitting the note that affects 444 municipalities, there is no question. Those areas where—we won't know the total impact of that till the tail end of the fourth quarter, when we reconcile all of our needs. We know we're close to a million dollars of additional revenue required for our local health unit here. As the province moves into stage 3 and others are held back, it really is hard on our small business community, as you know.

Another area that wasn't mentioned and that I think the province could look at as well that would help us is—I know they suspended the four-year cycle at MPAC on the reassessment of properties throughout. When things are moving forward, the impact of 2020 is going to be 2021, 2022 and moving forward.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Gary McNamara: So MPAC, when it goes back to the four-year cycle, should look at either amending that to maybe a six-year cycle or even an eight-year cycle as well because, the business community, it's going to take them multiple years to get themselves back on solid footing. I think that's another area that the province could help us in, certainly, moving forward beyond 2020.

Ms. Mitzie Hunter: Okay. Thank you. Thank you both.

I know we have a very short, little window, but on the elevator side of things, maybe we can have our representatives from the elevator and escalator association talk about the capacity of your sector to meet the increased need for your services during COVID and post-COVID.

The Chair (Mr. Amarjot Sandhu): Thank you.

Mr. Christian von Donat: Thank you for the question, Chair. I appreciate it—

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off. We have to move to the opposition side now for their second round. MPP Burch.

Mr. Jeff Burch: Thank you very much, Chair. It's a very similar question asked by my colleague that I was about to ask, so I think I'll let the elevator association answer that question.

Mr. Christian von Donat: I appreciate that. Thank you, Chair.

It's a great question. I think that one of the great things that we have here in Ontario in particular is that all four of our members have world-class training and education and

maintenance facilities that are based in the province. One that just opened, for example, from thyssenkrupp Elevator, just north of Toronto about two years ago, really is one of the world-class facilities for this type of work.

From the perspective of meeting the needs for the future growth of municipalities within the GTA and Ottawa and elsewhere, we're confident that we have the resources, both in terms of the expertise on the ground and the skills, the training and the employees, to be able to serve the needs as it grows.

One of the things to remember as well is that, when we look at elevators from the 1980s or the 1990s compared to now, the amount of work that is required to service an elevator has changed over time. As these pieces of equipment have become more and more technical, we're able to monitor and see what's happening to these units from a distance and anticipate and do the preventative maintenance that's required that helps to eliminate the amount of downtime that would otherwise have been seen in earlier generations of these types of equipment.

Mr. Jeff Burch: A lot of discussion these days has to do with a post-globalism type of—how do we build sustainability in our economy? What kind of sustainability is there in terms of manufacturing some of the things you've talked about in the elevator industry?

Mr. Christian von Donat: That's an excellent question. I think there's a general recognition that a lot of times parts that are required to service elevators are manufactured or machined in other jurisdictions. I'd love to be able to invite you to see one of these maintenance facilities where parts and older elevator circuit boards are plugged into Commodore computers, because they don't run on new things. These elevators are from the 1970s, so you have technicians who are hooking them up to equipment to try and program them because a current computer wouldn't work anymore.

1640

In many situations, the industry works to try to provide the services needed to serve the elevators that the builders have. Obviously, we would recommend that within a 20-year life cycle, you replace an elevator, but as many of you who work at Queen's Park would know, we have elevators that are very, very old in certain buildings in the province. In those cases, those parts and often the companies that manufactured those elevators don't even exist anymore, so you do have to machine custom parts. Oftentimes, that requires that you do go to a specialist in another jurisdiction to receive those parts based on ensuring that it can meet the load and stress that would be required, given that there are often no logbooks anymore or any guides on how to produce that type of equipment.

So it really does vary by the type of elevator, the age and other factors, but it is a supply chain issue that we definitely are looking at improving—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Christian von Donat: —to ensure that we have more parts available within Ontario and in Canada.

Mr. Jeff Burch: Great. I think ours are pulled to the top by horses here at Queen's Park.

Just switching over to the municipalities for a moment: It would be about four months ago, when we were starting this, that we suggested, and the suggestion has been out there, that the province—for some reason we split the cost of public health units between municipalities and the province. This has been touched on already. We think that it makes a lot of sense for the provincial government to pick up that cost. It will also safeguard us in the future if there's a second wave or if there are future incidents.

Do you think it makes sense that, as other jurisdictions do, the province picks up the cost for public health units, so when we have a pandemic those costs aren't ballooning out of control for municipalities, who have very limited revenue tools? Maybe—yes, go ahead.

Ms. Joanne Savage: Thank you for the question. On behalf of West Nipissing, yes, it would definitely make more sense than having the burden on the municipal budget and the burden on our taxpayers. We had to adjust our municipal budget. We had an increase projected of slightly over 6% and we had to decrease it to 4%. Also, losing the revenues pertaining to the issues of shutdowns and the added expenditures that were encountered—it would definitely be much more feasible in the future.

Mr. Jeff Burch: Great. And Mayor McNamara?

Mr. Gary McNamara: Yes, that's a very good question, as well. In terms of the additional dollars, I mean, there's no doubt. You've heard both of us talk about the additional costs that are there.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Gary McNamara: But here's the other situation that I think needs to be looked at as well: One thing the pandemic has shown us is that one size doesn't fit all. There's the financial side of it that needs to be looked at, but the delivery of public health is very unique to the local situation. I would forewarn the provincial government that—there was talk about amalgamating them into 10. I can tell you that what is required in London is certainly not the same as what's in Windsor–Tecumseh or even, for that matter, Chatham-Kent.

We've seen the differences, if you look at our farming migrant workers and the issues we have here versus other communities and so forth. But financially, it's a better way of funding the health unit, no question, because there are—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the independent members now. MPP Blais.

Mr. Stephen Blais: Thank you, everyone, for your presentations this morning. Christian, just on the notion that there aren't any standards for elevators in Ontario, is the creation of some kind of standard, whether it's based on FSI or some other metric, something that your association would be advocating for?

Mr. Christian von Donat: Yes, that's exactly right. Our suggestion would be to follow the ISO guide that was crafted in concert with several technical experts that are based here in Ontario and understand the built environment in the province quite well, having lived and worked here for decades. This is, in our view, an off-the-shelf solution that would give the mathematical calculations

required based on the application of the building and based on a number of factors in order to determine what types of elevators you would need, how many, how fast they'd have to move, the capacity of each and whatnot.

This is something that, like I said, is in place in most of Europe, parts of Asia, the Middle East and other jurisdictions. It would be something that our members, who are already very familiar with the standard globally, would welcome and be able to adopt with relative ease in the province.

Mr. Stephen Blais: Sure. I appreciate that. Thank you. Something that we've come across a lot in Ottawa—and perhaps it's a province-wide phenomenon; I'm not sure—is the availability of labour to repair older elevators or even the installation of new elevators in some new buildings. So, (1) what can we do to address that particular issue; and (2) would adopting this new province-wide standard create a pressure on that particular problem? Would it exacerbate that problem?

Mr. Christian von Donat: It's a good question. I think one thing it is important to note: While we who represent the four large global manufacturers, we do manufacture the vast majority of elevators and we also do the contract and maintenance work on the majority in Ontario, there are also dozens, or hundreds actually, of independent maintenance providers in the province that would also provide that type of maintenance service to items that one of our members might have manufactured.

The nuance that is important here is that our members all work under the same unionized pool of labour, whereas the independents don't. For example, there's only one elevator program in Canada at a college. It's at Durham College. It's always full every year. The number of spaces are in high demand. Any independent would snap up those spaces immediately if they could, because it's a great program and there's always an interest in taking those spots. We would do our hiring through the union halls as the four members that we represent, whereas the independents would go to a place like Durham College and look at those spaces. I think it does depend a little bit on who you're speaking to.

Also, for example, with us, there are certain sub-regions within the province of Ontario that would have been designated through the union system on where maintenance providers could work. Again, there are some nuances there on exactly how the labour would be moved. You couldn't necessarily easily move someone from the GTA to Ottawa or from Kingston, if that was needed, for an influx in building needs or whatnot—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Christian von Donat: —so there are some nuances there as well.

Mr. Stephen Blais: Given that we can't control the distribution of labour across the province, would it make sense that the program be offered at more than one college?

Mr. Christian von Donat: It's certainly something that we've had a few conversations with the government on. We'd be very encouraged to offer it, because one thing to remember is that British Columbia is coming to Durham

College to get those spots too, and so is Alberta, and so is Nova Scotia and every other place that's building right now. This is something that Ontario is really leading the way on, but it also means that there are others who may get poached, so to speak, and move to other provinces.

Mr. Stephen Blais: Sure. I appreciate that. Thank you very much.

Your Worships, I think after 20 or 30 minutes' worth of questions, all the good ones have been taken, so I apologize for not asking any questions of you. But I do very much appreciate your time with us this afternoon and wish you all the best in dealing with this ongoing situation. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the government side now. MPP Barrett? Unmute, please.

Mr. Toby Barrett: Thank you, Chair. Am I coming through okay?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Toby Barrett: I'm subbing on, just for the benefit of the committee. In fact, just as I joined on, I caught that comment about—I guess we're not talking about grain elevators. Thanks for that, Christian.

This is the finance committee, and we're doing everything we can to bring back Ontario's economy in the safest way possible. I just have to retaliate: I've got to ask your industry to describe a little bit of the ups and downs of the business. You've probably heard just about every bad elevator joke there is. If you want to throw any in, the committee might welcome that.

I see the elevator industry, something like the concrete or cement industry, as a bit of a window on construction activity. I just wondered if your industry can give us any insight on how things are going. There's obviously been some shutdown for a while for those who work in construction, but are we back on track as far as—I'm thinking more new construction for some of the high-rises, the condos?

1650

Mr. Christian von Donat: That's a great question, and I'm glad you raised it. I think that, obviously, in March and April, when construction was largely idled in the province, despite being an essential service, more so for the purposes of maintenance of ongoing elevators, we were shut down on construction sites as well. I'd be remiss if I didn't thank the Premier for taking a strong tone around the need for construction sites to be operating in a safe environment. It's something that our employees and our companies have always been very mindful of. Anecdotally, we have heard of instances where that hasn't been the case over those couple of months. I'm pleased to say that things are much, much better now. So I think that that was definitely a positive force for the construction industry.

From speaking to the members of our association, when it comes to construction, they are back at full tilt. This is going to be a busy summer for them. I know that there are a lot of needs, people who have purchased homes who are planning to move into them or condos or whatnot. So the requirements have kept our members very, very busy on

the construction side. We are back at 100% capacity and working full tilt in the construction sector right now, and that's probably been the case since we saw the construction industry generally resume a couple of months ago now; I guess it was mid-May or late May. So we're expecting things to continue as such.

Mr. Toby Barrett: That's quite heartening to hear. Just going back to the grain elevator comment, believe it or not, I've just come in from looking at a couple of very, very large grain elevators. The wheat harvest has just commenced down in Haldimand-Norfolk. Further to that, I was in a poultry barn recently—laying hens—and they have a very simple freight elevator which carefully moves eggs—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Toby Barrett:—from one floor down to a loading dock. They represent the big companies, Otis and what have you.

There must be a lot of this custom, innovative—some of their freight elevators—it's much different than what we see in a high-rise apartment. Are your companies involved in that? Where is the market for that? Mining, for example, has been using elevators for years. Just any comments on some of the more unusual need for moving stuff?

Mr. Christian von Donat: For sure. It's a great question. It's almost counterintuitive, but our members are actually very, very active in more rural parts of the province and in cities that might have fewer elevators than, for example, the GTA, simply because, for an independent company, it doesn't often make economic sense for them to operate in Thunder Bay or more outlying areas that might have less of a portfolio of elevators to service when one of our members would be able to make that based on the reach that they have in the province.

We do very much service freight elevators and other types of commercial applications; that is something that our members would very much service. We always want to make sure that the conditions in the province are such that our industry, both our members as well as the independents, have a very broad landscape that they can compete in and offer the services across Ontario to ensure that there is a good, strong market available.

Mr. Toby Barrett: Again, from the perspective of a provincial member, so many of us are involved—for example, the Ontario Trillium Foundation, where there will be grants available to assist churches, church halls, perhaps—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Toby Barrett:—various halls that are buildings, maybe they're 70 or 80 years old or even older, with accessibility issues, seniors, an aging population. It can be quite daunting to install an elevator, first of all—to retrofit in an existing building and to upgrade to an elevator, given the cost. Where is the market for that, or the technology? Are there any advances to try and perhaps get the cost down for a piece of equipment that's maybe only used several times a week?

Mr. Christian von Donat: It's a great question. Thank you. I would say that one of the issues that we've seen, for example, and that I think was noted in the Auditor General's report a year ago on the TSSA, was that one of the leading causes of accidents in elevators with individuals tripping or falling was a mislevelling in height of elevators. Those are almost certainly—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you for your presentation.

That concludes our business today, as well. Thank you to all the presenters who presented, to all the committee members and to the committee staff for their assistance. As a reminder, the deadline to send in written submissions will be 6 p.m. Eastern Daylight Time on July 22.

The committee is now adjourned until 9 a.m. on July 27, when we'll meet for report writing on the culture and heritage sector.

Thank you so much.

The committee adjourned at 1656.

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