

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

M-9

**Journal
des débats
(Hansard)**

M-9

**Standing Committee on
the Legislative Assembly**

More Homes
for Everyone Act, 2022

**Comité permanent de
l'Assemblée législative**

Loi de 2022 pour plus
de logements pour tous

2nd Session
42nd Parliament

Monday 11 April 2022

2^e session
42^e législature

Lundi 11 avril 2022

Chair: Laurie Scott
Clerk: Tanzima Khan

Présidente : Laurie Scott
Greffière : Tanzima Khan

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Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
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CONTENTS

Monday 11 April 2022

More Homes for Everyone Act, 2022, Bill 109, Mr. Clark / Loi de 2022 pour plus de logements pour tous, projet de loi 109, M. Clark.....	M-177
Ministry of Municipal Affairs and Housing.....	M-177
Hon. Steve Clark	
Ontario’s Big City Mayors; Ms. Irene Ford; Canadian Mental Health Association – Ontario Division	M-186
Mr. Cam Guthrie	
Ms. Camille Quenneville	
Building Industry and Land Development Association; Ontario Real Estate Association; Environmental Defence.....	M-195
Mr. Dave Wilkes	
Ms. Stacey Evoy	
Mr. Matthew Thornton	
Mr. Phil Pothen	
Mr. Rob Sampson; Town of the Blue Mountains; Maytree Foundation	M-204
Mr. Alar Soever	
Ms. Garima Talwar Kapoor	
Residential Construction Council of Ontario; Ms. Barbara Captijn; Association of Municipalities of Ontario.....	M-213
Ms. Amina Dibe	
Mr. Richard Lyall	
Ms. Monika Turner	
Ms. Amber Crawford	
Mr. Michael Jacek	
Canadians for Properly Built Homes; Federation of Rental-Housing Providers of Ontario; Ontario Professional Planners Institute.....	M-221
Ms. Karen Somerville	
Mr. Tony Irwin	
Ms. Susan Wiggins	
Mr. Paul Lowes	
Ontario Association of Architects; Ontario for All; Ontario Home Builders’ Association.....	M-230
Ms. Susan Spiegel	
Mr. Adam Tracey	
Mr. Sean Meagher	
Mr. Bob Schickedanz	
Mr. Alex Piccini	
West End Coalition for Housing Justice; Ontario Aboriginal Housing Services.....	M-239
Ms. Hannah Fleisher	
Mr. Justin Marchand	
Ms. Jaimee Gaunce	

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
THE LEGISLATIVE ASSEMBLY**

**COMITÉ PERMANENT DE
L'ASSEMBLÉE LÉGISLATIVE**

Monday 11 April 2022

Lundi 11 avril 2022

The committee met at 0800 in committee room 1.

**MORE HOMES
FOR EVERYONE ACT, 2022
LOI DE 2022 POUR PLUS
DE LOGEMENTS POUR TOUS**

Consideration of the following bill:

Bill 109, An Act to amend the various statutes with respect to housing, development and various other matters / Projet de loi 109, Loi modifiant diverses lois en ce qui concerne le logement, l'aménagement et diverses autres questions.

The Clerk of the Committee (Ms. Tanzima Khan): Good morning, honourable members. In the absence of a Chair and Vice-Chair this morning, it is my duty to call upon you to elect an Acting Chair. Are there any nominations? MPP Oosterhoff.

Mr. Sam Oosterhoff: I nominate MPP Ghamari.

The Clerk of the Committee (Ms. Tanzima Khan): MPP Ghamari, do you accept that nomination?

Ms. Goldie Ghamari: I do.

The Clerk of the Committee (Ms. Tanzima Khan): Thank you. Are there any further nominations? There being no further nominations, MPP Ghamari is duly elected as the Acting Chair.

The Acting Chair (Ms. Goldie Ghamari): Good morning, everyone. I call this meeting to order. We are meeting today for public hearings on Bill 109, An Act to amend the various statutes with respect to housing, development and various other matters.

The Clerk has distributed committee documents virtually through SharePoint. Are there any questions before we begin?

**MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING**

The Acting Chair (Ms. Goldie Ghamari): I will now call upon the Honourable Steve Clark, MPP, Minister of Municipal Affairs and Housing. Minister, you will have 20 minutes for your presentation, followed by 40 minutes of questioning divided into two rounds of 10 minutes for the official opposition members and two rounds of 10 minutes for the government members.

Please state your name for Hansard, and you may begin.

Hon. Steve Clark: Steve Clark, MPP for Leeds–Grenville–Thousand Islands and Rideau Lakes and Minister of Municipal Affairs and Housing.

Members, good morning. I am very happy to be here to provide the Standing Committee on the Legislative Assembly with very important details about our government's proposed More Homes for Everyone Act. I'm sure, as I start this presentation, many of the things that I'm saying you'll get concurrence on from all members of the Legislative Assembly.

The first thing I want to start off with is, I think we all acknowledge that Ontario has a housing supply crisis. Our government inherited this crisis after 15 years of inaction by the previous Liberal government. Our government, under the leadership of Premier Ford, is taking action to address the housing supply crisis head-on.

Demand is far outpacing the province's housing supply. Across our province, in every town, in every city, in every community—it doesn't matter where you go—one thing is the same: People are having difficulty finding housing that meets their needs and their budget. Young people are searching for their first home, where they'll have room to grow, where they'll have room to have children, where they're able to be close to where they work, close to schools and essential services. Seniors are looking to downsize. They want homes that meet their needs as they age. And they want to do this without having to move away from the neighbourhood they love. Everyone is looking for something different.

The problem is that all types of housing are slowed down by too much red tape and too many bureaucratic inefficiencies. This is driving up the price of homes and pushing home ownership out of reach for too many Ontarians.

Let me start by citing some numbers from a study conducted by the Ontario Association of Architects. Their study found that for a 100-unit condominium building in Toronto, delayed approvals cost home builders almost \$2,000 per unit per month. The Building Industry and Land Development Association also looked at the impact of delays on low-rise construction. They estimate that approval delays add an average of almost \$3,000 per month to construction costs of a single-family home in the greater Toronto area. At the end of the day, all of these costs are passed along to buyers and renters. The delays continue to drive up the price of homes.

Approval times vary from eight months to 37 months to sometimes over three years. These delays often cost new homeowners additional costs. It's shown that those costs could be well over \$110,000, changing significantly the cost for renters and for people looking to find a safe, secure place to call home.

We just don't see this kind of delay in other jurisdictions, though. A Scotiabank housing report found that Ontario is last in Canada for the supply of homes per capita. Canada comes in last in the G7 countries in a per capita rating for housing, and Ontario is last in the country. Similarly, according to the World Bank, Canada ranks 34th out of 35 OECD member countries for the length of time it takes to obtain all approvals for a building permit.

In my own riding of Leeds–Grenville–Thousand Islands and Rideau Lakes, the first file I opened up in my constituency office in March 2010 was an affordable rental building in my riding. I cut the ribbon nine years later as minister. That project didn't go to the LPAT. It had unanimous votes at the county and at the lower-tier municipality, and it still took nine years. Far too many bureaucratic inefficiencies cause these delays, and our bill, Bill 109, the More Homes for Everyone Act, tackles those kinds of delays head-on.

The plan builds upon our progress that we've seen with our More Homes, More Choice, our housing supply action plan of 2019. In 2021, two years after we introduced More Homes, More Choice, Ontario had more than 100,000 building starts, the highest level since 1987. We saw more than 13,000 rental starts, the highest level of rental starts in 30 years.

However, our government understands that much more needs to be done. That's why we conducted a three-part consultation with the public, with municipalities and the industry through the Housing Affordability Task Force. We sought feedback to help identify bottlenecks so that we could implement additional measures to address the housing supply crisis to make it easier for all hard-working Ontarians to find the housing that they need.

Today's bill that is before this committee, the More Homes for Everyone Act, is the result of those consultations. It proposes smart, targeted policies in the immediate term that would make the housing market fairer and would get all kinds of homes built faster. It would reduce delays. It would provide more housing options so that Ontario families could find something within their reach.

I have to tell you, the one thing that drives us is that our government has the backs of Ontario families. Over the long term we've committed to implement the task force's recommendations with a housing supply action plan in every year of a four-year term of government, starting in 2022-23.

So what's the first step in the consultation? It was a consultation that we're going to start, following this, on the concept of multigenerational communities, where we can bring in more gentle density in communities. The consultation will form the foundation on how we're going to deliver the Housing Affordability Task Force recommendations, but I want to stress to the members of the

committee: We need municipalities at the table. We need to engage municipalities on the design of these policies. We need to use information from our multigenerational community consultation. We have to make sure that these projects are workable on the ground, no matter which municipality they're in.

Chair, if I might, I'd like to speak about some of the measures that we've put in this bill to help get all kinds of housing built faster. I'm going to talk first about something that I know is of interest to all members of the committee: tiered parkland dedication rates. As part of our government's commitment to help more Ontarians live closer to where they work and provide more opportunities to take public transit, we're taking further steps to make it easier to build something that we call in government a transit-oriented community. We're going to propose changes to the Planning Act to make it easier to build new housing in transit-oriented communities and help get these projects to be viable over the long term.

The Planning Act gives municipalities the ability to require home builders to provide a portion of their development land, or cash in lieu of the land, to a municipality for parks and other recreational purposes. To make this rate consistent in jurisdictions where transit-oriented communities apply, our proposed changes to the Planning Act would create a tiered, alternative parkland dedication rate on how much parkland municipalities can collect only for transit-oriented community developments. So the rate allows transit-oriented communities to balance housing, transit, community infrastructure and parkland all into one site.

0810

Our model gives an opportunity to create more parkland on site to complete the community, as opposed to the easy way out of the province requiring cash in lieu of parkland space. The model is actually similar to the city of Toronto's, which has a tiered model, but we adapted it to allow for more types of parkland to suit what's best for all transit-oriented community developments, both now and in the future. It really represents a balanced, thoughtful approach to supply more housing in transit-oriented communities while also creating additional parkland.

There's another change that we're proposing to the Planning Act, and we're going to be introducing a new tool to help municipalities accelerate their own planning process and unlock and fast-track critical infrastructure projects. We call the tool the community infrastructure and housing accelerator, and that tool is going to help municipalities speed up approvals for non-profit housing, market housing, and community infrastructure such as hospitals and community centres.

To use the community infrastructure and housing accelerator, a municipality would be required to do a number of things. They'd have to pass a council resolution. They'd have to submit a formal request to the Ministry of Municipal Affairs and Housing that explains the project, what approvals are going to be sought and what consultations the municipality has undertaken. If passed, our government would prioritize using the community infrastructure

and housing accelerator over minister's zoning orders, or MZOs, for projects other than significant infrastructure projects, like the transit-oriented communities plan.

I want to emphasize to members of the committee that the community infrastructure and housing accelerator would not be able to be used in the greenbelt.

The other thing we heard as part of our three-part consultation was: We heard a lot of conversation about the local planning process, the fact that it's become politicized, even technical planning decisions. I think you've all heard the term NIMBY, "not in my backyard." I think we've got past that. I think we're now into a situation where we're hearing about BANANA, which is "build absolutely nothing anywhere near anyone." I think that just speaks to why our government brought forward some of these changes to the Planning Act. We've got to get things moving.

As a result, BILD GTA has found it takes municipalities in the greater Golden Horseshoe between 12 to 30 months to review a site plan. They also found it takes between nine and 25 months to approve a zoning bylaw amendment. These unnecessary delays—you heard some of the costs that I talked about at the start of my deputation—raise the price and the cost of homes. We need to get housing built faster, and we need to take the politics out of planning.

More Homes for Everyone will require a council to delegate site plan decisions to municipal staff who are often professional planners. Site plan control, as all of you know, is a planning tool municipalities use to manage development of a given parcel of land. This delegation of decision-making is already done, by convention, in many municipalities. This would make it a formal requirement for all municipalities.

We've also set realistic timelines for municipalities to complete site plan control of a proposed development. Our bill would actually extend the timeline for municipalities to review site plan applications, before appeals can be launched, from 30 to 60 days. Once municipalities have had the time to implement these measures regarding site plan zoning, subdivisions, we're going to propose one additional accountability check, and this would be in the form of a phased and gradual refund of application fees for site plan and zoning amendments if a decision was not made in a specific time.

This phased, gradual refund would come into effect January 1, 2023. By the very same day, January 1, 2023, our government commits to providing feedback on housing applications within 45 days. We know we can all do better, and we know that we can get there if we work together.

Another issue that's come up many times as part of our consultation is the use of government land. I think we can all acknowledge that Ontario has significant underused provincial land. To help create more supportive housing, we're developing a process to help housing providers, including non-profit organizations, so that they can take advantage of underutilized or surplus government properties. An example: I announced last week that we're

making four acres of surplus provincial land at the corner of Dufferin and Centre Streets in Vaughan available to a non-profit housing provider. I truly believe that by making better use of these provincially owned lands for non-profit housing, we're able to build homes for all locations, like the example in Vaughan last week. They're ideal for families. This is a beautiful parcel. It's close to community services, close to amenities, close to public transit. It's the perfect spot for a non-profit development.

We talked about official plans just before my deputation. They're a critical tool to address the housing crisis. They set out the long-term plan for how a municipality will create the amount of homes, jobs and community infrastructure it needs over a long period. We've got a serious housing crisis, but official plans that I've seen, ones like in Hamilton and Ottawa, don't maximize housing outcomes for Ontarians. Instead, they prioritize this anti-growth and anti-housing ideology. These plans are just too important; we have to get them right. That's why we're proposing changes that would provide some new discretionary authority to the Minister of Municipal Affairs and Housing to pause the 120-day time period for a decision on official plans. It's going to give more time to assess official plans to ensure the planning for growth we all know is happening, and it also leverages the Minister of Finance's annual population data that we report to municipalities. So it's very, very important that official plans be right.

I need to talk, in the few minutes I've got left, about the support we've received for More Homes for Everyone.

The Co-operative Housing Federation of Canada called our plan a positive and important step towards creating a fair and sustainable future for 650 co-operative and non-profit communities in Ontario. As I noted, this is part of a long-term plan to tackle the housing crisis in Ontario.

AMO has expressed their commitment to join us in this goal, stating that AMO and municipal governments look forward to being actively involved in the dynamic, long-term work needed on all aspects of the housing challenges that are before us.

The West End Home Builders' Association have said that they are supportive of a wide range of policies proposed in the More Homes for Everyone plan, and they encouraged all political parties to support quick passage of the legislation prior to the writ being dropped for the provincial election. They said that we need action now, and I couldn't agree more.

In conclusion, More Homes for Everyone is our government's next step to increasing housing supply in the province. For too long, the former Liberal government sat by while housing prices spiralled out of reach for Ontarians. Unlike the Liberals, we're committed to tackling this issue. Addressing the housing supply crisis is a long-term strategy, and it requires long-term commitment and very, very close coordination among all levels of government. Our government is working with our partners, including our municipal partners. We want to take ambitious, forward-thinking action, like the Housing Affordability Task Force recommendations, to help Ontarians and their families find the home that's right for them.

I know that I didn't mention the federal budget last week, but I am very encouraged by the amount of dollars that the federal government is committing to housing. I'm also pleased that their government is speaking the same language as ours. We're talking about trying to provide funds and assistance to municipalities to streamline approvals. I think there's a lot of synergies between all three levels of government.

Chair, I want to thank you for giving me this opportunity to open up the first 20 minutes. I'd be pleased to answer questions from the government members and the opposition members.

The Acting Chair (Ms. Goldie Ghamari): Thank you, Minister.

This round of questions will begin with the official opposition, for 10 minutes. MPP Burch, you may begin.

Mr. Jeff Burch: Thank you, Minister, for your presentation.

I want to start out with more of a general question that goes to context. Most of the government's emphasis has been on supply, and that's the premise of both bills, 108 and 109.

0820

We know that one out of every four homebuyers are actually investors. They're not people looking for a home; they're looking to invest. That's quite a substantial increase. I'm wondering if you could comment: Is it effective for the government to base all of its legislation on supply without looking at demand? Because we have to ask what demand is being met in the market.

Is this philosophy of just increasing supply, and letting the market take care of everything else, not playing into the demand of speculators when there is a huge demand for affordable housing out there? I'm not seeing any attention paid—maybe it's not fair to say "any," but there's not enough attention paid to the demand for affordable housing. You just take the fetters off and you cut, as you call it, red tape and let the economy increase supply. Are we not ignoring the demand for affordable homes, which is what, as a government, we should really be paying attention to?

Hon. Steve Clark: I believe that the finance minister, when he talked earlier on about a non-resident speculation tax—certainly we didn't know what was in the federal budget, obviously, and the federal government took action regarding foreign buyers, which I think speaks to the demand side. I know that Minister Bethlenfalvy has had a number of conversations with Minister Freeland, so I think there will be continued conversation around that non-resident piece. I do think that was a good move for both our government, to announce it in advance, and also the federal government.

But I do believe that we've made a significant commitment on the affordable housing side. We inherited an Auditor General's report in 2017 that was pretty scathing of the previous government and how they dealt with community housing. We've stepped up, and, just last week, we were pleased that the federal government supported our call for more social services relief funding.

I know the municipalities I've spoken to since we made that announcement last Wednesday have been very, very pleased with the level of commitment. We've provided almost \$1.2 billion since March 2020. I think you can look in every corner of the province, and there's affordable housing being built by municipalities because of that commitment. And again, we've seen last week with the federal budget an opportunity for us to even further leverage those shovel-ready plans in communities across the province.

The regulations that we've tabled for our community housing system, in conjunction with More Homes for Everyone, is just that. It provides that certainty, whether it's the 650 co-op developments that the federation talked about or even the not-for-profit association, ONPHA. We're providing that stability by providing those regulations and ensuring that some of the most vulnerable Ontarians who live in community housing have some certainty, so that we're not going to be moving people out of the system.

So I think there is a balance. I don't think it's all market housing. Obviously our focus in this bill—part of it—is speeding up the development approvals. I think you've heard that from me in the House many times. You heard it last week from the federal government as well. They've concurred.

And we've seen municipalities respond. I'll give you an example in St. Catharines, in your own backyard. I think they've taken the \$45-million streamlining development approval fund and I'm told they're hiring eight staff in their planning and building department to try to deal with those applications. That's exactly what our fund is structured to do: to be able to support municipalities to bolster their staff so that they can get those permits out the door. I hope that the federal program that was announced last week fits in and connects well with what we're trying to accomplish, as well.

So I don't think every measure is solely dealt with on market housing. I think we've shown that there's been a balance, that you can have those smart, targeted policies, but we can also provide a number of regulations that, I think, help the system.

Just like people realize that in a Premier Ford government you're going to have a spring and fall red tape bill, I think what we want to get to is that we'll have a housing bill every year. We'll have a suite of regulatory and legislative changes that assist, because, I've said many times, it's not one and done. By tabling More Homes for Everyone, I acknowledge that there's much more that we're going to need to do. That Housing Affordability Task Force, in my opinion, will be the long-term road map for our government in the future.

Mr. Jeff Burch: You mentioned St. Catharines, and that's a good segue into another question about the Ontario Land Tribunal. In St. Catharines, the mayor was recently on the radio saying that they can't get a response from the ministry on this, so maybe this is something you could look into. They had a developer take them to the OLT for an issue. It was tied to a series of other developments across the city of St. Catharines, and it's tied up all of those

developments at the Ontario Land Tribunal. They have gotten so desperate, they have requested an MZO. They're upset about the fact that all of these developments have been held up for weeks and weeks and they're not getting any response from the ministry.

Why was there nothing in this bill to address the huge problem that is the Ontario Land Tribunal? There are municipalities all across Ontario—I think we're up to 50 or 60—that have passed motions: variations on a motion to completely get rid of the Ontario Land Tribunal, others to replace or reform it. And yet there's no action on that in this bill. Why would you not take action on that item?

Hon. Steve Clark: Well, first of all, we're not going to get rid of the Ontario Land Tribunal. We created the land tribunal in—

Mr. Jeff Burch: I think in desperation on the—

Hon. Steve Clark: Yes, perhaps it is. But I've spoken to Minister Downey about this many times, and he's put resources into the OLT. I think we've hired 12 new adjudicators: eight full-time and four part-time. The numbers that I've seen have shown that there's been a significant increase in efficiency. I think that they've turned around decisions about 60% faster since Minister Downey bolstered the OLT.

As part of this bill, and maybe it speaks to your point—if there's a criticism, maybe we just haven't promoted it well enough. But Minister Downey has made our plans very directly, that we're going to, over a three-year period, bolster the OLT even more with about a \$19-million commitment from the government, so I'm very optimistic. I want to say to those mayors: I understand some of their frustration, but abolishing the OLT is not going to solve that problem. I think we need to make those investments that Minister Downey has made in the past and has committed to make over the next three years.

And again, I said it right at the very end of my deputation this morning: This is a problem in our country, in our province and across our entire country that has to be solved collaboratively. We have to work with municipalities. We have to be able to put financial resources for them, to help them, but we also have to make sure that all three levels of government are working together.

So on the OLT piece, I'm confident Minister Downey has the right plan to move forward on a collaboration, to get the resources and make quick decisions.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Jeff Burch: You mentioned the task force, and AMO has expressed their disappointment that municipalities were not included on the task force. You had representatives from financial institutions and other friends of the government, but not municipalities, who are the main partner. They have been quite critical about that. Can you comment on why municipalities were not included?

Hon. Steve Clark: We had three streams of consultation. We had the task force, we had a municipal stream, and we had a public and stakeholder stream. As you remember, we had a meeting with the Premier in January with the big city mayors and the regional chairs, plus we

followed it up a week later with a meeting at ROMA with all of the stakeholders—northern and rural stakeholders. Of the three streams, one was an entire municipal stream of consultation and we heard a lot from municipalities—

The Acting Chair (Ms. Goldie Ghamari): Thank you. That's all the time for this round.

Hon. Steve Clark: You can pick me up in the next round.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to MPP Skelly for 10 minutes.

Ms. Donna Skelly: Good morning, Minister. It's lovely to see you this morning.

Hon. Steve Clark: Good morning. It's lovely to see you too.

Ms. Donna Skelly: You mentioned the acronym "NIMBY" and then, of course, "BANANA." I think that that is reflective of some of the concerns I'm hearing that are being raised right across Ontario, particularly in my municipality, where there is a reluctance for change.

0830

As we all know, the housing crisis is the greatest challenge that our government and other governments will be facing in our political lifetime. But I am so proud of the work that our government is doing to address it.

One of the concerns is the balance: the balance between building homes, intensification in historic neighbourhoods that have not seen these mid- and high-rise buildings, and addressing and protecting our green space. Yet building all types of homes, whether they are single detached—and I see more frequently townhomes, two- and three-storey homes etc.

Can you share how this particular piece of legislation—and all of the efforts that you, as Minister of Municipal Affairs and Housing, are doing to build homes and yet protect the environment?

Hon. Steve Clark: That's a great question, MPP Skelly, and I want to thank you for all the great work you're doing in Hamilton and in your riding.

We have a big challenge, right? We have a challenge in some councils that don't want to expand their urban boundary but also don't want to intensify within the urban core, that go against their professional planner's advice on policy moving forward. We also heard a very strong voice from municipalities, that they just weren't ready for the Housing Affordability Task Force recommendations.

Having the opportunity to have another consultation specifically about that multi-generational community concept, where you would use gentle density in a neighbourhood to create that multi-generational housing opportunity, I think is going to be very important. We need to have municipalities on board with us. We need to make sure that they're willing to implement it.

We've seen it before with our housing supply action plan, More Homes, More Choice. We passed it in 2019; we're now in 2022. Many municipalities either haven't implemented those recommendations or are just starting to, so we know that there's a bit of a lag. We've provided that financial incentive, and I'm glad that your home city has indicated that they want to take advantage of it.

But, for example, the story I read this morning, where the mayor is worried about delays, that's exactly why we've created this fund, so that they—the example I used was St. Catharines—can hire more planners, hire more plan analysis people, hire more building inspection so that they can, in advance, work on their own plan so that we can get shovels in the ground faster.

The GTA statistics that I quoted, they're real statistics. Those months and those years of delay are adding a huge amount of cost to that end user. It's making those homes less affordable for that young family or that senior who wants to downsize.

By taking the politics out of the system and providing those gradual refund measures, I'm hoping that it will spur municipalities to stop thinking about the BANANAs and the NIMBYs and start moving on a plan forward to actually get shovels in the ground faster. It's going to take a while, but we're committed to immediately starting that next round of consultation. I think it addresses many of the concerns that we're hearing in GTA communities like Hamilton.

Ms. Donna Skelly: Can you speak a little bit more about the protection? You're still protecting the greenbelt.

Hon. Steve Clark: Yes. The community infrastructure and housing accelerator is, again, a tool that we're going to allow municipalities to use—not in the greenbelt, so it has to be outside of the greenbelt. But it provides a bit more structure. You go back to some of the things the Auditor General has said in the past. The community infrastructure and housing accelerator will provide that structure, post the notice for the public, ensure that there has to be public consultation and Indigenous consultation as well. So it does provide a more structured use.

We'll still use minister's zoning orders for those big priority infrastructure projects and things like transit-oriented communities, but it actually takes—that tool, coupled with some of the gradual refund measures, I think will provide a bit more structure. But anyone who says that these policies are hurting green space are absolutely wrong. “Not in the greenbelt” is sort of our mantra in terms of the community infrastructure and housing accelerator. It can't be used there.

Ms. Donna Skelly: You mentioned taking the politics out of these decisions and that the policies you have put in place lean more toward the recommendations by staff. Can you expand on that?

Hon. Steve Clark: Yes. I think we've seen over and over again some challenges across the province. It speaks to making sure that we give municipalities the tools to get the job done. I firmly believe that the monies that we're providing—the Streamline Development Approval Fund, while it might be \$45 million, builds upon the success of programs like the Audit and Accountability Fund for those large urban municipalities. It builds upon the Municipal Modernization Program, which we've used in small, rural and northern communities. All those dollars—we're putting our skin in the game. We're actually using a lot of dollars from the government to incent municipalities to try to provide that streamlined opportunity.

What we've put in More Homes for Everyone just builds upon that. It just builds upon that and, as well, the announcement in the federal budget about their monies to help municipalities streamline. We're hoping that we're able to connect our programs with their program and just really build upon that opportunity to get more professional planning staff and more people in the building department so that we can compress the timelines, get shovels in the ground and get more affordable homes built faster.

Again, it speaks to that long-term collaboration and co-operation, but these are tried-and-true programs that we've had for a number of years that municipalities have used. And there are so many success stories. I'm looking at MPP Oosterhoff; he's got so many success stories using that Municipal Modernization Program in his riding. We just need to make sure that other municipalities use this new Streamline Development Approval Fund for those types of projects. I'm excited about it.

Ms. Donna Skelly: Chair, how much time do we have left?

The Acting Chair (Ms. Goldie Ghamari): Two minutes and 45 seconds.

Ms. Donna Skelly: I'm going to ask you two questions. I'd like to begin with, can you clarify—even though it's not really highlighted in this particular piece of legislation—your use of MZO's and when they are used? I know that I was very proud when the city of Hamilton reached out and asked for an MZO to build affordable housing in the downtown core.

If you could explain that and then, before I hand it over, if there is any time left, I hear from so many people—so many young people and seniors—who want to buy a home: the seniors who are downsizing and are looking for something that fits their needs, perhaps a one-level bungalow, and young families who simply want to realize the dream of home ownership that I realized and that you realized, and that is just so out of reach. Could you address the MZO issue and then perhaps leave me with some message about how what we're doing will give these young people an opportunity to realize that dream?

Hon. Steve Clark: Yes, sure. They're both good questions. Our government believes that using a ministerial zoning order or, now, a community infrastructure and housing accelerator—it's a great tool for municipalities to use, outside the greenbelt, to really fast-track priority projects. We've been able to create 68,000 jobs and over 58,000 housing units, and thousands of long-term-care homes were accelerated because of the use of MZO's. We believe it's a very important tool. It's been around in the Planning Act since, I think, 1946, so it's nothing new. We've embraced the use of it as an opportunity, and it really speaks to why things take so long. That's why, in many cases, municipalities want to use it, so that they can cut that timeline down.

Speaking of the timeline, that's really one of the things that concerns me most.

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Hon. Steve Clark: We need to ensure that we've got a system where all three levels of government are working

together so that we can provide hope for that young family that right now, given the market, doesn't realize the dream of home ownership—they can't see it as a viable opportunity for them—or for that senior who, as they age and their life changes, is now looking to downsize, and they don't see that they're going to get the return on that big investment that they made, the biggest investment in their lives. We've got to make sure that the three levels of government understand that, in this case with More Homes for Everyone, that time it takes to get shovels in the ground and build that new home—we've got to do a better job.

We all have to do a better job. It's not just one level; it's all three levels of government that have to work together to ensure that there's a home that fits people's needs and their budget. Building upon our past success and all the great success we've had with having housing starts—this just builds on it.

0840

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes this round of questions.

We'll now turn to the official opposition. MPP Hassan, you may begin. You have 10 minutes.

Mr. Faisal Hassan: Good morning, Mr. Clark.

Hon. Steve Clark: Good morning.

Mr. Faisal Hassan: Thank you for your comments. You talked about a lot of issues this morning, about affordability in housing and the history of housing, and you're right. It hasn't begun with your government. The crisis began with Mike Harris and also downloading from the federal government, a trickle-down into responsibilities from there into provincial governments, and then—you're right—the last 15 years also continued it, but also the last four years as well.

We only see now at the end of your term, about two weeks of going into an election, this Bill 109. We also know that there are many ideas that we have proposed with regard to housing and how to tackle the issue of affordability. You talked about affordability of young people who are not able to afford homes they can live in. I see that this Bill 109 doesn't address that, doesn't give them options. I know that you also proposed tackling the speculators, taxing them, and flippers. My colleague from Niagara West also talked about the issue of demand rather than only tackling supply.

One case that is very important for young people to own, or to give them, first homebuyers, is an idea we proposed: giving them 10% down equity loans, which I don't see this includes. How are you intending to support people who are shut out of the market and give them that opportunity to actually get into the market?

Hon. Steve Clark: More Homes for Everyone does provide a suite of both legislative and regulatory matters. I disagree with your assertion that all of the efforts were limited to the back end of a four-year term. The fall economic statement in 2018 was clear. We made a commitment to preserve rent control for existing tenants; we delivered on that. We put in some measures that we felt would create more purpose-built rental, and your party opposed that.

At the end of the day, the statistics I quoted show that we had 13,000 new rental starts last year, the highest in 30 years. There were many other reports that talked CMHC numbers, Royal Bank, Urbanation—a number of acknowledgments that we've seen now, in the last two years, purpose-built rental like we haven't seen in three decades.

That was the very first fall economic statement for our government. We followed it up the next year with More Homes, More Choice, our housing supply action plan. And what did we see from that two years later? One hundred thousand starts.

The demand side, as I said to MPP Burch—the finance minister talked about our plan in terms of the non-resident speculation tax. I think that was a very good measure. Obviously we didn't know what the federal government was planning in the budget: to stop foreign buyers for two years.

We're going to continue to work with the federal government. There's a number of things they pledged in their last election that they've indicated they're going to implement on the demand side. We're certainly going to continue to work with them. I still am going to call. I'm going to take the opportunity to remind members that I still believe, based on our core housing need, that we're being shortchanged almost half a billion dollars from the federal government. A number of mayors—you'll hear some today; I think one right after me—have supported our call. I think there's a lot of things we can do across government to ensure that everyone has a safe place to call home. It's something that we've worked on literally the first day we took office.

Mr. Faisal Hassan: Thank you, Mr. Clark. I know you talked about affordability issues. Actually, we opposed lifting the rent control on new buildings, and that's also what your government has done which affected my own community. I've seen that people can't afford a place to rent.

I've seen that the government talks about affordable housing. What does that mean? Does it mean that renters are able to think about 30% of their income? What does it really mean? Can you talk shortly to that answer? What do you mean when you talk about affordable housing? Do you mean that people are able to afford, on their income—they will be able to devote 30% income? Or does it mean about 20% of their income?

Hon. Steve Clark: First of all, I want to go back to your first comment. You opposed our measures on rent control because you said we wouldn't see an increased level of construction. Yet we have seen an increased level of construction—

Interjections.

The Acting Chair (Ms. Goldie Ghamari): Excuse me, committee members. I'd like to remind you all that, for the purposes of Hansard, it's only one person to speak at a time. I would ask that members recall that and respect that.

I'd like to ask the minister to continue what he was saying. Thank you.

Hon. Steve Clark: Sure. I'll move off rent control to the difference between housing affordability—which was

what our task force looked at on the market side—versus affordable housing. Again, I want to go back to taking over as a government in 2018. There was an Auditor General’s report that was scathing on the previous government, on how they handled our community housing system.

Not only have we implemented the recommendations of the Auditor General—and, as part of More Homes for Everyone, we’ve posted regulations regarding our Community Housing Renewal Strategy—but, in addition, we also, on the homelessness piece, inherited a system that was extremely patchwork. Every service manager used a different metric when looking at the homelessness problem in their communities.

So what did we do? We engaged an expert, the Canadian Alliance to End Homelessness, and we implemented a by-name list. In 2022, every service manager is using the same system, so no more patchwork, clear direction to our service managers on how to deal with our most vulnerable—

Mr. Faisal Hassan: Thank you, Minister.

Hon. Steve Clark: Well, I want to finish, because you talked about what it means. It means that every service manager can choose rules that mean something to them. It’s not one-size-fits-all. It allows flexibility so that a service manager who’s on the ground, who knows their community best, can implement those recommendations. I want to make sure that I got that on the record, Chair.

Mr. Faisal Hassan: I know that the affordability issue, as you mentioned, is a crisis—not only in Toronto, but in the province. We know that, also, when I talk about affordable homes to live in, people cannot afford them because wages are down. There is a serious crisis. And you’re right; this crisis doesn’t begin with your government. It has continued. And now you have had an opportunity, for four years, to do something about it.

We know that, also, the affordable housing and affordable applications for subsidized—here in Toronto, we have Access to Housing. That, also, is hundreds of thousands of people waiting for affordable housing. That’s also the case in many parts of this great province of ours. People are simply waiting—sometimes 10 years, 15 years—and I don’t see this bill addressing that.

The other thing, also, that’s very important: We’ve seen renters, people who are decent and hard-working, who are also subject to above-guideline rent increases. That means that every year we know the annual increase—this year it was 1.2%—but again, it’s also the responsibility for the landlord to actually do the repairs and maintenance. Your government, what is it going to do about this crisis that is making tenants not continue to afford a community in which they’ve lived, with regard to the waiting list for affordable housing and also with regard to real rent control and above-guideline increases? Are you planning to ban it and eliminate it?

Hon. Steve Clark: I think I addressed that at the start. We made good to our commitment in the 2018 election. In the fall economic statement, we protected existing tenants, as we promised to do.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Hon. Steve Clark: You’re right; this year the increase is a maximum of 1.2%. Last year we were one of the only jurisdictions in Canada to provide a 0% increase. We’ve also provided municipalities almost \$1.2 billion over the last two years, and if you look at the entire portion of dollars for municipalities, it’s over \$3 billion. Many of them have used them to bolster their rent banks and their utility bank programs. Many of our municipal partners have realized, given their local circumstances, that they needed to provide that opportunity. So I think being flexible as a government and understanding that one size doesn’t fit all—the 47 service managers are very different, as you travel across the province. So you need to make sure that the policies you put forward provide that flexibility.

0850

Mr. Faisal Hassan: Well, thank you—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes all the time that we have.

We’ll now turn to the government members: MPP Sabawy, for 10 minutes. You may begin.

Mr. Sheref Sabawy: I would like to thank the minister for the wealth of information during your speech about what the issues this bill is trying to tackle are and what approaches the ministry is taking to solve some of the issues.

One of the biggest complaints we hear all the time about the rising pricing of the housing is the developers who actually live with the cycles. They don’t know how long it’s going to be and they have to put a buffer of margin to cover up for the increase in pricing. If the project runs for three years, the pricing for even building the house has gone up and they start kind of losing, so they add margins. How will this bill help the pricing of houses and make it a little bit more under control?

Hon. Steve Clark: There are really two things I want to cover, MPP Sabawy. I want to cover some of the measures Minister Romano put in to protect condo buyers, for example. The Premier was pretty upset last fall when he found that there was a developer who, all of a sudden, cancelled deposits that had been sitting with the developer for several years.

This bill covers some protections for that. I want to thank Minister Romano for being responsive to the situation and identifying where we can tighten it up so that people have that certainty that, once they make this tremendous investment, there is someone who has their back in case you’ve got someone who’s unscrupulous and decides that they want to try to make a quick buck. So I appreciate the work that the Premier has done and Minister Romano have done on that.

I also think that the certainty that people who want to build homes—and unlike the opposition, anyone who wants to create an opportunity where someone can actually realize their dream of home ownership, I think we need to be mindful of that and have them as part of our collaborative conversation with all three levels of government. But to have that phased and gradual refund of

application funds really codifies in legislation the fact that we have to have a transparent set of metrics forward.

That's one of the things, MPP Sabawy, we heard as part of our discussion with big city mayors and regional chairs, is this data standard. Minister Rasheed and I are really working diligently to try to ensure that that data standard is brought forward for municipalities, that no matter where you go in the province, there's the same set of rules.

You've talked to me about some of the people in your riding who are frustrated, where they go to municipality A and the rules are laid out one way, and in municipality B, it might not be as clear. This will provide that clarity in terms of refunding fees on a gradual and over time basis. But the data standard will provide that common set of metrics.

And again, we've put our money where our mouth is. We've created this Streamline Development Approval Fund. Municipalities can use that. If they're small, they can use the Municipal Modernization Fund. As well, the Audit and Accountability Fund will provide that choice. So we're providing, over time, hundreds of millions of dollars in those three programs to allow municipalities to hire more building inspectors, to hire more plan analyzers and more planners. I think that just speaks to the opportunity that we've got to take some of those fees.

And remember, nine to 25 months for a zoning bylaw amendment is way too long. The site plan numbers—again, way too long. Those delays are driving up the costs to everyday Ontarians, so we've got to take something. I think putting in that phased, gradual refund process, but at the same time committing as a government that we have to have some skin in the game for us to be able to provide comment within 45 days starting January 1, 2023, that's a huge commitment by the government to deliver.

Mr. Sheref Sabawy: Thank you very much, Minister, for the answer. My next question would be around the standardization of this data or guidelines for site managers or planning managers.

Some of the complaints we get from developers when we ask them why they don't accelerate or open more developments in other cities—they say that every city has their own way of planning. After a few years, when they develop an exact understanding of that specific city, they are reluctant to leave that spot and go to another city and start the process from scratch.

How will this standardization open the development market for developers to move around and put more investments in different cities to get housing accelerated?

Hon. Steve Clark: One of the things that we've done as part of the More Homes for Everyone Act is we've engaged the government's lien office. I know you know as well as I do that our Premier is a big advocate of Lean Six Sigma processes. Early on, our government engaged the lien office, and really, they looked, with the co-operation of municipalities, including your home city of Mississauga, at the whole process, went through and did an analysis and really looked at the pinch points, at where things got bogged down.

I really believe that this new data standard—and the Premier, he's great at articulating how it should work. He

used a great analogy with the big city mayors of that Purolator package or that Amazon package, where you should be able to track that package as it goes out of the warehouse and gets delivered to your home. He'd love to see the data standard set up so that you can track your building permit or your site plan approval throughout the process, so you know exactly whose desk it's on so that you know what's happening through the process.

Again, I think the phased gradual refund would build upon that, but I also believe we have to have skin in the game. Providing that feedback from all the government ministries within that 45-day period—I think it's a game-changer because it shows that we're not just asking municipalities to make changes; we're also trying to change our own processes. But between Minister Rasheed and I, you have to have a system that people are aware of, that provides some certainty. You have to make sure that the politics are taken out of the system. The end goal is to hit those metrics, and if you don't, there are accountability and transparency measures that we've built in.

I do think there are a lot of great aspects of the More Homes for Everyone Act. It builds upon the success of More Homes, More Choice and sets the government up in future to look Ontarians in the eye and say, "You can expect legislative, regulatory changes, changes to our community housing system, to the whole spectrum of housing." We need to concentrate on some improvements each and every year.

I've said this many times—I said it again during my presentation: There's no one silver bullet that's going to solve the housing crisis. All three levels of government have to commit to it. All three levels of government have to make changes. We have to recognize that none of us are perfect. At the same time, we have to put some money on the table for municipalities, no matter what size or where they are, so that we can make those changes.

I'm so excited about this next chapter of our plan. The More Homes for Everyone Act builds upon everything we've done since the first day we were elected. But now, I think we're going to see even more improvements to the system.

I'm also excited—as I said, municipalities are excited about this. I think they're going to be able to implement it. The federal government: a significant investment last week with the budget. Nowhere in my life have I ever seen all three levels of government talk about housing to the degree that they're doing right now.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Hon. Steve Clark: This provides us with a great choice to show leadership to Ontarians so that they can see that three levels of government—no matter what political stripe, no matter what priorities, we're all working together. We've all had a time to implement measures, and things are going to change.

I appreciate the opportunity to be with you this morning.

0900

Mr. Sheref Sabawy: Thank you very much, Minister. That's great information for all the audience to hear. And I hear you talking about the three levels of government and how it's important that the three levels work together. How do you see this bill fitting our needs as a provincial government in helping to accelerate the housing model?

Hon. Steve Clark: I think it's engaging municipalities on our additional consultation pieces, like the working group we're instituting. Also, I spoke earlier of the multi-generational community consultation. We need municipalities on board for that. I think the time we're taking to do further consultation will help with that implementation of the Housing Affordability Task Force in the future. It's a long-term strategy. We need to work together.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much, Minister, and thank you, members. Time is now up. I'd like to thank the minister for his presentation this morning. You are complete.

ONTARIO'S BIG CITY MAYORS

MS. IRENE FORD

CANADIAN MENTAL HEALTH ASSOCIATION – ONTARIO DIVISION

The Acting Chair (Ms. Goldie Ghamari): Our following presenters have been grouped in threes for each one-hour time slot. Each presenter will have eight minutes for their presentation. After we have heard from all three presenters, we will have 36 minutes of questioning, divided into two rounds of nine minutes for government members and two rounds of nine minutes for the official opposition members.

I'd now like to call upon Ontario's Big City Mayors. Please state your name for the record, and then you may begin. You will have eight minutes.

Mr. Cam Guthrie: Good morning, everyone. My name is Cam Guthrie. I'm the mayor for the city of Guelph. I'm also the chair of the Ontario's Big City Mayors caucus, and that's the hat I am wearing today for committee and for everybody listening. I really do appreciate the opportunity to be here. You're also going to be hearing from AMO later today. We work closely with them. My goal is just to bring the voice of cities to the table for your consideration.

The housing affordability issue is particularly acute in cities. There is an urgency among the members of the Ontario's Big City Mayors to really take action. It's one of the top issues we hear about from residents on a daily basis, but it's not something that we can solve alone at the municipal level. I was glad to hear the minister say that it is going to take all of us together to do that.

I want to start by thanking the government for introducing legislation. We wouldn't even be here today talking about this issue if the government had not put forward legislation, and so on that we thank you. We have been talking about affordability for years, and the

legislation does represent some important first steps to addressing it.

I also want to thank the government for listening to municipalities throughout the process so far. The big city mayors have felt that many of their concerns and their ideas were actually heard and that they are reflected within the legislation. It's absolutely imperative, though, that municipalities continue to be at the table and continue to be heard as this process continues.

Now, I understand that the Housing Affordability Task Force is the blueprint for increasing housing supply over the next four years, and I also understand that the supply action plan will be the tool of implementation. Ontario's Big City Mayors are pleased to see the proposed creation of the Housing Supply Working Group that will be able to inform those plans. Mayors are looking forward to seeing more information about the working group and what the municipal role will be in it. At this point, we do not have enough details. There are references within it to engage municipalities, but the specifics on how we will participate is not yet spelled out.

Cities are looking for assurances that we will have an active role in shaping the action plans. We want to be at the table as the level of government that is closest to the planning decisions that shape our cities, so my first request is to have more information on the municipal participation within the working group.

Ontario's Big City Mayors caucus developed seven principles for improving housing affordability and housing supply, and here they are:

- (1) Ensure every level of government is part of the solution.
- (2) Improve the way we collect and analyze data.
- (3) Reduce the time for approvals by applying digital tools and streamlining processes.
- (4) Invest in training to ensure that we have the skilled trades needed to build these homes.
- (5) Develop a suite of tools to address housing costs and the supply shortages.
- (6) Ensure local flexibility in building the right mix of housing.
- (7) And finally, a big one is, overcome the NIMBY opposition.

We're pleased to see that the government has addressed many of these through Bill 109, but we do have a number of concerns that we hope the government will also consider, moving forward. The first is around planning delays and timelines. Our first concern is around the proposal to penalize municipalities that fail to meet the timeline requirements for site plan control applications, zoning bylaw amendment applications and official plan amendment applications. I understand the principle behind a tool or incentive to improve timelines, but this particular tool could have significant financial consequences for cities.

Application fees are normally a cost-recovery mechanism for municipalities. If we have to refund these fees, these costs will then be borne by the local taxpayers directly. The proposed January 1 start date for imposing these penalties doesn't give municipalities enough time to

streamline or improve those processes. For example, locally, in Guelph, we receive the Streamline Development Approval funding, and the deadline for us to complete all that work is February 2023. Essentially, we will start facing penalties before we've had a chance to complete the work of improving our processes. The January 1 start date does not give municipalities enough time to hire more people to increase capacity. It doesn't give us time to access any federal dollars that were just announced in the budget. The penalties also imply that any delays are solely under the control of the municipality. What if we are waiting for provincial approval on an aspect of an application before we can proceed? What if we have an incomplete application from a developer? Will the municipality still be on the hook for the penalty even though those are factors that were completely out of our control?

The province has encouraged municipalities to look in our own backyards for solutions to planning delays, and we are absolutely committed to doing that, but we're also encouraging the province to continue to do the same. There's no doubt that we all want to improve planning timelines, but I question whether penalties will be an effective incentive to do it. They may simply shift another burden onto local taxpayers, the very taxpayers who are already struggling with this unaffordable housing market.

At the very least, I do want to encourage the government to give more time before imposing the penalties on municipalities—just to get our chance to get things in order, because we understand that those lasting, long-term changes are needed.

Ontario's Big City Mayors was pleased about the announcement of the Community Infrastructure and Housing Accelerator, which will help us move forward priority projects that are time-sensitive, such as long-term-care facilities and more affordable housing. However, there are a few concerns from some of our members. We understand that the minister could forward official plans and amendments, including applications to the accelerator, to the Ontario Land Tribunal. We are concerned that this could further clog an already overburdened OLT. While the province is proposing some investment in OLT, we do not believe it will be enough to account for the expanded mandate and the potential volume it could create for that tribunal.

OBCM is also concerned that the matter of de novo hearings at the OLT is not addressed in Bill 109. We believe that the ability to introduce entirely new information at the OLT undermines good planning and puts communities at a disadvantage. I really ask you to reconsider involving the matter of those de novo hearings and to increase the support that will be provided to OLT.

The Acting Chair (Ms. Goldie Ghamari): Forty seconds left.

Mr. Cam Guthrie: I mentioned earlier that it's vital for all governments to work together. Immigration is a perfect example of how orders of government could work together to address the housing crisis. The federal government sets immigration targets. The provincial government has

programs for successful settlement. And municipalities then have the task to ensure there's enough housing to accommodate them all. Cities absolutely welcome and value them. However, key information is not being shared, and that gets back to the sharing of data as we move forward. Student housing is another opportunity where I think we can work together.

With that, I want to thank the committee so much for the opportunity to speak to you today.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much.

We'll now turn to our next presenter: Irene Ford. Please state your name for the record, and then you may begin. You will have eight minutes.

Ms. Irene Ford: Hello? Irene Ford.

0910

The Acting Chair (Ms. Goldie Ghamari): Thank you. Welcome. You may begin.

Ms. Irene Ford: Good morning. Thank you for the opportunity to allow me to speak today and share my concerns on Bill 109, the More Homes for Everyone Act.

I'm before you today as a concerned citizen. I live in York region, in the city of Vaughan. I have become acutely aware of Vaughan planning issues as a result of minister's zoning orders, MZOs, the proposed Highway 413 and the Bradford Bypass. I have become a strong "stop sprawl" advocate in response to York region's current draft official plan, which, if approved, will consume almost all of York region's remaining whitebelt lands, around 3,000 hectares, or 7,500 acres.

I am yet to understand what the red tape is or what the obstacles are that require the Minister of Municipal Affairs and Housing to have such extensive powers to approve unappealable, usually private development requests, MZOs, in the absence of any established process or evaluation criteria—a process that boycotts public and regional government consultation and, in York region, has approved significant developments ahead of transportation and/or water and waste infrastructure.

While I do not disagree that more housing supply is needed, what I struggle with is where and what type of housing is needed. The simplistic means by which this bill purports to solve complex and systematic issues is a disservice to professionals, the public and residents dealing with these issues each day.

I do not pretend to know all the answers, but I know without a shadow of a doubt that water and waste water servicing is one of the key barriers to growth in York region. The province allotted the largest share of growth to the region and then delayed making any decisions on the Upper York sewage system. York region has spent \$100 million on an environmental assessment and then waited for an approval for six years. The government of the day is not solely responsible, but they have compounded the issue.

We have other developments that have been sitting for years, even decades, with development approvals and waste water allocations, and shovels have not hit the ground. There is nothing governments can do to compel

them to start, and that finite water and waste water capacity remains allocated but unused.

The prioritization of water and waste water infrastructure remains a mystery to me. I am honestly not sure if York region, especially Vaughan, is following a plan or responding to developers who are able to advance development fees and upfront development costs.

It seems incredibly hypocritical to me that the Minister of Municipal Affairs and Housing is asking to stop the clock if more time is needed to make a decision on official plan matters or official plan amendments, while simultaneously taking that right away from municipalities.

To make this even more egregious, municipal staff resources and time reviewing applications will be for naught. It will be the municipal taxpayer on the hook for this expense, not the developer who is seeking to develop the land. I do not understand how this advances anyone's interests. My observations are: If development applications are submitted and do not require official plan or zoning bylaw amendments, then they are handled with efficiency. This is the very basis for why so many minister's zoning orders have been approved by the current Ontario PC government, approximately 90 to date, and 26 in 2022 alone.

The primary reason I came today was to express my concern that the proposed changes would allow the Minister of Municipal Affairs and Housing to defer York region's private developer's request for regional official plan amendment 7, commonly referred to as ROPA 7. Public awareness is high for this item because it seeks to downgrade greenbelt protection on lands subject to development in Vaughan and Markham.

The proposed new clause, under section 17 of the Planning Act, amendment 40.1.3, seeks to give even greater discretionary powers to the Minister of Municipal Affairs and Housing to allow a suspension of the 120-day deadline to make a decision on an official plan or amendment, and apply this clause retroactively to any application submitted prior to March 30, 2022, but not yet approved.

ROPA 7 was brought forward to York region council and supported, against the recommendations of Vaughan, Markham, York region, TRCA staff, the York Region Federation of Agriculture, the Greenbelt Foundation and numerous members of the public. The only public support was from the private landowners and developers. It is likely nearing its 120-day timeline for approval, and if not approved, my understanding is that it would be null and void, unless this clause in Bill 109 is approved.

ROPA 7 seeks to downgrade greenbelt designation from agricultural, highly protected with limited allowable land uses, to rural, less protected with more active land uses allowed. It stems from the block 41 development in Vaughan, approved by an MZO in November 2020. The developer's initial MZO request was presented with active parks on the greenbelt. This was not supported by Minister Clark. Now ROPA 7 has come forward, an MZO in disguise, on the greenbelt. One of the signatories of the block 41 MZO took the province to court over the

greenbelt and lost. The lands subject to ROPA 7 were brought into the urban boundary through the official plan amendments, and it appears, upon review of the LPAT decisions, that the greenbelt-designated portions were intended to be protected as part of the regional greenlands system for natural heritage, connectivity and source- and storm-water protection.

I vehemently oppose approval of legislation being applied retroactively. One of the MZOs approved in Vaughan was required, predominantly, to destroy three small, provincially significant wetlands. Development on this block has had three provincially approved endangered species benefits to facilitate this destruction. Approval of schedule 3 of Bill 157 in December 2020 applied retroactively to permit MZOs to not be consistent with the provincial policy statement. I believe this was to absolve all of this government, and Minister Clark, of any wrongdoing for previous MZOs approved, specifically block 34E in Vaughan for the Walmart distribution facility. I fail to see why it is in the public interest to give the Minister of Municipal Affairs and Housing the authority to defer part, or all, of the official plan approval to the Ontario Land Tribunal. It would appear politically advantageous, as it would allow the minister to disassociate from decisions that might be viewed as politically sensitive and damaging. It would allow Ontario Land Tribunal members—who are not publicly elected—appointed by the government to be blamed for decisions that are ultimately the responsibility of the government of the day.

I remain fundamentally opposed to MZOs in any form. They have done nothing but create conflict amongst citizens and municipal governments and, too often, open up a Pandora's box of planning unknowns that we don't even fully understand as of yet. I strongly object to any legislation being applied retroactively, but especially one that would allow the current Ontario PC government to push off a politically sensitive decision that is set to expire if they do nothing.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Ms. Irene Ford: Instead of manipulating legislation once again, I ask that the Ontario PC government be transparent and truthful. If it is your intent to approve ROPA 7, then do so now and wear that decision through the election. To leave this clause in and to not make a decision, or to let ROPA 7 expire now, makes a very clear statement: The Ontario PC Party MPPs do not care about the greenbelt and have no intention of expanding or protecting the greenbelt. The future of the greenbelt will be death by a thousand cuts. Thank you.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to our final presenter, from the Canadian Mental Health Association, Ontario division. Please state your name for the record and then you may begin. You'll have eight minutes. Thank you.

Ms. Camille Quenneville: Good morning. Thank you. I was just waiting for the unmute. My name is Camille Quenneville. I'm CEO of the Canadian Mental Health Association, Ontario division. I'm delighted to be with all of you this morning.

The Canadian Mental Health Association operates at the local, provincial and national level across Canada, and it is Canada's oldest nationwide health charity. We are a not-for-profit charitable organization that works to improve the lives of all Ontarians through leadership, collaboration and the continual pursuit of excellence in community-based mental health and addictions care. Our vision is a society that embraces and invests in the mental health of all people. As a leader in community mental health and addictions, we are a trusted adviser to government and actively contribute to health systems development through policy formulation and recommendations that promote mental health for all Ontarians. We support nearly 30 local CMHA branches, which together with other community-based mental health and addiction service providers serve more than half a million Ontarians every year.

Housing is a basic human right and is recognized as an essential determinant of health. Adequate, suitable and affordable housing contributes to physical and mental well-being, but, as we all know, across the province there is a shortage of both public and private housing. The Ministry of Municipal Affairs and Housing, in a 2019 report entitled *More Homes, More Choice: Ontario's Housing Supply Action Plan*, called the current situation a housing crisis.

CMHA Ontario believes the answer is not just making home ownership more affordable but making housing in all its forms more affordable. We recommend a coordinated use of provincial and municipal assets in funding to create affordable rental housing and supportive housing in rural and urban communities. This will require new builds and repurposing existing buildings, where available. Measures to ensure rental affordability are just as important as purchasing affordability.

0920

Securing housing is especially challenging for people with disabilities due to stigma and discrimination, in addition to the inadequacy of income supports available through social assistance programs, such as the Ontario Disability Support Program. Nearly 50% of all disability support recipients under ODSP have a diagnosis of a mental illness. Therefore, the lack of affordable housing has a disproportionately high impact on people with mental health disabilities.

Where even substandard housing is not affordable, these vulnerable individuals may end up in temporary shelters or, worse, homeless. Without the anchoring and safety that a safe and affordable home provides, many people with mental illnesses experience a deterioration in their health condition. As their conditions worsen, they may end up in the already overburdened health care system, with an increase in doctors' visits, non-compliance with prescriptions, frequent emergency department visits and greater potential for interaction with the justice system.

The mental health and addictions sector needs a comprehensive and practical road map to create affordable housing in all different forms. This includes supportive

housing. Supportive housing is an evidence-based solution that provides individuals with community mental health and addictions services, improving access to employment opportunities and access to long-term affordable housing.

Long-term supportive housing provides the stability clients need to improve their health, heal past trauma and move forward with their lives. Supportive housing also gives an individual a better chance of being able to successfully comply with their court conditions and gain access to the services they need to ultimately prevent further criminal justice involvement.

As providers of supportive housing programs offering long-term permanent housing solutions to people living with mental health issues, local CMHA branches can share a unique perspective on the rising challenges of affordability.

For some time, the sector has advocated for the investment of 3,000 new supportive units annually over 10 years, at an approximate cost of \$242 million per year. These investments must also include an additional \$45 million per year for programs, services and staffing. Supportive housing is comprised of congregate settings, but more commonly, it involves rental supplements to make rental units affordable. That also provides independence for clients.

Interestingly, our branches throughout Ontario have experienced a shift in recent years when it comes to establishing supportive housing and rent supplement programs with private landlords. Our branches used to have challenges securing prospective landlords that would rent out units to our clients. I say "used to" because now our clients and branches have developed positive relationships in their communities. Landlords have found that our clients make great neighbours. They are being supported by dedicated CMHA staff and provided much-needed rent supplements from the government. These days, property management companies reach out to local CMHAs when they're looking for new tenants.

Supportive housing comes with other benefits for communities and cost savings for other more expensive parts of the health or justice systems. For every \$10 invested in supportive housing, there is a \$21.72 savings in reduced emergency room visits. Additionally, developing one residential unit is estimated to generate between two and two and a half new jobs that will also support post-pandemic recovery.

We also recognize the distinct housing needs of Indigenous peoples across Ontario. We support the implementation of an Indigenous-led urban, rural and northern housing strategy, in partnership with Indigenous leaders, First Nations communities, housing providers and all levels of government.

In the past year, we have been partnering with Ontario's Big City Mayors—it's lovely to be here with Mayor Guthrie—the Association of Municipalities of Ontario and the Northern Ontario Service Deliverers Association. We share in many of the issues and challenges, from the opioid crisis to housing to supporting front-line responders addressing mental health needs in their communities.

We advised the big city mayors as they developed their mental health and addictions action plan, which highlighted the need for more supportive housing. We have signed a memorandum of understanding with the Association of Municipalities of Ontario to engage in work and issues we share and to collectively build solutions. My colleagues leading our branches in northern Ontario meet regularly with their counterparts in NOSDA.

The need for a comprehensive housing solution, including supportive housing, has been an important part of our collaborative work with AMO. CMHA agrees that Bill 109 needs to have greater consideration of housing affordability that includes a range of housing offerings, including supportive housing, that Ontarians need to live fuller lives. A successful and comprehensive affordable housing strategy needs support from all orders of government and involvement from the not-for-profit and supportive housing sector. CMHA Ontario is pleased to collaborate in any way possible. Thank you.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to our round of questions. This time we'll begin with the government. MPP Oosterhoff, you may begin.

Mr. Sam Oosterhoff: My thanks to the presenters this morning for coming before the committee and speaking to this legislation and for speaking with such passion and, of course, speaking with intensity, but also with clarity around the concerns that you have and the aspects that you are in support of. I want to thank you for that, for taking the time to come and speak on behalf of the people you work with. I'm going to try to actually ask a couple of questions of each you if we have the time. I know these things always go very rapidly.

I'm first going to begin with Your Worship from Guelph. I very much appreciate the work that the large urban mayors do in the big cities in our province and, of course, recognize the unique pressures that are also under way in your cities. I have part of St. Catharines in my area, of course, so I'll say St. Catharines is still a bit more beautiful, but you do have a very beautiful municipality with a rich history there, and you should be proud of being able to represent your community on these issues.

I wanted to hear a bit more about some of the ways that, so far, you've seen Minister Clark reach out to AMO. As you know, there were a lot of recommendations that came out of the housing task force, some that were quite strong, I'll say, which were not included in this legislation because the minister felt it was very important to work collaboratively with yourself, your colleagues and, really, with our municipal partners across the province but, at the same time, make sure that there was a bit of pressure on not just you, but your municipal partners across the province to get approvals in place, to move things forward.

I'm just wondering if you could speak a little bit about the conversations that have happened with AMO and Minister Clark over the past four years, and his intentionality around being consultative, being open and having dialogue, because I think that a key piece to building trust in any of these types of changes is ensuring that there is that open relationship with the minister and our government, as well as with yourself and the rest of the AMO

members and, of course, the large urban mayors as well. So I'm wondering if you could speak a little bit about that process

Mr. Cam Guthrie: Certainly. Thank you so much for the question. I will let AMO speak on behalf of themselves in regard to that question, so I'll answer it as an observer, but a sort of high-level observer.

I believe I have conducted myself—I praise where praise is warranted; I critique where some critique might be warranted. On this particular issue, I have to say that I'm going to praise. Your direct question was how has the government, more particularly Minister Clark, worked with municipalities in general over the last few years: Very well. I'm a straight shooter—very well.

I think that there is always sort of a shock-and-awe moment when some ideas come forward, then there is the engagement, and then the final product usually ends up to say that municipalities have been heard. So there is always lots of engagement I have found, not only just as the mayor of Guelph—if I need something, the whole ministry is actually there—but also in more formal engagements. It's been fine. I hope that answers the question for you.

Mr. Sam Oosterhoff: Yes, absolutely, thank you. Really, the reason I was asking that is because we are going to be establishing a Housing Supply Working Group, which is engaging with municipal and federal partners as well as partner ministries to monitor the progress and support improvements on our annual housing supply action plans. So it's important that we have those open conversations. I just wanted to get a sense of how that's gone to this point. Obviously, we want to continue that going forward.

I did want to just ask very quickly—I know one of the concerns is around the regulation-making authority for landowners to stipulate types of surety bonds for securing development obligations. I was wondering if you could perhaps dig a little bit more into that. That's an area, I must confess, I don't have a great deal of expertise in, but I want to learn more as we're considering the bill. I would love to have your comments on that.

0930

Mr. Cam Guthrie: Yes, certainly. This will be a quick answer too. Most of the feedback from the caucus has been very willing to investigate that more. There are already members of the caucus who are actually using such a system, and so there has been a lot of back-and-forth dialogue in regard to how that could work, moving forward.

If it can work—and, really, I think we've seen some examples where it can—I think that surety type of system would be good. It would give the type of certainty and clarity to both parties within a municipality, those that are trying to be on the regulatory side but also those that are trying to build. I think it is, actually, something that we're looking forward to investigate further, and we don't see really a lot of red flags on that particular portion. It's the other ones I mentioned in my opening remarks that I think you need to focus on. But on that one, we're very willing to look at that a little bit further.

Mr. Sam Oosterhoff: Okay. Fantastic. Thank you so very much, Your Worship. I appreciate the chance to have

some dialogue on this. Thank you also for providing your perspectives on various other aspects of the legislation. It's very much appreciated, and I know there will be many more conversations, going forward.

I'm going to turn over to the Canadian Mental Health Association. First of all, I just want to acknowledge the incredible work that your organization does. I've heard such fantastic things also in my neck of the woods. I'm sure you know Tara McKendrick, who has done fantastic work in Niagara and worked very closely as well with our Niagara Regional Police Service and has been very innovative and forward-thinking on addressing mental health challenges in policing and, of course, engagement with the public in that area.

I just want to acknowledge that there are so many different areas that mental health touches upon, but I know that housing is a major one. I actually have an interesting story that perhaps illustrates this. I was just having a conversation a couple of weeks ago with a very good friend of mine, a childhood friend. We were chatting, and he said, "You know, I actually just recently deleted all the housing apps off of my phone because I was getting so depressed looking for a place to buy." Now, they're fortunate, obviously; they're renting. He and his spouse have a dual income. They're both working good, middle-class jobs—one in sales, one as a teacher. So they have north of six figures in income as a young, middle-twenties couple. They're renting, for a couple of grand a month, in a basement. But they're looking at housing that, in Niagara, was \$200,000, \$300,000, \$400,000 just a couple of years ago, going for \$600,000, \$700,000, \$800,000 for anything that you still need to throw a lot of money into to make it livable, frankly, in some situations, at least in my area.

That's just a microcosm of the stress on someone who I know very personally, that he was at that place where they had to delete the housing apps because they just got so depressed every time they went on.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Sam Oosterhoff: Imagine how exacerbated that is for someone who might be losing their rental unit that they had. Let's say they were paying \$600 or \$700 a month, and now they're going to go look and it's two grand a month.

Could you talk a little bit about the mental health impacts of that and why it's so necessary to have strong housing stock so we can address some of those pressures? I hear it all the time from young people, especially, and then seniors as well, who might be moving out of a particular housing situation that they had for a long time. Could you talk a little bit about what that looks like when it comes to mental health pressures?

Ms. Camille Quenneville: Thank you for the question. I'll just start by saying that Tara McKendrick is a great leader, and I'm happy that you have a good relationship with our branch in Niagara.

What you describe is, for your friend, I'm sure, very frustrating. I would just ask you to consider what it's like for somebody who struggles with a mental illness and therefore is not—

The Acting Chair (Ms. Goldie Ghamari): Thank you. That concludes the time that we have for this round.

We'll now turn to the official opposition. MPP Burch?

Mr. Jeff Burch: Thank you, Chair. I think maybe I'll give Camille an opportunity to finish her thought, if she could take 30 or 60 seconds to do that.

Ms. Camille Quenneville: That's very kind. Thank you. I was just going to say that if you think about the pressure that is under the individual who is on any kind of government assistance, most often ODS, to try to be able to gain housing in this market, let alone for us to be able to be in a position where we expand supports for individuals living with a mental illness—I would ask you to consider that in all of your deliberations. Those needs are so high, and those needs are very real. We have switched the conversation back to individuals trying to seek housing in a very hot market, who are otherwise able to become employed etc.

Thank you for giving me an opportunity to jump in there. I appreciate it.

Mr. Jeff Burch: Thank you. I want to thank all the presenters for being here today.

I have a couple of questions I'd like to start off with, with chair Guthrie. Thank you for being here, for your comments and for your advocacy. I'm sure you probably don't have time to watch the legislative channel very often—you're a very busy guy—or to read Hansard as well, but if you had over the last week or so, you would have heard an awful lot of blaming of municipalities going on, especially around the approvals process that you had talked about earlier. All you have to do is read Hansard to see the government has painted it as, really, a problem that is completely at the feet of municipalities.

You talked about the financial penalties—and I appreciate your comments about the issue of cost recovery and the issue of having time to implement changes. And nobody is saying that municipalities can't get better; obviously, they can when it comes to the approvals process.

I was also interested to see big city mayors put together a survey recently that talked about the approvals process and how many approvals have gone through the process—taken up time, staff time, staff resources, municipal resources—but those approvals aren't acted on by developers. Yourself and many regions and municipalities have come forward with that. I believe there was an estimate, based on surveying your members, of about 250,000 housing units that had not been acted upon by developers.

I thought it was strange, if we're going to address this issue—and we all want approvals to happen. We all want more housing, more supply. But would it not make sense, if you're going to work with municipalities, especially if you're going to implement penalties, that you also take a look at developers that are not following through on their end and look at maybe sunseting approvals or use-it-or-lose-it type of legislation? Could you comment on the fairness of blaming municipalities for all of those issues?

Mr. Cam Guthrie: Thank you for the question. I can't stand finger-pointing. I think it's a waste of time. It reminds me a little bit about the Safe Restart Agreement

money, when municipalities were waiting and the federal government and the provincial government were just pointing fingers back and forth at each other. That waiting and blaming is not productive for anyone. We all have a role to play; I think every single person has said that, including the private sector, including the non-profit sector, including all levels of government. If we're truly all in this together, then we do all have a role to play. And it takes our focus off the things that we need to actually be working on to get more housing done.

It is true that we have at least 250,000 or more approved units waiting to be done. And those are approved. So I do think there has to be a conversation that includes everyone and not just focusing on municipalities, who are at the ground level, who understand the local context about what is happening in our communities—to make sure that we do our part, but also not get shamed in the process for things that may be out of our control.

Mr. Jeff Burch: If I could just shift to my next question regarding the Ontario Land Tribunal—and you raised that in your comments. Across the province right now, I believe we're up to around 50 municipalities that have passed motions in various forms, everything from disbanding the OLT to reforming it, totally reworking it. But there is a huge deal of frustration with the Ontario Land Tribunal and how it really operates in a way that is often unfair to municipalities.

0940

I'm from Niagara, as well as my friend from Niagara West, and in St. Catharines, they have a huge problem with being taken to the OLT over an official plan amendment, and it's backing up developments all across the city. There's just a tremendous amount of frustration. Do you think that reforming the OLT is something that should have been addressed in this bill or over the last few years of government, and how do you see that moving forward?

Mr. Cam Guthrie: Our caucus does not have a position on abolishing, but our caucus certainly does have a position on reform.

I mentioned that in my remarks in regard to, especially, the de novo hearing. We were quite disappointed that that was not addressed. It is unfair to municipalities to have to pull staffing away that's usually working on an application for housing—have them pulled away to now deal with new information that was not presented to the public on the original application, to have to deal with that at the OLT. If you want to help municipalities with delays, you have to reform that part. At least address that. That would be a big help in moving things forward.

Are there other things around the edges around OLT that we could look at? Of course. That's what the working group is going to be for, moving forward. But it is, in my view, a no-brainer. If you want to help, in all regards, please reform the OLT, especially with de novo hearings. It is unfair.

Mr. Jeff Burch: We certainly agree. How much time do I have left, Chair?

The Acting Chair (Ms. Goldie Ghamari): A minute 45.

Mr. Jeff Burch: Thank you very much. I think I'm just going to ask Irene. Thank you, Irene, for appearing today and for your comments. You talked about MZOs, and that's something, certainly, that the opposition has been very concerned about in the Legislature, especially with respect to environmental issues.

We have been able to uncover that there have been about 80 MZOs across the province, and over half of them have been given to developers and friends of the government that have donor ties to the government. When we see MZOs—Ajax would be a good example, but we can name a few—that have threatened to develop wetlands and other serious issues and we see that over half of the 80 have gone to developers who are friends of or have donor ties to the governing party, that's certainly concerning. Can you comment on that?

Ms. Irene Ford: I would say that would be very consistent with my observation. It seems like a small-knit group, almost like high school at times, because it's the same names that keep coming up. It's sometimes a little bit hard to find it, but if you do enough research, you start to find these connections. ROPA 7, in particular, for block 41, contains a lot of very familiar names that have a lot of influence and a lot of power, it seems, in the planning decisions. They seem to have also had a lot of influence in the policy choices that this government has chosen to adopt when it comes to housing and development—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That's all the time we have for this round, but we will be going back to the official opposition.

We'll now turn to the government members for the next round of questions for nine minutes. Who would like to begin? MPP Bailey.

Mr. Robert Bailey: Thank you to our presenters that are here today. I listened very carefully to the presentation from the minister and all of our presenters so far.

I might start with Mayor Guthrie. The More Homes for Everyone Act: This proposes to create a new tool that our government proposes to work with municipalities to help get more shovels in the ground faster. The community infrastructure and housing accelerator will be a tool that the government will use to kick-start the planning approvals process by getting zoning in place for critical local projects such as housing, long-term-care homes and health care facilities. This tool cannot be used in the greenbelt and will come at the request of a local municipal council, such as the one you represent, Mayor Guthrie.

Can you talk a little bit about how you believe this tool could be used to leverage development by Ontario's Big City Mayors to get some projects moving faster that Ontarians have come to expect and deserve, please?

Mr. Cam Guthrie: Yes, certainly. Thank you, MPP Bailey, and thanks for the question. I would say that the caucus is actually supportive of this type of option. I think the first foundational piece of that is the autonomy and the local decision-making. I think that's a theme that should always be put throughout all of these issues, not just Bill 109 but for other issues that may come up, and that is that if you empower municipalities to make these types of

decisions locally and with engagement in the public process, it enables us to react to opportunities in a timely manner. I think that's a good thing. Whether it be long-term-care homes, as you suggested, or other options that we could look to be building, if we need to use that, then at least that's a tool in the tool box that we could go and take out to use right away.

So I liked that. The caucus members liked that. Again, the details are going to have to come out a little bit more in everything that we're talking about here, but empowering municipalities to have that option is a good thing.

Mr. Robert Bailey: Okay. I read somewhere in the file here that your own local municipality of Guelph has worked in partnership with the Minister of Municipal Affairs to help accelerate local priority projects, and I understand there's one where the minister had issued an MZO to help lay the groundwork for much-needed housing in the city of Guelph while also protecting the city of Guelph's drinking water supply for years to come.

In this case, as I understand it, the MZO was needed to protect your sensitive groundwater from the quarry lands, apparently, where the city draws its drinking water. So the MZO had the support even of our colleague Mr. Mike Schreiner, the MPP for the Green Party, who represents your city. Can you tell the committee a little bit more about how the partnership with the ministry with that MZO etc. has helped benefit your city of Guelph and how it might be an example for the rest of Ontario?

Mr. Cam Guthrie: Certainly. I'm going to take off the Ontario's Big City Mayors hat and put the mayor of Guelph hat on, then, to answer that question.

The ministry was phenomenal. A lot of it was staff to staff, so internal staff here at city hall working with internal staff at the ministry there. This has been a 14- or 15-year issue in regard to water quality and quantity protection, and to have the minister and the ministry and, really, the entire government back that MZO, which our council also said would be a good thing to do in this situation, was honestly a long-time coming and so very much appreciated.

For Guelph, like many municipalities—in fact, I think it might be all—I believe the MZOs are always city council-driven. They are decisions of the local council, I think, that then go to the ministry to partner with them. So we appreciated it here in Guelph, certainly, to protect our water.

Mr. Robert Bailey: Thank you. I might switch over to Ms. Quenneville with the Canadian Mental Health Association, if that's okay. Just to outline my thoughts, the government recognizes that housing is top of mind for many Ontarians. We've heard that this morning already. We formed a three-part consultation with municipalities, the public and, of course, industry itself. We've got far more to do; we're not done yet.

The government has committed to working with municipalities that you represent—not you, but that Mayor Guthrie represents; sorry—but organizations like yourself

that have to provide housing for the vulnerable. The housing supply action plan that starts in 2022-23 establishes this housing supply working group, which will also allow municipalities, the federal government and their partner ministries to plan and monitor that progress.

I've heard Minister Tibollo often say in the Legislature that housing is one of the most important social determinants of health. Can you talk a little bit about the importance of housing in relation to mental health and the people your organization represents, please?

0950

Ms. Camille Quenneville: Thank you for the question. As I said in my remarks, we're very happy to work with any government around these issues and would appreciate outreach on this.

The issue around supportive housing has been in a crisis situation for many, many years—before this government was elected, but certainly for the past four years. We have been very clear, year over year, about what was needed in terms of investment, and I tried to be very clear this morning. As the housing market tightens because of costs, it makes it even more difficult. If we're very serious about the social determinants of health, of which housing is of primary importance, then we need very significant investment in supportive housing in Ontario.

Mr. Robert Bailey: Okay. Thank you. I think my colleague MPP Oosterhoff talked about young people, and he gave a great example of that young couple, both working at good jobs and still finding it hard to find accommodations that would be adequate for them, and to be able to start a family too.

I know a number of people are still living with their parents because they can't get started yet. Actually, I just thought of that now. I had a young lady the other day; she's graduating from college, got a job and is going to be working as a nurse, an RN. She wants to get married and is still living at home with her mom and dad. She said, "Mr. Bailey, I don't know whether I'm ever going to be able to afford to buy a home." Now, that was before the federal budget came out with that proposal for the \$8,000 a year, to a maximum of \$40,000 a year.

Do you think, on issues like that, that the province can work with the feds? Do you think that will help that young lady I'm speaking about, and those Mr. Oosterhoff also indicated?

Ms. Camille Quenneville: I expect so. I will be honest with you and tell you: Unless that person has a mental illness or needs supportive housing, that's really not who I'm representing today. I have all kinds of empathy for young people—I have nieces and nephews in that situation right now—but what I'm focused on this morning is the people I represent who need supportive housing because they are not well.

The Acting Chair (Ms. Goldie Ghamari): Forty seconds.

Mr. Robert Bailey: Okay. Well, I guess I don't have too much time. I'd just like to thank all of the participants who have showed up today and asked us questions and

made presentations. Thank you for your formal presentations. I look forward to the rest of today with the committee as well. Thank you again to everyone for being here.

The Acting Chair (Ms. Goldie Ghamari): We will now turn to the official opposition for the final nine minutes. MPP Hassan, you may begin.

Mr. Faisal Hassan: Thank you to presenters for your comments. I know that when my colleague Jeff Burch was asking questions to Irene Ford, she didn't have enough time to complete her comments. And I know that the MZOs are not locally driven. Would you be able to elaborate on the challenges of this government favouring their buddies and friends when it comes to the greenbelt, which is very important for our water and our habitats?

Ms. Irene Ford: I think, with regard to the MZOs and the greenbelt, there are certainly some that are approved right up to the border of the greenbelt. While the legislation doesn't allow it to be approved there, the developments, more than likely, will bleed onto the greenbelt, in the sense that they allow stormwater infrastructure. As they approach it, they degrade that protection and lower that protection and reduce that boundary.

There's also a lot of concern with the MZOs with regard to conservation authorities, because they no longer have the same authority once an MZO is approved. So a lot of the natural heritage features that are on sites might not get the protection that they normally would had they gone through the normal, typical planning process. I think that's my main concern with MZOs.

While there might be a few examples, such as the one that was brought up today, that have been beneficial or have been at the support of the municipality, a lot of the MZOs that I've observed have been brought forward at the request of the developer and they go through local councils to get the endorsement.

Another really concerning aspect is they boycott regional governance. We have a lot of MZOs that have been approved, but regional governance, who is supposed to provide the waste water infrastructure and allocate the overarching infrastructure—they were not consulted at all. We have MZOs approved out of order, so to speak. There's a lot of dialogue and conversation and perhaps even conflict going on now between the tiers to try and sort out when that development will come. I say that MZOs open up a Pandora's box of planning unknowns because we haven't gone through the full process, especially when no development applications have been submitted at all.

But with ROPA 7, it's on the greenbelt and it's come forward as an official plan amendment because it can't be approved as an MZO. I call it an "MZO in disguise" on the greenbelt.

The legislation that I spoke to today, which would allow the minister to approve retroactively, is allowing him to defer a decision, which I think is very significant and will set a precedent for other land that has this kind of thin shape—they call it "greenbelt fingers"—that extends down from the greenbelt, that should be protected. That's

why I'm very concerned about this decision. I clearly don't want the minister to approve it.

I don't think it's suitable for active urban parks, and it's premature, actually, because York region staff didn't support it because it doesn't have the right policy set up yet, and it needs to be reviewed further. So it was premature for it to go ahead and it's premature for it to be approved or considered. And deferring it to allow it to go to next government—I don't think that's right. I think either it should expire at 120 days or that this government should make the decision before the election. It seems the decision is much more political than it is about what we need right now.

The final thing I'd like to say about MZOs is I really don't think they're going to bring the homes that people who are here need. A lot of the MZOs that I've seen are going out on greenfields. They are not going to have transit. They are going to be car-dependent. I don't think they're going to solve the affordability issue at all. We really need to think about what type of housing we want, where we want it, and to ensure that the community services are there to have the quality of life that we want for people in Ontario. Thank you.

Mr. Faisal Hassan: Absolutely. Thank you very much. With regard to the protections of the greenbelt, the official opposition does share that with you. These are very important.

And we do believe that strengthening local decisions is very important. What do you think about how we can strengthen that? We had the minister here a few minutes before you guys, at about 8 o'clock. What can you recommend in terms of protecting the greenbelt and also strengthening the local decisions, giving people in those communities decisions to protect the greenbelt in their communities in terms of areas where it's not needed for development? I know also that you mentioned developers are the ones requesting these MZOs.

Ms. Irene Ford: Yes. I think it's a really difficult question. One of our biggest challenges with York region right now is that our council keeps making decisions that are not consistent with the recommendations of staff, with the recommendations of professional planners or experts. Their decisions seem to really be informed by the privately paid professional staff of the landowners and the developers. I think that something needs to be done about that. At the same time, there are other councils where I have observed that it's also been very difficult with staff too. So there needs to be a balance.

We just really need to get back to a place that is constructive and that is based on science, research and evidence. Even the bill that you have before you today—I don't know where the criteria or the evaluation are that they've concluded that this is actually going to bring forward what the bill seeks, that it's actually going to make more affordable homes. What are the metrics? How are they even going to measure if it's achieving what they want.

In the Auditor General's report, this was a really big criticism of hers, that the Ministry of Municipal Affairs

and Housing hasn't actually measured if the growth plan worked. They haven't actually done any evaluation. We don't actually know what works and what doesn't work. I think that's what we need to know so that we can move forward and make decisions that bring about the objectives that we want to achieve. And climate action is paramount. We can't wait any longer. The time is gone.

Mr. Faisal Hassan: Absolutely. Thank you.

Chair, how many minutes do I have?

The Acting Chair (Ms. Goldie Ghamari): A minute, 45.

Mr. Faisal Hassan: Okay. Quickly, I know that housing is a human right, and I would like to turn now to the chief executive officer of the Canadian Mental Health Association. I know supportive housing is very important. We've called for, also, an entire ministry devoted to mental health. We have called also for mental health to be included into OHIP, and it's also essential to have supportive housing to support folks who are struggling with mental health. We know that housing is in crisis. It is true that these crises began before the last four years and before the last 15 years. So how can we make housing not as an investment, but as a human right?

Ms. Camille Quenneville: Thank you for the question. I appreciate it. I think to answer your initial question around how we can make supportive housing available, we have, for some time, had a position that we need, year over year, 3,000 new supportive housing units as a way to just hold steady with need. It's not to make up for where we actually should be in terms of housing stock for supportive housing, but an investment—\$242 million per year, for 3,000 units, over a 10-year period—will allow us to keep up. That's a position that our organization has had for more than five years, when we did a great deal of work with organizations such as the Wellesley Institute and others to take a deep-dive and look at this issue across Ontario to see what's needed.

I very much appreciate the reference to social determinants of health. Of course, we know there are many, but housing is of utmost importance, and the Mental Health Commission of Canada—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes this round of questions.

That concludes our business for this morning. Thank you to our presenters, and thank you to everyone. This committee is now recessed until 12 p.m. this afternoon.

The committee recessed from 1003 to 1200.

BUILDING INDUSTRY AND LAND
DEVELOPMENT ASSOCIATION
ONTARIO REAL ESTATE ASSOCIATION
ENVIRONMENTAL DEFENCE

The Acting Chair (Ms. Goldie Ghamari): Good afternoon, everyone. We are here to continue public hearings on Bill 109. Our presenters have been grouped in threes for each one-hour time slot. Each presenter will have eight minutes for their presentation. After we have

heard from all three presenters, we will have 36 minutes of questioning divided into two rounds of nine minutes for the government members, as well as two rounds of nine minutes for the official opposition members.

At this time, I would like to call upon Dave Wilkes, Building Industry and Land Development Association president and chief executive officer. Please state your name for the record and then you may begin. You will have eight minutes.

Mr. Dave Wilkes: Good afternoon. My name is Dave Wilkes. I am president and CEO of the Building Industry and Land Development Association. Good afternoon, Madam Chair and members of the committee. Thank you for the opportunity to appear before you today and provide our association's perspective on Bill 109.

It's great to be back here in person. Before beginning my formal remarks, I'd also like to thank the government and all MPPs for their leadership throughout the pandemic.

As mentioned, my name is Dave Wilkes, and I lead the Building Industry and Land Development Association of the GTA, also known as BILD. I want to note for transparency that I proudly served as a member of the Housing Affordability Task Force. However, I'm here today in my capacity as BILD's CEO and will bring the perspective of our industry and how to address housing supply and affordability.

I'd also like to emphasize that Ontario's housing supply crisis is most acute in the GTA, but as families and people leave the region to other parts of the province in search of housing they can afford, we are literally exporting the crisis to other regions throughout the province. At the same time, we're undermining the competitive engine of both our province and our country.

Building on the housing supply action plan of 2019 and by recognizing the path to addressing the housing issue lies in recommendations of the Housing Affordability Task Force, Bill 109 brings forward positive steps. The solutions will need to be long-term and will require a concentrated effort between all levels of government and our industry. This is why BILD is supportive of the creation of a Housing Supply Working Group and the government's annual commitment to review housing policy. This group acknowledges that both municipality and industry are key partners in building communities. We look forward to being invited to participate in and contribute to this important forum.

BILD is supportive of Bill 109's initiatives related to increasing transparency in municipal reporting around development charges and other fees. For context, a 2020 study undertaken by the Altus Group for our association showed that the combined burden on new homeowners of government fees, taxes and charges is almost 25% of the cost of a new home. A year later, we asked Altus to review trends in the way municipal charges are collected, used and how much of those charges are in reserve funds. This study showed that municipalities had a combined \$5 billion in their DC parkland in section 37 reserve funds, an increase of more than 70% in a decade. We look forward

to the transparency this provision will provide as we continue to work with municipalities on their growth funding tools.

The same Altus work also showed a significant mismatch between parkland reserves where, between 2015 and 2019, the municipalities studied in the GTA received a total of \$139 million a year in parkland fees but only spent \$108 million. BILD has consistently advocated there should be a parkland cap for development that supports provincial objectives of increased density.

In this regard, BILD supports the introduction of a new parkland rate for transit-oriented communities and capping that based on the number of hectares in the development; however, we believe this cap must be extended to areas beyond transit. This is particularly urgent given that many municipalities are currently reviewing their parkland charges. By way of example, in Markham we are seeing proposed increases of an additional \$20,000 per unit on top of the existing rate of \$45,000. This increase translates to almost \$10 million on a typical development site.

We are also supportive of the measures in Bill 109 to introduce accountability and timelines to municipal approvals and incrementally refund applicants' fees if timelines are not met. This recommendation provides a much-needed incentive to this process. Our support is based on a 2020 municipal benchmarking study we commissioned with the Altus Group that looked at how long it takes for municipalities to turn around applications and provide approvals following the receipt of a completed application.

The study found that no municipality met the timeline specified in the Planning Act; indeed, they exceeded those timelines by anywhere from three to 29 times. These delays directly impact housing affordability and can add up to \$87,000 to a typical single-family home in the GTA and over \$60,000 for a high-rise apartment.

I also remind committee members that processing development applications is a fee-for-service exercise, not supported by taxpayer dollars.

Despite the many positive steps in Bill 109, BILD was disappointed not to see direct reference to inclusionary zoning, a policy which we support when properly structured. Municipalities are currently creating IZ policies that unfairly place the entire burden on one sector, and therefore the new homeowner.

In particular, the current Toronto IZ policy, the first of its kind in Ontario and hence a model for other municipalities, is unique in North America. It penalizes the buyers of market-rate housing by anywhere from \$66,000 to \$116,000 over the life of their home, requiring them to subsidize the cost of affordable below-market units. We encourage the government to introduce legislative changes to make sure the responsibility for IZ policies is a societal one prior to implementation of the city of Toronto's policies in September of this year.

Another area of future opportunity relates to increasing steps to increase the missing middle and exclusionary zoning policies in our cities and towns by allowing more

housing and more locations as of right, without the need for municipal approval. Zoning must be revisited. In most urban areas, it is far too restrictive, preventing the addition of gentle density.

Relative to this discussion, making sure that we have the right housing mix and supply to accommodate growth, BILD supports a proposed legislative change to retroactively pause OPAs—official plan amendments—for 120 days. This is rightly happening at a time when many regions are undergoing municipal comprehensive reviews to ensure their OPAs conform to the new growth plan.

In areas like Halton and Durham, our members are reinforcing that providing a range of housing options to allow for consumer choice is vital, as is providing all the necessary amenities and infrastructure to support growth. It's critical, Madam Chair, that we get it right, and adding an appeal mechanism for these new plans and a pause represents a path forward based on realistic planning and consumers' choice for housing needs.

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Dave Wilkes: I will close by addressing the recent discussion around cleared lots. We are supportive of the Ministers of Finance and Municipal Affairs and Housing's commitments to consultations on this important issue. BILD is willing and eager and asked to participate in these discussions. To demonstrate our industry's commitment to ensuring that facts are driving this conversation, I recently invited GTA municipalities, through Ontario's Big City Mayors, to meet collectively to quantify the real number of approved units and lots available for development. Unfortunately, we're still waiting for answer to that invitation.

Madam Chair, thank you for the opportunity to comment on this important bill. I look forward to the committee's questions on areas I've highlighted in my remarks and any of those areas that are contained in our written submission.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to our next presenter, from the Ontario Real Estate Association. Please state your names for the record, and then you may begin. You'll have eight minutes.

Ms. Stacey Evoy: Good afternoon, Chair and members of the committee. My name is Stacey Evoy, and I'm the president of the Ontario Real Estate Association, OREA. Joining me today is Matthew Thornton, vice-president of communications and public affairs at OREA. It is our pleasure to be here today to share our insights on Bill 109, More Homes for Everyone Act, 2022.

Ontario is facing a housing affordability crisis unlike we have ever experienced before. A historic lack of housing supply and the changing needs of growing Ontario families have resulted in skyrocketing housing prices across the entire province. In February, the average-priced home in Ontario was over a million dollars, almost a 26% increase from February 2021. To further exacerbate the housing affordability crisis, incomes for Ontario families are not keeping pace, putting home ownership further and further out of reach for generations to come. With housing

analysis unanimously pointing to the lack of housing supply as the main driver behind housing prices in the province, bold action by the government to increase housing supply is the greatest solution to ensure that more Ontario families can receive the keys to their first home.

1210

I'm going to turn it over to Matt.

Mr. Matthew Thornton: [*Inaudible*] that the More Homes for Everyone Act is another step in the right direction to increasing housing supply—

The Acting Chair (Ms. Goldie Ghamari): My apologies. Sorry to interrupt. You were muted at the beginning. Can you please just restate your name, and then begin again? Thank you.

Mr. Matthew Thornton: Sure. It's Matthew Thornton. I'm vice-president of public affairs and communications.

The Acting Chair (Ms. Goldie Ghamari): Thank you.

Mr. Matthew Thornton: Bill 109 will streamline the development application and approvals process and reduce fees, giving way to more housing supply and incentivizing timely municipal decisions on site planning. These new additions and improvements will go a long way in addressing affordability and the need for more transit-oriented communities. Ontario realtors are also pleased to see that Bill 109 will implement extra steps to protect homebuyers, especially in the cases of new or pre-construction homes.

Bill 109 includes welcome provisions that will increase consumer protection for purchasers of newly built homes by providing the Home Construction Regulatory Authority the additional tools it needs to impose higher fines and penalties for builders who break the rules. For far too long, Ontario consumers purchasing new homes have not had strong enough protections against bad actors in the home-building sector.

Finally, Bill 109 will cut red tape at the Ontario Land Tribunal by investing \$19 million over the next three years to help the OLT reduce their backlogs and speed up the overall approvals process.

While Bill 109 includes a number of provisions that will help increase housing supply across the province, let's be clear: We are in a historic affordability crisis. With that in mind, we are here to say, quite plainly, that this bill could do more to rise to the occasion, to give hope to those who are on the sidelines of the Canadian dream.

For example, Ontario realtors were disappointed to see that Bill 109 did not include recommendations made by the Housing Affordability Task Force and OREA on additional measures that will ensure more families can achieve home ownership. Specifically, Ontario realtors strongly believe that local zoning rules continue to hold back much-needed gentle density in high-growth urban areas of the province. The housing task force recommended that Ontario roll back exclusionary single-family zoning, and we urge the province to take this step. Ontario's outdated zoning laws empower NIMBYism across the province and drive up the cost of housing, putting home ownership out of reach for families. When the province is facing a housing affordability crisis due to

a lack of housing supply, Ontario should be doing everything in its power to find innovative solutions that will increase housing supply.

Currently, in most Ontario cities, you can tear down a bungalow and build a monster mansion for one family, but you can't convert that same bungalow into a two-storey townhome or duplex for multiple families without significant red tape and exorbitant costs. In the current environment, this defies common sense. While the province has said that municipalities are not ready for this change, we are doubtful that they ever will be. Instead, municipal politicians are doing what they've always done: fighting development in their backyards while young families are stuck on the sidelines of the Canadian dream.

With more and more Ontarians leaving our province in search of more affordable homes, the time to upend the status quo is now. We urge the province and all parties this June to put growing families ahead of local mayors; kids in neighbourhoods ahead of NIMBYs; and vibrant, gentle density ahead of sprawling communities. Fix our outdated, backward zoning. Allow gentle density in single-family-zoned communities.

Secondly, Ontario realtors also continue to push for additional help for first-time buyers. The land transfer tax is part of the closing costs that a young family needs in cash and cannot roll into their mortgage. It is a significant barrier for many aspiring buyers and will continue to be a significant hurdle for first-time buyers to jump over if they're not given the leg up they need to get into the current market. Home prices have climbed 180% over the last 10 years. Since then, there's been no increase to the land transfer tax rebate for first-time buyers. Even with the current rebate, Ontarians are still paying over \$10,000 in land transfer tax at the time of closing on their property. To keep pace with the rapid increase in home prices, the land transfer tax should be indexed to inflation and permanently doubled from \$4,000 to \$8,000 to help more families find a place to call home.

With that, I'll pass it back over to Stacey to conclude our remarks.

Ms. Stacey Evoy: The housing supply crisis will not fix itself. Ontario needs innovative solutions to address the problem. Ontario realtors are pleased to see that the government of Ontario recognized the dire need to solve this crisis and has brought forward a number of innovative solutions through the More Homes for Everyone Act. Continued action by the government will increase housing supply and make home ownership more affordable for struggling families.

Ontario realtors strongly encourage the government to consider lowering the cost of home ownership for first-time homebuyers, extending exclusionary zoning and encouraging as-of-right zoning around Ontario's major transit zones.

The Acting Chair (Ms. Goldie Ghamari): Twenty seconds.

Ms. Stacey Evoy: While the More Homes for Everyone Act is a welcome addition to the measures brought forward by the More Homes, More Choice Act, more can be done and more should be done.

Thank you, Chair. We're happy to answer any questions you may have.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. We'll now turn to our third presenter, from Environmental Defence. Please state your name for the record, and then you may begin. You will have eight minutes.

Mr. Phil Pothen: Good afternoon. My name is Phil Pothen. I'm a land use planning and environmental lawyer with Environmental Defence, where I also manage the Ontario environment program.

Environmental Defence is a leading Canadian environmental NGO that works with government, industry and individuals to defend clean water, a safe climate and healthy communities. It's important to understand that Environmental Defence works to cultivate deep subject matter expertise in its areas of advocacy. We don't knee-jerk oppose legislative proposals; we actually work hard to develop a comprehensive understanding of problems in each sector and a vision of what policy needs to look like in order to produce acceptable environmental outcomes, while still looking after people. I just wanted to give context to my comments.

When it comes to land use planning in Ontario, it's our view that we should be accommodating the next 30 years of new urban and suburban homes and workplaces, including industrial and commercial development, within existing settlement areas. We can't afford to expand our towns and cities farther outward than we've already committed to, because most of them are in the same tiny sliver of Ontario where most of our quality farmland and our rarest, most sensitive wetlands, woodlands, prairies and species-at-risk are all concentrated.

But here's the key point: It's just as important that we not squander growth on more greenfield sprawl than we've already planned, because we need the next 30 years of new homes and new workplaces within our existing neighbourhoods. Those homes and workplaces are our last best chance to fix existing carbon-intensive neighbourhoods by giving them the densities and the mix of uses that they need to support transit, to support amenities within walking distance and, ultimately, to tackle car dependency, and we can't meet our climate change obligations without accomplishing that.

Environmental Defence, with these points in mind, is gravely concerned about Bill 109. We think it should be withdrawn or defeated in its entirety now, and some elements of it should be reintroduced as part of a new bill which gets rid of exclusionary zoning at the same time.

Imposing financial penalties for municipalities who take time to consider development applications: The problem is that it's going to drive them to say no, rather than giving builders time to fix problems and get an approval. And I say this as someone who has been counsel for small developers for many years, prior to joining Environmental Defence.

Secondly, reintroducing appeals of official plan amendments where the minister is the approval authority will make it harder for municipalities to direct their new homes and workplaces to the existing built-up areas where they

are desperately needed, and it's actually going to push the sprawl outwards.

Here is the third and, frankly, the most important point: Environmental Defence is very concerned about what is missing from this bill, which is likely to be the last major legislation on housing before the July 1 MCR conformity deadline, and that timing is very important. It is vital that Ontario act before July 1 and before the approval of any updated official plans to legislate an end to exclusionary zoning. Municipalities have got to be directed in unambiguous terms to replace current zoning that keeps neighbourhoods limited to single detached homes with new rules that are designed not just to permit but to reliably drive the construction of hundreds of thousands of new semi-detached homes, townhomes and walk-up apartments of up to four units and four storeys within existing neighbourhoods. This has got to be done before the current MCR process is complete. If this government thinks that it can't get done, it should frankly either revise this bill to include it now or else delay the MCR until after this change can be made.

1220

On my first point, I think you will have already heard from municipal representatives about the perverse consequences that would flow from imposing automatic penalties on municipalities to take time to review applications. The result would be to mire many applications in litigation that could easily be made OP- and provincial policy statement-compliant with minor modifications to the plan.

The real obstacle to timely review and approval of development applications is not intentional or a reckless delay on the part of municipalities; it is the fact that our zoning in particular is structured and funded around individual application. Much and even most zoning is not up to date or consistent with official plans, and municipalities know that. The problem is that they don't have the staffing levels required to proactively update their zoning. If Ontario is serious about speeding up approvals, it should provide municipalities with funding not just to process applications, but, most importantly, to proactively update their zoning so that OP- and provincial policy statement-compliant applications get approved out of right and there isn't this back-and-forth haggling.

Second, restoring landowner appeals of official plans would be a big mistake, and here's the reason: Environmental Defence is actually on record against the abolition of Ontario's land use planning appeals tribunals. We think there's an important role for them, but the fact is that on official plan updates in particular, landowner appeals have historically been a huge obstacle, if not the major obstacle, to planning that directs new homes and workplaces to existing built-up areas rather than sprawl.

Firstly, when landowner appeals of OPs were directly permitted at that stage, the effect was to keep them mired in litigation long after they were—

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Phil Pothen: Second, though, and more subtle, landowner appeals create a perverse path of least resistance, because local residents know that landowners are

always going to appeal if there's a refusal of settlement area boundary statutes. This creates uncertainty, because we have seen in Hamilton and in Halton a massive outpouring of support for intensification within existing neighbourhoods, for getting rid of exclusionary zoning. Every request for zero boundary extensions comes with a request to get rid of inclusionary zoning. That's because it's a package deal. People need to know that if they add new homes to their existing neighbourhoods, if they make that change, there's going to be an environmental benefit to it. They're not going to get settlement area boundary expansion.

We need to get rid of exclusionary zoning before the MCR and allow the processes to take account of getting rid of exclusionary zoning, because exclusionary zoning is built into every official plan that we're in the process of approving, apart from Hamilton and Halton—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes all the time that we have for our presenters.

For this round of questioning, we'll turn to the government side for nine minutes. MPP Bouma, you may begin.

Mr. Will Bouma: Thank you, Chair. Through you, I'd like to begin by thanking all the presenters for being here with us today. I really appreciate your time. I feel strongly that the greatest gift you can give to anyone is your time, so having you here today is very, very good, to hear your input on this bill.

I wanted to start, if I could, with the Building Industry and Land Development Association. Dave, in reference to implementing timelines for municipalities and fee refunds for not meeting those timelines, first of all, you mentioned your worry about municipal implementation. Can you elaborate on what you think one of the unintended consequences of that would be?

Mr. Dave Wilkes: Thank you very much for the question. Through you, Madam Chair, I think the unintended consequences could be the recognition, or the lack of recognition, that we don't need change. I think the most fundamental part that this bill recognizes, and a lot of the work that we've seen as it relates to housing supply, is that we have a system that was built for generations past. We have a system that was built for the growth and the land use needs that we had in the 1960s and 1970s. So we need a different system.

I think that the provisions within Bill 109—what they do do is provide that incentive to take a look at the current systems. We've seen many municipalities currently looking at how to improve efficiencies, how to digitize their processes. That work needs to continue. I hope that is the outcome that we see through these penalties that have been referenced. As I mentioned in my opening remarks, no municipality is currently meeting the timelines within the Planning Act. The worst performer is 29 times beyond those, for a simple site plan application. And that's at an approved application stage.

I think an unintended consequence would be, "No, we can't change." I think the intended consequence, and the consequence we hope to have, is that, with penalty, with

incentive, you'll look at systems differently. The city of Toronto, for example, is doing that through something called C2K, and that's taking a wholesale look at how the process is staged. We think this will encourage more of that and we think this is a very necessary step, but you simply can't say, "I won't do it, and I'm going to bog down the system." That's what we're worried about.

Mr. Will Bouma: No, I agree. I appreciate the fact that we've put the carrot out there, offering that funding to municipalities to find the efficiencies inside of their systems, and there's a little bit more of a stick in this bill in order to do that.

Moving on, we've been hearing that your members are holding back on units. Could you tell us what's happening there?

Mr. Dave Wilkes: That's one of the great myths of this conversation. We have heard from mayors across the GTA that the building industry is holding back 250,000 units. As I mentioned, I wrote to the interim chair of Ontario's Big City Mayors housing caucus, Mayor Guthrie from Guelph, inviting him to sit down to have a conversation on that issue. I'm still waiting to hear back.

For the committee's reference, Madam Chair, what we're concerned about is the definition of what an "approved lot" is. An approved lot is not one that is anything but ready to have shovels in the ground. The process that you need to go through for approving a lot is multifold. You need to go through a secondary plan approval, a draft plan. It needs to be registered at the land registry office. It needs to go through a number of steps if it has got to appeal, MPP Bouma, so whether that's at the land transfer—the Ontario Land Tribunal, sorry. There's a variety of stages that we're looking at.

We did have information from one of the area mayors that indicated there were 9,000 units that were approved and were being sat on. When we dove into that information—and I'll just reference that for the committee's records—40% of those units were already built, so an inaccuracy in the data itself; about 8% of those were under conditional site plan approval, so more work still needed to be done; and about 30% of those were in an appeal state at OLT. So we don't know where this 250,000 units is coming from.

Then, the final point that I'll make on this: Within the planning requirements of the province, municipalities are required to have three to five years of inventory of approved lots. If you assume that the 250,000 number is right—which we don't, and we're asking for information, and that's why we're so supportive of the consultations that were introduced as part of this bill. If we build 45,000 homes per year in the GTA now, which is the average, if we're approximately 10,000 units short a year, which is a very conservative number and probably at the low end of what we are—if you take that, that's 275,000 units, if my math is right. So the 250,000 would be within the required guidelines.

There are a lot of questions around that. I'm quite disappointed when this number is getting floated out there without background and without proof. I think this debate,

which as all the presenters have mentioned and this government recognizes is a critical one, deserves better than throwing claims without facts.

Mr. Will Bouma: I appreciate that very much.

Madam Chair, I'll turn my time over to member Wai.

The Acting Chair (Ms. Goldie Ghamari): MPP Wai, you have about three minutes and 40 seconds.

Mrs. Daisy Wai: I have this question for OREA. Thank you very much. We all see that it is a crisis to have affordable housing and it is important for municipalities to collaborate with all levels of government. What are your views on this issue, and how could this be achieved?

1230

Ms. Stacey Evoy: Thank you for the question. Through you, Madam Chair, we believe that all three levels of government do need to work together. We have seen great strides by the province in recognizing that we're having a crisis, but we need all the municipalities across the province to also work with the provincial government to make sure that all the steps that are being taken are being followed through at the municipal level. So we are really saying that all three levels of government need to work together.

I'm going to pass it over to Matt to just add to what I'm saying. Thank you.

Mr. Matthew Thornton: Thanks, Stacey. Just to build on President Stacey's remarks, I think, MPP Wai, there's most definitely a need for strong collaboration between all three levels, and we've seen different approaches at different levels. In the recent federal budget, there was a lot of money put on the table in their accelerator fund to support municipalities improving and updating their zoning, and I think that's a really good first step. I know the province has a similar set of programs in place.

But we would also say that where municipalities, in particular, don't want to act or they're resisting action that is strongly supported by a really strong cross-section of actors, like rolling back exclusionary zoning as an example, that's an opportunity or that's a place for provincial leadership. We didn't see that in this bill and are disappointed not to see that. I think there's an opportunity to revisit that issue as we head into June and after the June election.

Dave at BILD referenced the ongoing consultations. We think that's a great thing as well, and we hope that the zoning reform issue, in particular, is going to be revisited in the future. We see it as being really crucial to addressing the affordability crisis more generally. The impacts are so broad on the market from an affordability perspective, but also just the market moving, what you're seeing in—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Matthew Thornton: Sorry. Can I continue?

The Acting Chair (Ms. Goldie Ghamari): Yes, one minute left.

Mr. Matthew Thornton: What you're seeing in a lot of local markets right now is that a lot of those boomer owners don't have places to downsize into, and this exclusionary zoning change would give more of those sort

of gentle density, those townhome-type places for those boomers to move into. And that would free up supply for younger families.

So all around, it makes a lot of sense, but just to answer your question, MPP Wai, I think there is a real need for provincial leadership.

Mrs. Daisy Wai: Thank you very much. I would like to just do a very quick supplementary. How would you see Bill 109 help to increase the supply of housing and resolve affordability? What have we achieved so far?

The Acting Chair (Ms. Goldie Ghamari): MPP Wai, I think you're going to have to hold that question for the next round because you're out of time.

We'll now turn to the official opposition for nine minutes. MPP Bell, you may begin.

Ms. Jessica Bell: Thank you to the presenters for being here today: BILD, OREA and Environmental Defence. I really appreciate you taking the time and the effort you've made to share your expertise.

I have a few questions. The first question I have is for Dave Wilkes from BILD, and that is around what kind of supply is really needed. When I talk to planners, I hear things like, "We're building a lot of 650-square-foot condos. We're building a lot of 3,000- and 4,000-square-foot homes on farmland, but the government doesn't have a good handle on what kind of homes we really need to build"—maybe for seniors, maybe for students—"and where we need to build them." Your assessment: Where are we falling short in terms of meeting the housing need for Ontarians?

Mr. Dave Wilkes: Thank you for the question. Through you, Madam Chair: I think where we're falling short is in all aspects of housing supply. I think there is a role for the variety of choice that we often see and that is dictated through the MCR processes that the municipalities undertake, which will define the mix of housing that is undertaken in various regions. That's a process that our industry is very involved in.

I don't think that we can ever lose sight of the market helping define those choices as well. I would not support a system where it's entirely dictated as to what type of home is built for all potential homebuyers. I do know that we aren't building enough homes of all varieties. I think the most fundamental acknowledgment that we've seen in the last several months, if not years, is the consensus that we need more supply, and we need to take a hard look at policies that detract from supply of any nature. The inclusionary zoning policies that I mentioned will really add cost to homes where we need them the most, around transit-oriented. Those condos are often starter homes, so to me, that is a barrier.

We need to look at opportunities to create efficiencies, as we talked about earlier. I think the challenge is not dictating particular types of homes; I think the challenge is to allow supply to meet the demand that we are seeing in the marketplace and that, with increased growth, we'll see more of. I think the market will do a good job, talking about the mix.

Ms. Jessica Bell: Okay. Thanks for that answer.

The second question I have follows along the lines of where MPP Bouma was going, around the 250,000 permits that the big city mayors have said have already been approved. I appreciate you thinking through or just presenting some of the arguments around that.

One thing I also noticed with Bill 109 and the building permit process is that the city of Toronto came out and Gregg Lintern, the planner, said that financially penalizing municipalities for taking too long to get something approved could actually lead to more delays, because municipalities might throw up their hands and say, "Look, we're not going to be able to get this application in time, so we're just going to reject it outright and it's going to have to go to the land tribunal and be held up in that process." What do you think of that argument?

Mr. Dave Wilkes: Gregg Lintern, the city's chief planner, and I are good colleagues, so we've talked about his perspective. I disagree with it, respectfully. A point that was raised earlier too, and that I mentioned in my opening remarks, is that this is a fee for service. The charges and the costs municipalities incur to approve applications are built into those costs to the developer or the builder when it's submitted, so from a resource perspective, I think those funds can assist with that.

Respectfully, I find it difficult to suggest that because change and commitment and incentive are being asked for the way one does their job, right at the beginning you're going to say, "No, I can't do it." I think what that would create, I would hope—and to the earlier question—is: "Are we doing our job in the most efficient way? Are we asking for the right information at the start? Are we looking for new mechanisms to streamline the approvals?" As I mentioned, no municipality is currently meeting the timelines. There's a real cost to that, and that cost is to the new homeowner, because those delays add cost to the process.

The municipalities, in my mind, have a responsibility, before saying no, to look internally and—I commend the city of Toronto for being the ones that are doing so—to say, "How can we better improve our processes?" Mr. Lintern and I do not agree on that. I just think it's too quick of a response, without looking at opportunities for improvements, which any incentive is designed to do.

Ms. Jessica Bell: Thank you for that answer.

My next question is to Phil Pothen from Environmental Defence. Thanks for coming and speaking today. First of all, to all the presenters: You're talking about Bill 109, what's in it, what you like and what you don't like, but you've all talked about what should be in there, what we do need to do to fix the housing crisis, because there's no question that we do. Phil, I noticed that you talked a little bit around the land tribunal and what kind of land tribunal reform is necessary in order to build the right kind of homes and make sure we respect the environment and the public interest, but also to make sure that we build. Could you just clarify a bit more? If you had the legislative pen, what would you do to reform the land tribunal?

Mr. Phil Pothen: Sure. I think what is happening is that we are attributing to the land tribunal problems that are

really problems with land use planning laws that the tribunal is implementing.

1240

Frankly, we have laws that are designed to keep development out of existing neighbourhoods, to lock them into a kind of frozen state, but also to push—in particular, under this government, the laws have been changed to try and push growth into greenfield sprawl. These exclusionary zoning laws, which centre an individual landowner in the development process, are the ones that need to be revised in order to fix what people see as [*inaudible*].

In particular—and here is a big one—the current municipal comprehensive review process is premised on inclusionary zoning. The consultants' reports would say that boundary expansion is needed. They assume that existing neighbourhoods will not add a lot more homes, and therefore they create a result where now new greenfield land is needed. If we update the zoning proactively so that we can reliably add a lot of new homes to existing neighbourhoods, then we wouldn't need that settlement area boundary expansion.

In terms of actual reforms to procedure, the big ones: There needs to be a balancing of power between deep-pocketed litigants and those without money, and that is not through a higher—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Phil Pothen: It's through controls on the use of expert witnesses, potentially the creation of a bureau, similar to what was meant to be installed, to provide support for each side of the process so that they each at least have access to good legal advice and potentially a bench of planning experts who can be relied on so that it's not just whoever has the money to hire a planner that wins. But ultimately the problem is with the rules that the tribunal is applying and not with the tribunal itself, and it's those rules that need changing.

Ms. Jessica Bell: Thank you so much for your time, all three of you. I appreciate it.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to the government side for nine minutes. MPP Oosterhoff, you may begin.

Mr. Sam Oosterhoff: My thanks to all the presenters this afternoon for coming before the committee and sharing your perspectives on this legislation. I very much value the opportunity, as a member of this committee, to hear from diverse perspectives. I know we've had a lot of different takes on everything in the legislation.

I think it's no surprise that, personally, I'm very much in favour of anything that can move along getting more housing built. I have far too many constituents who are reaching out to me and saying they're desperately looking for housing across Niagara, which used to be a very affordable place to live and no longer is. There are townhouses that were selling for \$400,000 in 2019 that are selling for \$800,000-plus today, right? So substantial amounts of changes. There are so many different reasons for that, of course. People can get into how much of it is foreign investment, how much of it is institutional

investment, how much of it is interest rates, how much of it is generational wealth transfer. There are a lot of different aspects to it.

But I do believe that supply piece is a huge part of it, and I think that that's recognized. I think, then, that conversation becomes how we get to that supply, where that supply is built and what sort of requirements are in place around that supply. I think there are slightly different emphases in some of our approaches on what that should look like and how that should take place, but I think there's quite a common amount of agreement on the need, just from a basic supply and demand perspective. I just want to lay where we might agree and then we can work on some of the stuff that we need to finagle out before we rise as a committee and present our amendments or changes to this legislation.

I'm going to begin this afternoon with Phil. Phil, thank you for the work that you do to be an advocate, obviously, for environmental issues. I have a lot of respect, as someone who grew up in the Niagara region and lived there, having spent many, many hours along the Bruce Trail, walking through the harbour at Jordan Harbour and swimming in the local lakes. It's important that we have great air, clean land and we're taking care of our environment.

I want to just ask, with your changes—we saw a huge decrease in housing starts under the former government, I would argue. We didn't see housing supply meeting demand. We've seen changes now as a result of some of the policies in the More Homes, More Choice Act—and then, obviously, this bill is intended to build on that work—that has increased that number.

Your concerns—perhaps this is a hard thing to quantify, and I respect that. And if it's difficult to quantify, I don't need exact numbers. But do you think the changes that you want to see in place for the OLT and some of the other areas would increase supply by however many thousands of homes, start-ups a year, or decrease supply? And why do you believe it would have either of those impacts?

Mr. Phil Pothen: The suite of policy changes that we're recommending—and I would refer you to the Ontario housing affordability backgrounder which Environmental Defence has put out—we are confident that they would meet the entire projected demand for new homes and workplaces within the next 30 years, within existing settlement area boundaries.

The reason for that is, first of all, there's a huge glut of land already within settlement area boundaries. What you're talking about, we would need to triple the rate at which we use up greenfield land in order to just get through the land that we already have. Right? That's for greenfield. And we haven't been using the supply that we've already allocated.

The reason for that—it's not that the municipalities are holding it up; it's that that's not where people want to live. The holdup in supply is within existing neighbourhoods. We did extensive polling of what the market wants. People want to live in neighbourhoods where they don't need their cars to get around, and they want to live in existing

neighbourhoods. This is a huge bottleneck here, and we are just stopping people from adding that housing.

Every home that Toronto added—and Toronto actually added more homes than it was allocated under the former government's plan, and it will add more homes than it's allocated under this government's plan. Every additional home that Toronto added was one less home that was built in sprawl. The growth that was added within Toronto resulted in Pickering and Halton massively undershooting their projected need for land.

What we need to do is get out of the way so it's not just high-rise homes that we're building, it's not just small one- and two-bedroom apartments, but we've got to get literally hundreds of thousands of new semi-detached homes, townhomes, walk-up family-sized apartments added to neighbourhoods that we're currently just squandering on the most inefficient, wasteful form of housing.

But it's got to be done before we lock in our current official plans, because our current official plan is locking in our course for the next 30 years. And once we have already allocated growth to greenfield sprawl, it means that municipalities are going to be committed to that. They'll have made the infrastructure investments around that. And you've got to plan for one place or the other. You can't be upgrading your sewage systems within existing neighbourhoods, updating your roads within existing neighbourhoods, and also planning for greenfield development. You've got to pick one or the other and you've got to pick without hesitation, or else it's not going to happen and municipalities are going to drag their feet.

The Auditor General talked about this problem of planning for more greenfield growth than we're going to get and the result that it's had, which is white elephant approvals in the greenfield areas of municipalities. Let's get rid of exclusionary zoning, let's pause the municipal comprehensive review until after that's done, and let's tell municipalities to go back to the table and factor in a lot more homes in existing neighbourhoods.

Mr. Sam Oosterhoff: I want to just pick up on something you mentioned there with regard to communities where people don't want to have to drive. Could you speak a little bit about transit-oriented communities? Obviously, that's a policy that our government has really emphasized. We're building transit at an unprecedented rate across the GTHA. I'm wondering if you could you speak to the potential of these types of infrastructure projects for creating those transit-oriented communities.

That will be my first question, and then I have one other one if we have time, Chair.

Mr. Phil Pothen: It's a great idea to add a lot more homes within walking distance of existing higher-order transit. It's a great idea. But the problem we have is that we have a land use regime that assumes that there are only going to be a few little areas of municipality where we're going to have frequent, rapid transit. This results in what we call "sprawl and tall." So we either have large areas that are very low-rise and then these peak points, only these few areas—now the major transit station areas—where we're allowed to build.

What we really should be doing is recognizing that every neighbourhood where it's not viable to run frequent, reliable transit largely based on fare blocks, where you don't have those densities—those neighbourhoods are not planned right now. They need to be re-planned, re-zoned to get them up to densities of at least 100 people and jobs per hectare so that you can run frequent, reliable transit everywhere. That has got to be the premise of transit planning.

1250

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Phil Pothen: That's what real transit-oriented development looks like. It looks like your 15-minute city. It looks like having high schools that are not planned on the basis of people having to be bused in or driven in, but high schools that are planned so that they're filled by people within walking distance. In order to do that, you've got to get 100 people and jobs per hectare in every neighbourhood—no exception.

Mr. Sam Oosterhoff: So, really quickly, because I'm running out of time: Stacey, do you think that this bill is going to help more people achieve the dream of home ownership? Yes or no?

Ms. Stacey Evoy: Minister, thanks for the question. Without question, absolutely. If there was one change that you could make that would put a whole bunch of homes back on the market, it would be the inclusionary zoning. You need to scrap it, and it will help out. That is the biggest way that you're going to increase the surplus in the shortest amount of time.

Mr. Sam Oosterhoff: Thank you very much. I have no further questions. I appreciate it.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to the official opposition. MPP Burch, you may begin.

Mr. Jeff Burch: Thank you all for your comments today. I just wanted to start with the Ontario Real Estate Association. I wondered if you could address the issue of speculation. We hear a lot about the financialization of housing and the fact that one out of every four homes is purchased by an investor. I appreciate that you've talked about that and also the kind of balance that you've tried to show, talking about affordability as well. I think it would be easy for you to fall back on only what makes your members happy, but I think you've made a real effort to put forward some balanced comments on the need for affordable housing, the need for social housing and cooperative housing and all the different kinds of housing.

With the approach of the government, which has clearly been focusing on supply only, in my opinion, I think we've gotten away from focusing on the demand. When there's so much speculation in the market, if we focus completely on supply, are we not in danger of just meeting the demand of speculators and ignoring the demand for affordable housing, which is not as profitable for developers?

Ms. Stacey Evoy: Through you, Chair, I'm going to actually throw this to Matt first, and then I'll round it out at the end if I have any other comments. Thank you.

Mr. Matthew Thornton: Thank you, Stacey.

MPP Burch, it's a great question. Just a couple of things: First and foremost, on the issue of demand-side measures, we look to other jurisdictions who have tried a number of things in this space. I think about BC and their ban on foreign buyers. I think about New Zealand and some of the work that they've done on foreign buyers and speculators, in particular. The end result is really quite minimal. I think there is a temporary downturn, or that has been the experience in terms of activity. But they quickly come back to the central point, which is that really substantive change or really substantive improvements on affordability can't happen unless we tackle some of these more fundamental supply questions. And we saw that, actually, in New Zealand. New Zealand implemented an end to exclusionary zoning right across their entire country in some of their largest markets. So demand issues certainly get a lot of attention. They get a lot of legislative time and resources.

On that question specifically, we do think it is worthwhile looking at the issue of dirty money in our real estate sector. We've advocated for the creation of a beneficial ownership registry in that regard, which, I think, will shine some much-needed sunlight into these numbered companies that are coming into Ontario and buying up properties, competing with young families, with a lot of capital. That is certainly one area which has been well-documented, with lots of research, and could go towards getting some of that demand in the market out.

But when we talk about issues like speculation, it's a difficult conversation, given the definition of "speculation" meaning different things to different people. We would be very concerned that you would potentially impact those mom-and-pop investors who are buying a second home or second property for their retirement. That's really been the foundational element of our market for quite some time.

We're happy to participate in the conversation, but I think what can't be lost here is that the emphasis and the focus really needs to be on housing supply.

Mr. Jeff Burch: I assume that the supply of affordable housing and social housing is something that you would agree needs government intervention. I know you're not a proponent of government intervention; that's not your job as a representative of your members. But I do think that you've made comments in the past that really acknowledge the role of the government, especially now, when there's a crisis with affordable housing—that the government does have a role in helping people and providing that important social and affordable housing.

Ms. Stacey Evoy: I'll start by answering that question through you, Madam Chair. Just to build for a quick second on what Matt was saying, I am a working, boots-on-the-ground realtor in London, Ontario, and I've been a realtor for 18 years. What I'll say to you about the speculation, just from a working realtor's perspective, is there has been no change. Over time, you do see some foreign buyers coming in, but is it any more than it was 10 years ago in our market? I don't believe so. Are investors buying up everything? For the most part, I would say no.

It's single-family people who are competing to get the homes.

I honestly think that when we get into the speculation, although it's important to look at, I honestly feel like it's just noise. We point at this group or this group, and that's not where the problem lies. So I think we need to get away from that a bit.

To answer the question that you've just asked, you're completely right. We absolutely care about the entry-level market, because what's happening is with the prices getting driven up in the way that they are, it's impossible for someone trying to enter the market now to even try to get a rental. The problems boil down to every level and right down to rentals. Even having home affordability for people who are trying to enter the market from being in second-stage housing of homeless shelters, where people are trying to get back on their feet—it's almost impossible for them to enter the market as well.

This problem goes to all the different levels, and it goes right back to the rentals as well. Definitely, it's a problem that we're concerned about, affordability, when you look at it from every piece of the puzzle.

Mr. Jeff Burch: I just want to turn to Environmental Defence for a moment. Phil, I'd be remiss if I didn't ask you about the entrenchment of minister's zoning orders in the legislation. You've done a lot of work addressing the issue of minister's zoning orders. Can you give us your opinion on that part of the bill?

Mr. Phil Pothen: Listen, there is a role for minister's zoning orders. We've seen that during the pandemic. They were used to approve outdoor dining, to keep restaurants operating. They were used to push through affordable or actual supportive public housing in neighbourhoods where it might not have otherwise been approved. Those are useful, valid uses of minister's zoning orders.

But one huge problem that's been consistent with MZOs issued by this government and that is not fixed by this legislation is the issuance of MZOs outside of existing settlement area boundaries. The settlement area boundary has got to be a hard line that applies for—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Phil Pothen: It is dangerous. It promotes, frankly, a risk of corruption and political influence to have a single figure you can go to to get your development approved and completely circumvent all of the checks and balances and processes that are used to get things done.

1300

Having a shortened consultation process within municipalities that omits a lot of those checks and balances doesn't really fill the bill. It's better to have a consultation process than not at all, but there has got to be an expressed prohibition on MZOs outside of the settlement area boundary. Those MZOs have to be subject to the PPS. They have to be subject to, frankly, existing planning rules within those municipalities outside of emergency circumstances, so—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes all the time that we have for

this round. I'd like to thank all of our presenters for joining us.

MR. ROB SAMPSON

TOWN OF THE BLUE MOUNTAINS

MAYTREE FOUNDATION

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to our next set of presenters. Each will have eight minutes. Please state your name for the record and then you may begin. We'll start with Rob Sampson.

Mr. Rob Sampson: Good afternoon. I'm Rob Sampson. I'm the chair of the Blue Mountains Attainable Housing Corp. Also, for the record, I'm a councillor at the town of the Blue Mountains. Thank you very much, Madam Chair and committee members, for having me here.

The comments I'm going to give are not endorsed officially by the housing corporation, since I didn't have the time to take it to the board between the time I was invited and now, but I should say that the majority of the comments that I have here have been discussed at the housing corporation—and, in fact, the town as well, since we've been seized with this issue of attainable or affordable housing for some time now and are trying to deal with it.

What I'm going to try to do is run you quickly through a slide deck that I presented, and I'll do my best, Madam Chair, to stick within the time limit. I'm going to talk about some issues here that I think need to be addressed. Some have been done by this bill and some actually have yet to be done, I believe.

One is, frankly, very simply, the definition. If you go to the Planning Act and you google or you search for the definition of "attainable" or "affordable" housing, there's no definition. It would seem to me that it might be wise. Let's have a definition so that we know what the problem is we're trying to solve. CMHC has a definition, there are a number of other definitions you can see floating around in the community, but I think it might be wise for the act itself to specifically define what the problem was. By the way, it's different in different jurisdictions. I am speaking to you on behalf of a corporation that's owned and controlled by a rural community; that might be totally different from the perspective that would be had, let's say, by a much larger urban centre. But let's have a definition.

Local NIMBY is indeed an issue, and we see it. In fact, I've seen it many times. I'm joined here by the mayor of Blue Mountains, who will speak next. We've seen it many times by individuals who want to retain and maintain "the local look and feel," I think is the phrase typically used in various communities. I think we need to define what that look and feel is. And I would say the look and feel we are now experiencing is seniors with sad looks on their faces, because they can no longer afford to live in their senior years in the very community that they were born and raised in. That is not the look and feel that I, as a councillor, want to see, nor as the chair of the corporation.

Local land costs are certainly an issue. There's no question that the land costs are rising. It's a scarce commodity,

believe it or not, in this country, and so land costs are a significant contributor to the cost of any housing whether that be affordable or market.

There are some legislative barriers to building affordable housing in our communities. This bill is dealing with some. I would say that there are still some, and I'll speak to them shortly, that still need to be dealt with. I'm sure you've heard the phrase, municipalities feel that we are "lacking the tools in the tool box" to be able to effectively deal with this issue. I think that's still true.

You heard already the discussion about the long and protracted process for municipal approvals. Well, there's also an equally long and maybe longer process for municipalities to provide surplus land that it has and devote it toward this particular cause. In our town alone, we acquired an interesting piece of property early on in our mandate and we are yet to finish the process to actually formally declare that land surplus for the purposes of attainable housing, even though it was purchased some three years ago, specifically for the purpose of attainable and affordable housing—three years, and it's our own process.

Limited use of the community planning permit system: Those who are familiar with the act will know that that's one of the tools that municipalities have that allow for the municipalities to implement what's called "inclusionary zoning," the "thou must have these types of housing in your housing units." But the CPPS program is actually very cumbersome to implement, let alone to use. We have yet to do it in our town. We considered it early on in our mandate and it will be a three-year process before we go through the public consultation, the public notices etc., to actually implement a process that's supposed to make housing easier and quicker to build. We've got a legislative barrier there that we need to deal with.

Hard costs are going up. I'll speak quickly to a project we're involved with in the Town of the Blue Mountains. Over the last three years and, I would say, over the last year, we've seen hard costs—that's the cost of the bricks, the mortar, the lumber, the labour to build—escalating well over 25%. That's during the planning phase of our project. So how does one plan for that? How does one set prospective rates when you see hard costs going up by 25%? Ever-increasing soft costs: what are those? Engineering fees, consulting fees. We have a long list of consultants we've engaged for this one project alone, and I would dare say, when we're finished, our soft costs—this isn't the bricks and mortar; this is the engineering fees, the consulting fees etc.—will be pretty much 25% of the total overall cost of the project.

Down payment affordability is another issue. Let's say we have housing units that are \$300,000, \$400,000—I wish—for first-time homebuyers. Where are they getting the down payment amount from? I think down payment availability is an issue, and the mayor will speak to a program, which we hope to be able to put in place shortly, that might be able to help with that.

Let me briefly go through a project that we started, as I said, three years ago when we acquired the property in the

Town of the Blue Mountains to build what we call attainable housing. This is housing for people who actually can afford to pay rent, but not \$1,800 for a single-family unit. These are firefighters. These are nurses. These are, actually, doctors—young physicians coming to our town can't afford to live in our town. We wonder why we have a shortage of doctors in our town. It's not because they can't come and enjoy the beautiful scenery and environment we have; it's a great place to live. They literally can't afford to live there.

This project will be a blend of market units and affordable units. That blend is necessary because the market units, frankly, subsidize the affordable units.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Rob Sampson: Thank you. I'm not going to be able to hit my presentation entirely.

Quickly, the next page is a summary of some rents that we hope to achieve. You'll see a huge difference between the attainable rent of \$996 that we're targeting and a one-bedroom of \$1,960—yes, that's a one-bedroom rental rate in the Town of the Blue Mountains.

I have some comments about Bill 109. They're on the page. I apologize; I've gone overboard. I've never done that before in this lovely place. Those who know my background will know why I said that. And so, Madam Chair, I will yield the floor. Thank you very much.

The Acting Chair (Ms. Goldie Ghamari): I'm sure committee members will follow up with you during the question time.

We'll now turn to our next presenter from the Town of the Blue Mountains. Please state your name for the record, and then you may begin. You will have eight minutes.

Mr. Alar Soever: My name is Alar Soever. I'm mayor of the Town of the Blue Mountains. I'm here today with a little bit of presentation on some of the problems and to be able to present what we think is a solution that would provide a greater range of housing types in Ontario. The rest is in this presentation that I circulated around. This has not been finally approved by council because of the short timelines, although it reflects material that has been in several council motions that have been approved by council.

1310

Looking at Bill 109, it has really made some positive changes in removing road blocks to building new homes, but far more is needed to ensure that homes are built that are attainable for the average Ontarian. We think this can be achieved by implementing inclusionary zoning Ontario-wide, requiring that local planning authorities establish and implement minimum targets for the provision of housing which is affordable to low- and moderate-income households, which is required by the provincial policy statement on the matter. So it's already reflected there, but we really need to make sure that those targets are implemented.

And also, the third, which is the main thrust of this presentation, is implementing an attainable housing quota system which should incentivize builders to build attainable housing and require that a fixed percentage of all

homes built in Ontario be built so that they're attainable. I'll talk about that at the end of the presentation.

A bit of background: The Blue Mountains, according to the last census, is the second-fastest growing community in Canada—not just Ontario but Canada. Its population has grown more than 33% since 2016, and over the last two years, we've been building over 400 new homes per year.

You can see on the presentation: Last year we built 394 homes, and, if you note, the construction value is \$332.1 million. So you can see that none of these homes were in fact attainable for the average Canadian. The problem is not getting the homes built. We do that now—400 a year. The problem is that none of these homes that were built was affordable for households with low or moderate incomes. And as Councillor Sampson has already indicated, this causes huge problems with attracting the people we need to build a viable community.

Quite frankly, builders just find it more profitable to build higher-end homes. Unfortunately, this will not change with Bill 109. It will make it a lot easier and faster; it will reduce some costs and make the process faster. That's a small increment, but really, the market is what will drive people to build the homes that the average Ontarian can afford to be in.

If we go looking at the legislation, the current provincial policy statement already states that planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by establishing and implementing minimum targets. That's a "shall," so it's very prescriptive. The Planning Act, section 2, already identifies that affordable housing is a matter of provincial interest. Although these two documents do say that you shall set and implement, the local planners that we meet with both at the county level and the town level—so actually, there are four levels of government, not just three, so it's a little worse than just three levels of government dealing with housing; it's four. They say that in the absence of inclusionary zoning, which is restricted to protected major transit areas or a development planning permit system, which Councillor Sampson has talked to, they don't have the tools.

Hence, the language in the Grey county official plan is very wishy-washy. It says, "The goal of providing housing opportunities to moderate and lower income households: The county would like to achieve a minimum target of 30% of new housing, or units created by conversion, to be affordable in each local municipality. Local municipalities are encouraged to have regard"—well, to me, that doesn't fit with the provincial policy statement, which says "shall set and implement." These are aspirational statements; they aren't very firm.

As I said at the beginning, we need to provide the planners with the tools, either through inclusionary zoning—but I think it's more important that we look at the market and incentivize home builders to build homes that are smaller and more affordable.

So how do we do that? I've come up with this attainable housing credit system, or a quota system. Basically, you would say, "Okay"—let's just pick a number—"20% of all homes in a development have to be priced below an attainability threshold," which could be set at, say, 80% of the average assessed value of a single-family unit within that municipality. Now, maybe some little bit of work is required to say, should it be the average assessed value or, as assessments lag behind, maybe it's 100%? But the idea is that you set an attainability threshold.

You don't need to create a bureaucracy to do this. MPAC has all the data already. It's in a province-wide database. So MPAC would say, "Okay, the target threshold is this for this community." You'd have to build 20% of the homes below that price point. But we know that in the case of the Blue Mountains, for instance, where people like to build \$2-million homes, people aren't going to want to do that in every development. So maybe you can buy your quota from somebody who does.

Just jumping ahead to the last slide in my presentation where there's a little bit of an example: In the Blue Mountains, the average assessed value of a single home would be \$700,000. That would, if you set your attainability threshold at 80%, be \$560,000. So if you have two developments—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Alar Soever:—one is \$1.2-million homes and the other is \$500,000 homes, one would be short six quota units and the other would have 24 excess. Depending on where you set the price, it's basically transfer pricing. For the expensive homes, if the quota was between \$100,000 and \$200,000 per unit, it would impact those homes by making them 2% to 3% more expensive. On the other hand, on the lower-priced homes, it would make them \$80,000 to \$160,000 more profitable to build.

It's a powerful financial incentive. I don't believe that a lot of government intervention is needed. Simply by passing a quota system like this, or a credit system, the government will be able to impact the economics of building these homes and make it more attractive for developers to build cheaper homes. I have bounced it by two developers, one who does build attainable homes now and another one who doesn't—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That's all the time we have, but I'm sure you'll be able to follow up.

We'll now turn to our final presenter, from Maytree Foundation. Please state your names for the record and then you may begin. You will have eight minutes.

Ms. Garima Talwar Kapoor: Great. Thank you so much, Madam Chair. Good afternoon. My name is Garima Talwar Kapoor and I am the director of policy research at Maytree. My colleague Samantha DiBellonia, policy lead at Maytree, is also joining us today.

Maytree is a charitable organization that works to advance systemic solutions to poverty through a human rights-based approach. We believe that the most enduring way to fix the systems that create poverty is to safeguard economic and social rights for everyone in Canada.

Thank you for the opportunity to appear before the Standing Committee on the Legislative Assembly. My comments today are regarding Bill 109, better known as the More Homes for Everyone Act.

Before discussing the contents of the bill, I'm going to comment on the underlying causes of housing affordability that the bill is meant to address. Bill 109 is founded on the idea that increased housing supply will address our housing affordability crisis. While demand-side factors are also critical to assess, they are outside the scope of Bill 109 and thus will not be part of my presentation.

With that said, while inadequate housing may be one reason why so many Ontarians face housing affordability challenges, we need to further think about the type of housing that's available, particularly in Ontario's largest cities.

Census data indicates that from 2011 to 2021, Ontario's population grew by 10.7%. During the same time, the number of occupied private dwellings grew by 12.5%. Under a simple supply and demand analysis, it would seem that the housing supply is actually meeting population growth. In theory, then, we shouldn't have an affordability crisis. But we do. We need to examine where and what kind of homes are being developed, and ensure that we are developing affordable and suitable homes that meet demographic needs. That is, we need to better understand where the greatest need is and then work from there.

1320

We often use the concept of core housing need to measure the number of households unable to find a home that is affordable, adequate or suitable. In Ontario, about 15.3% of households are in core housing need, the highest rate amongst all provinces. Amongst renter households, the rate of core housing need is over 33% and among homeowners at about 8%.

It's important to emphasize this point because, presumably, Bill 109 is intended to build more homes, which would bring down prices, eventually easing home ownership, but this idea detracts from the current issues that renters face today. For many, the most pressing question isn't whether they can afford a home one day; it's whether they can afford rent this month. It's wondering how to pay the rent while wage growth pales in comparison to market-growth rent and what would happen in the chance that their landlord evicts them because they are selling their home.

Take the city of Toronto, for example. In 2016, renters made up about 47% of Toronto's households. Although the completion of purpose-built rentals has steadily increased through recent years, affordable homes are wanting. In 2020, of the about 27 rental units completed, only 4% were assisted or affordable housing. By contrast, over 4,400 condos were completed, making up over 75% of completions in the city. The rules that govern where and what kinds of homes can be built in Toronto do not facilitate the development of affordable homes either. Based on data from the city of Toronto, Ontario's own Housing Affordability Task Force estimates that 70% of land zoned for housing is restricted to single detached or semi-detached homes.

While the spirit of Bill 109 aims to expedite processes in the delivery and construction of housing, we are concerned that it won't do much to build more affordable housing at the rate of need.

We also note that, in some cases, Bill 109 could exacerbate pressures faced by municipalities and has the potential to add more barriers to the appropriate development of supply. For example, schedules 1 and 5 of the bill propose amendments to the City of Toronto Act as well as the Planning Act that would require municipalities to refund a proportion of site plan control application fees if a decision is not made within certain timelines. Similar changes are being proposed regarding amendments to the Planning Act for zoning application fees.

While we understand the motivation behind these proposed changes, if passed, they would again create additional rules for municipalities to follow when making important decisions on housing. They would reinforce the idea that housing is a simple product or service for which the customer can get their money back if not delivered on time. The housing system is complex and development solutions shouldn't be merely transactional. This reduces housing to a commodity rather than a human right that helps to ensure that people live with dignity.

To this end, we would like to remind the committee of the government's responsibility under Canada's National Housing Strategy Act. The act recognizes that the right to adequate housing is a fundamental human right in Canada. Under the bilateral housing agreement between the Ontario and federal governments, Ontario has agreed to the creation of an action plan that would speak to the federal human rights-based approach to housing. Unfortunately, Bill 109, as written, woefully falls short in meeting this obligation.

With this in mind, we recommend the following changes to Bill 109 for the committee's consideration. First, we ask to add a clause that recognizes that the right to adequate housing is a fundamental human right. This means focusing on those in greatest need. Moreover, consideration should be given to include principles that should be followed as part of this bill to help the progressive realization of this right.

Second, while we recognize that Bill 109 is the first phase of the province's housing plan and that affordable housing was out of scope for this initial review, we recommend prioritizing the review of the Housing Affordability Task Force's recommendations to improve density and affordability. This can include permitting multi-tenant housing province-wide and the conversion of commercial properties for residential use.

Lastly, we suggest taking a more holistic view of Bill 109 to ensure that its proposals address the full scale of the housing affordability problem. We also recommend examining how proposed amendments align with other components of the More Homes for Everyone plan—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Ms. Garima Talwar Kapoor: —particularly those related to the caucus's community housing renewal

strategy. With this holistic view in mind, we recommend considering how the proposed amendments work together with municipal processes so that they do not add more pressures or barriers to local decision-making.

In closing, we would like to thank the committee for the opportunity to share our thoughts on Bill 109, the More Homes for Everyone Act. We welcome any questions and comments that the committee may have.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. For this round of questions, we'll now turn to the official opposition for nine minutes. Who would like to begin?

Ms. Jessica Bell: I think I'm going to go first.

The Acting Chair (Ms. Goldie Ghamari): MPP Bell, you may begin.

Ms. Jessica Bell: Thank you so much for taking the time to come in today and to speak to us on Zoom about the More Homes for Everyone Act. I really appreciate it.

My first questions are directed to Garima from the Maytree Foundation. I have two. The first one is around the inclusionary zoning policies that you mentioned.

The government has already moved forward on a very, very, very modest inclusionary zoning policy, and then the city of Toronto has moved forward with a very modest inclusionary zoning plan. What is your recommendation for what the province should do to move forward with inclusionary zoning?

Ms. Garima Talwar Kapoor: Thank you so much, MPP Bell. As you may know, Maytree has been a strong proponent of inclusionary zoning and has advocated as such, especially in the city of Toronto.

The rules around inclusionary zoning in Ontario require that inclusionary zoning units be built around protected metro transit areas. In theory, there is a good reason for this. We want to build up density and affordable supply, not only around major transit areas but where there are presumably services as well. I think that this idea, while it tries to be holistic, actually undermines the need for affordable housing in other parts of the city, in other parts of the province.

We would have liked to see an expansion of where inclusionary units can be built and the rate at which they can be built. As you've noted, the city of Toronto's current plans are not as robust or as bold as we would have imagined or would have liked them to be. I think that has in part to do with the fact that the city of Toronto has decided to not provide developers with funding to help support incentives to help build these inclusionary units. That's a good thing, because in the city of Toronto, we know that market demand is high and that people will want to buy here.

The corresponding challenges that we have to think about are the extent to which they increase market unit rates in those inclusionary zoning buildings and the consequences that has for those not in inclusionary zoned units. But by and large, what I think inclusionary zoning helps us to do, which is absolutely critical, is shape the rules of the game of development in this city and hopefully, by extension, in other parts of the province.

What we've seen for decades in Ontario is an over-reliance on market solutions to our housing needs at a cost of non-market solutions. What we've seen through inclusionary zoning is an understanding of how we can shape the market rules so that they help develop some of the affordable units that we need.

The definition of "affordable," on its own, is hotly debated and could be a topic of another conversation, about what we mean by "affordable" and for whom are inclusionary zoning units going to be affordable. They're not going to be affordable for people working on the minimum wage, right? They're not going to be affordable for people on the low- and moderate-income spectrum. They are going to be more affordable for young people who might have a good, secure job. We'll see once those units are developed, but in our view, by and large, inclusionary zoning is the right thing. It's been long necessary in this province and we're excited to see where other municipalities take it.

1330

Ms. Jessica Bell: Thank you for that. I have actually a similar question to Alar, the mayor of Blue Mountains, and then Rob Sampson—you're also with Blue Mountains, right?

Mr. Rob Sampson: Yes.

Ms. Jessica Bell: Thank you for clarifying.

Mr. Rob Sampson: It's the Blue Mountains team.

Ms. Jessica Bell: Sure. Good. The reason why is, you also mentioned inclusionary zoning as a solution to making sure people can move to the Blue Mountains and then can continue to afford to live in the Blue Mountains.

I was hoping you could flesh out your inclusionary zoning issues a little bit more. Have you approached the province and asked for inclusionary zoning powers? Are you wanting developers to pay for building the affordable housing units, or are you wanting government to pay for those affordable housing units? They are the questions I'd like to know a little bit more about.

Mr. Alar Soever: Thank you. With regard to inclusionary zoning, this is a problem throughout rural Ontario. Our problem is complicated by the fact that actually we're part of a county, so we are not the planning authority for plans of subdivision. That's at the county level. Whenever there's a planned subdivision, we do the zoning bylaw amendments. They look at exactly the same paperwork and somebody pays them to do that for the planned subdivision. Of course, they consult with us, but there's duplication there. So by having it restricted to around a transit spot, a major transit centre—well, obviously, in rural Ontario you don't have those, so that's why we're saying extend it out further.

But the other idea we talked about is our attainable housing credit system example, which is on page 10 there, an example of which. The average home in the Blue Mountains is now selling for \$1.2 million, \$1.4 million, so obviously that's not attainable for anyone. There's a number of reasons for that, and some of the reasons are addressed in Bill 109. But there are homes that can be built for under \$500,000, except that it's not as profitable. So,

regardless of whatever planning rules and everything you put in place, no builder is going to build something that's less profitable than the other one.

What we're suggesting is, you tell the builders that 20% has to be below a certain threshold price point, which can be determined by MPAC and should be very local. Because, for instance, our market is about double what the rest of Grey county's market is, so setting an attainability threshold throughout the county makes no sense. We're closer to Collingwood, Clearview and Wasaga Beach in terms of character, and our housing market is part of that market rather than the rural market in the rest of Grey county.

So what you need to do I think is incentivize builders by saying, "Look, you must build these homes, but every time you build in excess of your 20%, you can sell that quota to somebody who doesn't." In my example, I say that the expensive homes are \$1.2 million; well, the last two developments I looked at in Blue Mountains are \$1.7 million and \$2 million. Even if they were buying quota for their 20% at \$200,000, it would be way less than 3% of the total price on those expensive homes. That's half the real estate fee, so I don't think anybody is going to notice on the \$2-million home—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Ms. Jessica Bell: Rob, did you have anything additional you'd like to share?

Mr. Rob Sampson: Strangely enough, inclusionary zoning is actually already in the Planning Act, because the Planning Act says, "Thou must have a plan that deals with a range of housing." It's already there. And municipalities, to a large degree, I think we need to identify that we might be part of the problem. I would say that we've not done a good job as municipalities in actually doing what's in the Planning Act now. Having said that, other tools like what the mayor has spoken to and what I have in my presentation would certainly be helpful.

Ms. Jessica Bell: Thank you very much for answering those questions.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. We'll now turn to the government side for nine minutes, beginning with MPP Skelly.

Ms. Donna Skelly: Good afternoon, everyone. Thank you all for your presentations. I know you're all very busy. I enjoyed listening intently to everything I've heard this afternoon.

Prior to getting into provincial politics, I had the pleasure of sitting on Hamilton city council—"pleasure" might be an interesting word to use. But one of our biggest challenges is something that you raised, Rob—welcome back to the Legislature, by the way—and that's NIMBYism, which we now refer to as BANANAism. It's "build absolutely nothing anywhere near anyone."

How do you work with municipalities, with stakeholders, with people who have lived in communities all their life who are really worried about any sort of a change to their community, yet address what is undoubtedly the biggest challenge facing us as we speak today, right across the country?

Mr. Rob Sampson: Through you, Madam Chair: a very good question. I think the answer to that is, very simply, we need to explain to people what the alternative is, and in our community, the alternative is a community that's not really a community.

I want a community where the physicians live in the community. I want a community where the nurses live in the community. I want a community where all the workers can live in the community where they work. That's what makes a full community. That includes a place for seniors to live when they've reached the end of their earning years and are now into the back end of their golden years—and I'm entering there, I suppose; maybe my wife would tell me I'm there already. But at any rate, I think you need to explain to people what the look and feel of a community is when people, like what we just talked to, can't afford to live there.

From a fiscal perspective, this council already has faced an issue. We're predominantly a volunteer-firefighter community. We can no longer attract volunteer firefighters, so we've had to go and hire full-time, professional firefighters. That's not bad. They're equally as qualified, obviously, as a volunteer, but to our budget, it was—what? A \$300,000-some-odd hit?

Mr. Alar Soever: It was \$500,000.

Mr. Rob Sampson: It's a \$500,000 hit this year in our budget and every year going forward. Why? Because they can't afford to live within 15 minutes of their hall.

So we've got to solve this problem. And I think that's how you deal with the NIMBYism: You need to explain to people what the alternative is if the full community can't live where they work.

Ms. Donna Skelly: It's interesting you should raise that. One of our biggest challenges currently is in attracting, for example, people into the PSW profession. I've spoken to people in my community who are saying, "You shouldn't be building homes. We don't need more homes." Well, fine, but you're getting into your golden years and you want four and a half hours of care as you enter a long-term-care facility. If that PSW has an opportunity to live in Hamilton and not have a home, or live in Pembroke or Sudbury but be able to purchase a home, they're going there. We are going to have such a deficit when it comes to our human resources, staffing etc. in our critical care professions as well, so I understand.

I'm actually gobsmacked at the price of homes in your community. I think it's incredible. Your community has a different challenge to ours. We build a lot of duplexes and townhouses etc. so it's a little bit different from your community. Although you did expand in the last question, this is an interesting proposal. Give me the 30-second elevator pitch so I can start pitching this to community councils. This is not the 30 seconds; you have to give me the 30 seconds.

Mr. Alar Soever: The pitch is, really, that you let the market deal with it. If you make it more attractive to build homes that are attainable, then you give it to the market and you say, "You must build 20%, and if you don't want to build 20%, go buy those credits from somebody who

has.” All of a sudden, you can see with the really expensive homes, you can spend a lot on those individual quota units or credit units without impacting the price of the expensive home. So really, what you’re doing is transferring some of the pricing from the expensive homes, and you’re making it more attractive for builders to build modest homes.

The market will set that rate and the government can manipulate it, of course, by saying, “Okay, this year, it’s 20%, but we’re not getting enough, so it’s 30%.” Now, all of a sudden, the demand for quota goes up. What happens in the law of supply and demand? If there’s more demand for something, the price goes up. So then, all of a sudden, there’s more of that.

If it’s 30%, then you need six instead of four in a 20-unit development, then you’re going to have to buy it from somebody. And all of a sudden, the guy building the modest homes goes, “Oh, well, I’m going to build them all modest and then, out of my 20 homes, I’ll have 16 quota. And these guys will pay me \$200,000 to \$300,000 per unit.” It’s not going to really affect the price of their homes—2%, 3% or 4% maybe. But on the other hand: “I’m making 30% more on my homes, so, hey, this is a good thing. Why am I building expensive homes? I can go build these smaller homes and make just as much profit.”

1340

Ms. Donna Skelly: It’s interesting. Do you know if they’re practising this elsewhere?

Mr. Alar Soever: No. This is a unique idea. I’ve tried it out on some bankers and two developers. One was one that built modest homes, so of course he loved it. But interestingly, the builder that was building these \$1.7-million homes in our community goes, “Well, I can live with that.”

Ms. Donna Skelly: So it’s just a matter of exploring it.

I want to go back, Rob, to your first comment, that we don’t have a consistent terminology. One of us may say it’s “affordable homes.” My concept of an affordable home is a home that is subsidized. It’s for public housing versus homes people can afford. So I think we need to start coming up with a common vocabulary just so that we’re all on the same page when we’re referring to certain plans as we move forward.

Do you have an issue—you must, because everyone does—with, I’ll call it, affordable housing? I’m talking about social housing, not-for-profit housing. Are you working with many individual organizations to build not-for-profit housing?

Mr. Rob Sampson: Yes. Through you, Madam Chair, that’s managed by the county level, which is the upper tier. We have two facilities, two units, in the town of Blue Mountains. Again, those units are managed by the county. There’s still a huge demand for that for those people who are at the lower wage scale, obviously.

But that’s not the focus, interestingly enough, of our housing corporation. Our housing corporation is focusing on—there’s another term—the missing middle and entry-level housing, whether that be rental or ownership. That’s our focus. We leave, if you will, subsidized housing to the county level.

Ms. Donna Skelly: I’ll go back to, again, my experience on Hamilton city council. One of the issues was the timeline it took to get anything built. This, of course, is bringing forward some recommendations to address that. Just your comments on that.

Mr. Rob Sampson: I don’t think we’ve got any problem with an accelerated timeline, with the exception of this: If you take a look at a traditional application, there are many consulting parties to that, some of which we, as a town, engage. For instance, the conservation authority would be engaged by us under contract to provide some support in the planning application approval—

The Acting Chair (Ms. Goldie Ghamari): Forty-five seconds.

Mr. Rob Sampson: But what’s not formally engaged with us—let’s say, if we have to go to the MTO and get some consideration and some consultation. I don’t mind compressing timelines and penalties; we’ll deal with that as a municipality. But give me relief for an entity that I need to consult with, like MTO, where I have no ability to force them to make a quick decision. Don’t penalize me because I didn’t get something from the MTO on time.

We heard planning costs are covered by fees. That’s not the case; I wish it were. I think 60% of our budget is covered by fees; the balance is covered by the taxpayer. So if anybody wants to see efficiencies on behalf of the council and the town of Blue Mountains, I want to see efficiencies in the planning department, because it saves the taxpayers—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes this round of questions.

We’ll now turn to the official opposition. MPP Burch, you may begin.

Mr. Jeff Burch: Thank you to all of the presenters.

I want to start with the Maytree Foundation: Garima and Samantha. One of the things that we’ve been very critical of with the government’s approach to housing, both in Bill 108 and Bill 109, is what we see as a one-dimensional approach to supply. Everything is about supply. If you cut the red tape, as they say, and increase the supply of housing, then the invisible hand of the marketplace will take care of everything else and raise everyone’s boat. I think you pointed out quite correctly that not only has that not been working, but it could actually make the situation worse if we start with that premise about supply and we don’t concentrate on the folks that are affected with the lack of affordable housing, and actually solving the problems in meeting the demand of those who are being priced out of the housing market and, as you pointed out, can’t afford rent.

Could you comment further on the dangers of that approach where all we do is look at supply and we don’t look at the people who are affected by poverty and by lack of affordability?

Ms. Garima Talwar Kapoor: Absolutely. I think one of the big things that are outside of the Ontario government’s control but is absolutely contributing to price increases is monetary policy and the ability of current homeowners to use the equity that they’ve gained over

time on their current homes to either increase their bids on their future homes or, importantly, from an intergenerational equity perspective, help support their children as they buy their first-time homes.

When we're even thinking about home ownership and first-time homebuyers, it's important to disaggregate first-time homebuyers who are part of families who have home equity and can help them with the purchase of their first down payment or their first home, and first-time homebuyers who do not have that intergenerational equity and wealth and who are not only struggling to pay rent but the idea of home ownership is just so far gone.

I think that the premise of this bill is to build our way out of the affordability crisis. That is one plank. Increasing supply is important because we have a structural supply shortage, but it's important to ask what types of homes we're building. Building market homes that encourage urban sprawl, that are outside of the resources and services that people and families need is not actually going to help lead to the development of healthy communities and thriving communities.

For low-income individuals and low-income families who are renting, the challenges today are not about, again, "Can I afford to save for a down payment?" It's worrying about whether "I am going to lose my lease, and I'm going to have to find a home for me and my family to move into, and that rent is going to be hundreds of dollars more than I currently pay."

Just a couple of weeks ago, I was speaking at a panel for the Daily Bread Food Bank. There was a family where the mom is a PSW. Her partner, her spouse, is also working and they're a family of five. She lost her rental home a couple of months back, and to find a new home was \$500 more per month than they were paying previously. For them, the question wasn't "Are we building enough supply for me to own a home one day?" It's "Can I actually afford to feed my family next month?"

What we're seeing at the community level amongst those in greatest need is that, while they're trying to figure out shelter challenges, figure out their housing situation, they are forgoing other really important needs that are important to your dignity. They are relying on solutions that should not be a permanent factor in our social safety net. Our food banks should not be something that governments rely on to help families maintain their bottom lines and their family budgets.

I think what we're going to see over time is a widening inequity and a greater polarization between those who can afford homes, this churn of home equity and wealth amongst those who currently own, and those who are working in lower- and moderate-income jobs who do not have access to similar amounts of equity, who cannot even think about affording a home one day because what they're trying to do is maintain shelter over their heads. That degree of inequity and that degree of polarization is something we should all be worrying about. It's something that we should be thinking about not only in terms of building market supply but how we build non-market supply.

1350

Formerly, there was a conversation around the building of social housing. In Ontario, we have not meaningfully built non-market housing for absolute decades, and we're relying on supports. We've been relying on market measures and hoping that now, through Bill 109, these changes in processes at the municipal level will help facilitate greater supply. I am skeptical, given that the demand-side challenges are so great and really are outside of the control of the provincial government, which necessitates that the government think about other planks of its housing response, one being community housing, which was also noted in the task force's report even though it was outside of the scope of their initial report.

Mr. Jeff Burch: That's a great point. You've actually partially answered my next question, which was, even if in Bill 109 the government had addressed things like inclusionary zoning and so many of the things that so many presenters today have talked about that are not there, are we still not in a huge deficit with respect to social housing, with respect to building co-operative housing and all of the other options that are available? If this really is a crisis, shouldn't we be moving as if it was a crisis and using all of the levers that we have to build housing for people who can't afford it?

Ms. Garima Talwar Kapoor: Yes, absolutely. I think that the narratives that helped us think about why market housing and why not non-market housing—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Ms. Garima Talwar Kapoor: [*Inaudible*] shouldn't exist anymore. We know that the most important thing is that people have a roof over their head and an adequate home. We've seen over the past several decades that our continued delegation to the market to respond to our housing affordability challenges has not worked, and doing more of the same and expecting a different result is not good public policy. So I would highly encourage the government to think about social housing, community housing and co-operative housing as an important pillar in its housing response.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to the government. MPP Kusendova, you may begin.

Ms. Natalia Kusendova: Thank you to all of our presenters today. Thank you, as well, for bringing the presentations. They certainly helped to guide the discussion today.

Housing affordability is a very complex issue that many, many governments preceding us have tried to address but were not able to. For context, I'll give you an example: My family and I immigrated to Canada in 2000, and then, two years later, we settled in Mississauga. My mom was able to buy a modest townhome on a single-parent budget. At that time, the price of our townhome was around \$200,000. Many, many years later, in 2022, the price of that same home is over \$800,000. When I was a single woman, a young professional—living with my mom, nonetheless—even making a very generous salary as an MPP, as a single woman, a single buyer, I would not

be able to afford that very same home that my mom was able to afford as a single mom 20 years ago. I think that's a very chilling message for my generation and future generations, who are actually getting priced out of the market no matter how hard they work. I think that's why it's so important that we have Bill 109 in front of us. We really need to address the supply, and I think part of what this bill does is to address the supply.

In my community of Mississauga, we have very, very low vacancies, whether that's to rent or to buy. Sometimes it's 1% to 2%, depending on the situation, on the market. That's extremely low.

Housing is a social determinant of health. As a nurse, I understand that very well. There's nothing more heart-breaking for me than when I have to discharge someone from the emergency room into the street because they are a person experiencing homelessness and they simply have nowhere else to go.

I think it's very important, what our government has done in terms of community housing. We've spent an unprecedented \$3 billion in 2020-21 and 2022 to sustain, repair and grow community housing and address homelessness. Of course, this was also brought forward due to COVID because we didn't want people isolating on the street, because that's not even something that they can do. But I think it's important that all levels of government do their part.

Your Worship, you said that you work with four levels of government, and I know that can present its challenges, but I think it's really important to say that the—

The Acting Chair (Ms. Goldie Ghamari): My apologies, MPP Kusendova. We do have a vote. However, it is a 30-minute bell, so if the committee wishes, we can recess now until the vote is over, or we can continue along. I think we have about seven minutes left for this round to be finished and then—

Interjections.

The Acting Chair (Ms. Goldie Ghamari): Okay. We'll continue.

Ms. Natalia Kusendova: So I was just speaking to the fact that I think we really need to call on the federal government to do their fair share. The federal government underfunds Ontario by approximately \$490 million for housing and homelessness over the term of the National Housing Strategy when compared to Ontario's share of households in core housing need nationally.

I wanted to pose the question to one of our elected officials here: Do you think the federal government has done their fair share, and is your municipality calling on the federal government to contribute to this, particularly to increase their funding to community and, as you said, attainable housing?

Mr. Alar Soever: Yes, certainly, there has been some movement, but a lot more could be done by the federal government on housing. Currently, Rob is chair of the attainable housing corp., so I'll turn it over to him because we are looking for CMHC funding for that, and he's far more familiar.

Mr. Rob Sampson: Yes, for sure, the main funding source for the units that we're constructing is CMHC

funding. Its funding model, I think, is a bit outdated. It actually doesn't allow us to transfer building risk properly to the builders, and it needs to be restructured so that that can be had.

I would argue that there needs to be more of a grant component to that right now. The majority of the money we borrow, it will be in the form of a loan and we have to repay. Well, that just gets added to the costs per door and goes on. For sure, additional grant components could be available.

We have a GST, HST issue—I can never remember what it's called; it goes to show my age. It's beyond me that HST is charged on any units that are affordable, yet they are, and there's a very complicated process to go through to get back only a small portion of that.

The federal government could also provide some funding to allow us as municipalities to forgo and forgive things like development charges and planning fees etc. That is entirely, if we choose to do so as a municipality, on the backs of the local taxpayer, and I would argue that the benefit of what we are building has a broader implication than the local taxpayer. Therefore, it might be arguable, and I think fairly arguable, that some of that should be on the backs of other levels of government like the federal government.

Ms. Natalia Kusendova: Yes, our Premier likes to say there is only one taxpayer, and so keeping money in people's pockets is more important than in the government's pockets.

But I have a question about your slide number 3. I've noticed here—so for 2020, for 429 dwelling units, the cost of construction was \$214 million, which is, I guess, \$498,000 per home. Then in 2021, it went up all the way to \$842 million, which is about a 41% increase. I wanted to ask, are these the exact same dwelling units, or are they different or bigger? And what would you attribute a 41% increase to in one year? The short answer, I think, is COVID, which of course impacted our global supply chains, but that's a phenomenal increase in one year.

Mr. Alar Soever: I think that's the market. What we've noticed is the units get bigger and bigger, and so what's happened is—it's what I call "the great urbanization." We're just a little over two hours from Toronto, so people are saying, "Hey, I can live there because I'm only going into my office half the time." So instead of being five days here and two days, on the weekend, up in the Blue Mountains, now they're saying, "Hey, I like my lifestyle up here. I'm five days here and two days in the city in a condo or a hotel or an Airbnb or whatever."

So this is really market-driven, and you can see the effect on the market. That's why I'm such a big believer in doing a quota system, because the market drives everything. If you make it more profitable for builders to build something, they will build that. You can see here—a few years ago, people were saying, "Wow. My builder is really charging me a lot. It's 400 bucks a square foot." Now, they're charging \$700, \$800 a square foot for these larger homes, and I'm going, "Well, okay. The cost of construction went up, but not by that much." I see a lot of

builders with smiles on their faces, but we're not getting the modest housing because, quite frankly, you can see these numbers reflect how attractive it is to build these big \$2-million homes.

Ms. Natalia Kusendova: Your Worship, you mentioned that prices of average family homes in your community are \$1.2 million to \$1.4 million, and some of the reasons why are addressed in Bill 109. Can you give us an example of these reasons and how Bill 109 addresses them?

Mr. Alar Soever: Putting timelines on building applications: We've seen with our own—

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Alar Soever: —attainable housing project how much it costs when you have delays in permitting and everything. So just doing all of that, streamlining processes, giving people as of right—and then, I think one of the big ones is the fact that the OLT is now encouraged to assign costs if there's a frivolous application. We've seen lots of applications where the development is ready to go and somebody says, "Oh, but you're cutting down trees on a road allowance that was always there." Well, it's a road allowance. Don't be surprised if it turns into a road when there's a development. It's the way it is. These kinds of things go to the OLT and it costs time and money, not only for the proponent, but we have to get our staff and legal involved.

A lot of those fine, little tweaks are good, and I think it's a lot of good progress, but ultimately, the big step will be if you can bring in something that incentivizes the builders to build smaller homes. I think any party that does that will probably win the next election, because you can say, "We're implementing this"—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That's unfortunately all the time we have for this round. I'd like to thank our presenters for joining us.

At this point, we do have a vote, so the committee will recess. We'll try to be back by 2:30. If it's a little bit later, we just have to deal with that, but let's try to aim back for 2:30. Thank you, everyone.

The committee recessed from 1402 to 1433.

The Acting Chair (Ms. Goldie Ghamari): Good afternoon, everyone. The Standing Committee on the Legislative Assembly will now resume.

RESIDENTIAL CONSTRUCTION
COUNCIL OF ONTARIO
MS. BARBARA CAPTIJN
ASSOCIATION OF MUNICIPALITIES
OF ONTARIO

The Acting Chair (Ms. Goldie Ghamari): At this time, I would like to call upon our next round of presenters. Each will have eight minutes for their presentation, beginning with the Residential Construction Council of Ontario. Please state your name for the record and then you may begin. Thank you.

Ms. Amina Dibe: Hi, there. My name is Amina Dibe. I am the manager of government and stakeholder relations at RESCON. I'm joined by Richard, who will introduce himself as well.

Mr. Richard Lyall: I can't unmute myself.

The Acting Chair (Ms. Goldie Ghamari): We can hear you now.

Mr. Richard Lyall: Okay, good. Sorry. I was trying to unmute myself and I couldn't. I thought: Oh, no, a conspiracy. Anyway, I'm Richard Lyall. I'm the president of RESCON.

The Acting Chair (Ms. Goldie Ghamari): Thank you. You may begin.

Ms. Amina Dibe: Thank you for providing us time to share our feedback to Bill 109, the More Homes for Everyone Act. RESCON represents over 200 builders of all forms of high-rise, mid-rise and low-rise housing in the province. We work in co-operation with government and related stakeholders to offer realistic solutions to a variety of challenges affecting residential construction, many of which have wider societal impacts.

We are committed to providing leadership and fostering innovation in the industry to the following six core focuses: health and safety, training and apprenticeship, government relations, labour relations, building science and innovation, and regulatory reform and technical standards. Specific to housing, RESCON sits on a variety of committees and organizations, including the Construction and Design Alliance of Ontario and the Residential and Civil Construction Alliance of Ontario.

RESCON commends the government for their commitment to addressing the housing supply and affordability crisis. Ontario and Canada are not at the forefront of innovation, which is clear from international rankings. Canada ranks 34th out of 35 OECD countries in the length of time it takes to get a general construction project approved and ranks 64th out of 190 by the World Bank on construction permitting. We also have the highest amount of immigration among G7 countries per capita, but the lowest housing supply and the highest housing costs. According to a new report from Scotiabank, Ontario needs 650,000 more units just to hit the Canadian average per capita and 1.2 million units to hit the G7 average. RBC notes that housing supply and affordability issues are affecting our ability to attract and retain skilled talent in Ontario and Canada.

We have long been sponsoring research and promoting solutions on these issues for some time, most recently at our inaugural housing supply summit, which brought together federal, provincial and municipal leaders as well as housing experts from around the world to discuss the myriad of solutions that can be implemented in Ontario. We are pleased with the outcomes of the housing supply summit and that the Premier and Minister Clark are committed to increasing housing supply and removing red tape.

RESCON was glad to have been consulted by the Housing Affordability Task Force. We're pleased with the 55 recommendations, many of which, if implemented,

would address exclusionary zoning and would speed up the approvals process by removing red tape at the municipal level through the modernization of zoning and site plan approvals.

I'll now turn to Richard to add more. Thank you.

Mr. Richard Lyall: Thanks, Amina. And thank you for affording us this opportunity to make this presentation to you.

The state of our housing supply crisis has gotten so bad that short-term solutions will not be suitable. That's why we're glad to see that Bill 109 includes a commitment by the government to produce a housing supply action plan every year for the next four years, because, all too often, these issues tend to have their moment in the sun and then the clouds come in and things kind of stop. That clearly is not the case now, and that is good.

This commitment will ensure that we're moving towards housing policy and programs that are up to date and reflect the current housing supply and affordability landscape. The number of development applications continues to increase to meet housing demands, yet limited resources at the municipal level act as a bottleneck in the ability of the private sector to deliver much-needed housing. The reliance on paper-based submissions, staffing constraints due to COVID-19 and the sheer number of approval agencies involved in getting a development application approved has slowed timelines progressively and thus slowed the overall construction process. This drives up costs. Delays, for example, cost an average of \$2,000 per unit on your typical condo project.

That is why the measures proposed in Bill 109 to streamline municipal approval processes are welcomed by us. Specifically, we are hopeful that the requirement for municipalities to refund application fees if a decision isn't made within the pre-existing legislated timelines will provide needed discipline.

We're also glad to see that the province is empowering municipalities to innovate the approvals process through the community infrastructure and housing accelerator tool. RESCON has long been a supporter of the One Ontario initiative run by AECO Innovation Lab, which proposes a centralized data exchange and e-permitting platform for use by municipalities, provincial ministries, conservation authorities and all applicable law agencies in Ontario for the development and permitting system. With the support of over 30 entities—and that's all the major players that affect what we're talking about, including the city of Toronto, the city of Windsor, the town of Oakville and AMO—One Ontario presents a solution to speeding up the development review process.

Changes proposed in Bill 109 would amend the building code to allow for more modular, multi-unit residential units; low-rise, multi-unit housing; and 12-storey wood buildings, which are also positive proposals to expand housing options.

1440

We're also supportive of Bill 109 as it will spur open and transparent data collection through amending the Planning Act to require public reporting by planning

authorities on development applications that have been submitted and are complete, under review and approved. This will help all actors in the housing industry better understand, predict and plan housing supply.

Components in Bill 109, the More Homes for Everyone Act, are important steps in the right direction to increasing housing supply and affordability. We are looking forward to learning about future plans to implement the remaining recommendations from the Housing Affordability Task Force report, including and most importantly the recommendation to end exclusionary zoning. For example, currently 70% of the land in the city of Toronto is basically allocated to single-family homes.

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Richard Lyall: To conclude, the housing supply situation is dire, with over 1.2 million units needed nationally just to get to the G7 average. Process and permits are vital to increasing housing supply and bringing more homes to market.

Thank you for your time today. We look forward to answering any questions that you might have.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much.

We'll now go to our next presenter: Barbara Captijn. Please state your name for the record and then you may begin. You'll have eight minutes.

Ms. Barbara Captijn: Thank you, Madam Chair and members of the committee. Thank you for the opportunity to present today. My name is Barbara Captijn. I am a consumer advocate with 14 years' experience in matters related to newly built homes, Tarion and the builder regulator.

The title of this bill, "More Homes for Everyone," sounds like a dream come true. It's a challenging goal to try to address the housing supply and affordability crisis and get more than double the amount of homes built in the next 10 years amidst rising costs of supply, labour and land; a shortage of skilled trades and municipal inspectors; and rising interest rates. But just like a home on a faulty foundation will fail, so will this plan to build more homes faster if the regulatory framework governing the industry is still flawed.

I would like to point out one major failing in consumer protection I see in Bill 109. I'd like to draw your attention to section 3 of the bill, section 56, page 5. This is a new section replacing the previous section 56 of the New Home Construction Licensing Act. This new section gives unusual discretion to the registrar of the regulatory agency, the Home Construction Regulatory Authority, known as HCRA.

No other regulatory body I know of has given this wide and unfettered discretion to its registrar to deal with complaints about licensees based entirely on her opinion. This new section reads: "If the registrar is of the opinion, whether as a result of a complaint or otherwise, that a licensee has contravened any provision of this act, the regulations or prescribed legislation, the registrar may do any of the following, as the registrar considers appropriate...."

The words “If the registrar is of the opinion” are problematic, because it doesn’t use an objective standard for evaluating complaints, but rather someone’s opinion. This opens the door to conflicts of interest and off-the-books decision-making so that even a court can’t challenge a decision the registrar would make based on her opinion. This is a dangerous shift in language in your Bill 109 and the amendments that you’re suggesting, and was not the intention of the New Home Construction Licensing Act, which passed in 2017 and which used words so that the registrar may use measures in handling complaints as appropriate, which means held to an objective standard.

New homebuyers have the right to see that the regulator of builders is doing the job of regulating fairly and impartially in handling complaints about conduct or service. Someone’s opinion is not a fair or transparent regulatory yardstick. To give a recent example, if a builder installs used furnaces in new homes without disclosing this to the buyer and the homeowner makes a complaint to the HCRA, the registrar can decide to do nothing, based on her opinion.

The HCRA has already received 600 complaints about builders in its first year of operation, according to its own 2021 annual report. Where are the results of these investigations? They’re not on the HCRA website. None have been referred to the discipline committee. Six hundred complaints about builders: What’s happened to them? Future buyers are out there looking to buy homes from these builders and have a right to know what is the record of the person they’re investing their life savings with.

There is no mention as well on the HCRA website of what became of the April 2021 complaint that appeared in the press of a much-publicized sex and alcohol-fuelled video at a construction site in Milton, which was reported by Global News on April 16, 2021—silence from the regulator. The builder’s conduct was widely criticized as inappropriate, unacceptable and against the HCRA’s code of ethics. No committee hearings have taken place. No actions appear to have been taken—at least, nothing that the public is able to know about—and the complainants have not received a response.

Consumers need to see accurate and up-to-date builder records before buying new homes. That’s even written into section 82 of the construction licensing act. That’s already law. Shifting decision-making to opinions instead of objective standards is a huge step backwards in transparency and consumer protection.

How many construction defects are there per year in newly built homes? If 60,000 newly built homes are delivered per year, this government wants to double that to 120,000 approximately. The Auditor General’s report looked at a window of time between 2014 and 2018 and said that Tarion assessed over 6,485 construction problems and refused 9,700 requests for help because they missed the reporting deadline. That means some of these consumers who bought new homes with their life savings were left with construction defects. That’s not affordable housing.

Too often, because of the difficult process at Tarion and HCRA, consumers are left to deal with construction

problems themselves. Add to that your current political pressure to double the number of homes built in the coming years and build them faster and this could potentially double the number of deficiencies, especially since skilled labour is scarce. This is bad for consumer protection and the public interest, and it doesn’t make homes more affordable.

With a weak regulator with unfettered discretion now—which is what you’re giving her in these amendments to the bill—and a still-flawed warranty administrator, Tarion, this is creating a perfect storm in lack of consumer protection for new homebuyers.

The Acting Chair (Ms. Natalia Kusendova): One minute remaining.

Ms. Barbara Captijn: I’ve completed my presentation. Thank you for listening.

The Acting Chair (Ms. Natalia Kusendova): Thank you very much.

Now, I would like to invite the Association of Municipalities of Ontario. We have three presenters: Monika Turner, director of policy; Amber Crawford, senior adviser; as well as Michael Jacek, senior adviser. Welcome. You have eight minutes for your presentation. Please begin by stating your name for the record.

Ms. Monika Turner: Thank you very much. The name is Monika Turner, director of policy for AMO.

The Acting Chair (Ms. Natalia Kusendova): You may begin.

Ms. Monika Turner: Good afternoon. Thank you so much for the opportunity to speak with you today about Bill 109, the More Homes for Everyone Act. Our association has been actively involved in housing and homelessness advocacy for years, as Ontario’s 444 municipal governments are responsible for building strong, complete communities, of which housing, both home ownership and rentals, is a key component.

Housing has become a top-of-mind issue regardless of whether it’s an urban city or a small, rural and remote community. These challenges will not be solved by a one-size-fits-all solution. That’s why we appreciate the government including separate consultations on missing middle and gentle density and the unique housing needs for rural and northern Ontario municipalities.

1450

Throughout the province’s housing consultations, AMO has consistently advocated for a comprehensive and integrated approach to housing affordability. Our latest housing paper, A Blueprint for Action, released in February 2022, makes nearly 90 recommendations for all orders of government and partners of the development, non-profit and co-operative housing sectors to improve affordability, diversify the housing mix and increase supply.

Municipal governments are a mature order of government and have a key part to play in improving planning and development in our communities. However, the housing market in Ontario is truly complex, including factors that affect supply and factors that drive demand. Housing affordability is equally complex because it is affected by both escalating prices and lagging incomes.

There is very little municipal governments can do about demand. We cannot change the fact that a considerable segment of the housing market is seen as a financial investment rather than places to live. Municipalities do not control interest rates and we do not control the provincial approvals that can often hold up construction. Therefore, to make a meaningful impact on housing affordability, everybody involved must be at the table and contribute to solutions.

The province has been clear that Bill 109 is part of a much larger process. We agree. This makes sense, as this problem has not happened overnight and it will not be solved immediately either. A new collective mindset for transformative change is required. The province did not implement every Housing Affordability Task Force report recommendation in the bill, and we appreciate that. Recognizing that the province intends to use the report as a road map going forward, the municipal sector needs to be well represented at the Housing Supply Working Group and be part of those future directions.

With the time remaining, we'd like to present a few general thoughts for the committee's consideration on Bill 109. Overall, we have some concerns that the proposed legislative and regulatory changes will give municipal governments more responsibility, transfer risk and create a more punitive planning regime that may have some unintended consequences and may not achieve the desired outcomes. We are also concerned that the proposed changes could give the ministry additional powers related to the Planning Act that may reduce the role of local councils and inhibit sound planning and development practices.

Municipalities want to make sure approval processes are timely and effective. Continuous improvement is supported. Measures in the bill that support timely approvals and that reflect the aspirations of communities can be helpful. However, there will be an increased administrative burden that will stretch municipal government capacity to implement, especially in smaller communities. The initiative could benefit from metrics that measure the success of these initiatives to evaluate their effectiveness based on evidence and outcomes.

We're also concerned that the legislation does not ensure new development will be supported with sufficient community services and infrastructure capacity to grow. We need schools and hospitals to keep pace with growth. A long-standing principle of municipal governments is and continues to be that growth must pay for growth.

Some proposals, including the July 1, 2022 deadline to delegate site plan control to staff under the Planning Act is likely to be problematic for communities who have not already delegated this authority. We would encourage the committee to move the date up to December 31, 2022, to allow time for transition and to recognize the upcoming municipal election.

Finally, the gradual fee refunds required for applicants coming into place January 1, 2023 for site plan applications and zoning bylaw applications may also have unintended consequences. These fees are often charged on

a cost-recovery basis and would leave current taxpayers responsible for covering the difference. It will also decrease revenues in departments that are already under-resourced with tight budget constraints.

Municipal governments are mindful that the steps to address the housing crisis in Ontario will not be easy or simple. We commend the government, Legislature and this committee for their efforts to tackle this issue. AMO and our member municipal governments look forward to being actively involved in the dynamic, long-term work needed to address all aspects of the housing challenges ahead. Thank you very much, and we're happy to answer any questions.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. This round of questions will begin with the government, I believe. Yes, with the government. MPP Wai, you may begin. You have nine minutes.

Mrs. Daisy Wai: Thank you to all the presenters for coming in. I do have a question to the representatives from AMO. I thank you for having the three of you come in and also representing your views from AMO. It is important for the municipalities to collaborate with not only the provincial government, but the federal. We need that collaboration with you.

I have just heard from another municipality that it takes a long time sometimes for little things—three years just to get something processed. Do you think cutting the red tape is something that could improve, or has improved, in what we're planning to do through this bill? I don't want to—

Ms. Monika Turner: If I may—

Mrs. Daisy Wai: [*Inaudible*] from the AMO, please answer the question for me.

Ms. Monika Turner: Thank you very much for the question. We're always happy to get rid of red tape, so for that part of it, we support the bill.

But also, in our paper that we put out, our 90 recommendations talked about what municipalities can do to streamline and improve the process, as well as the federal government, the provincial government and the development sector. So it will take everybody's efforts.

We don't believe, unlike others, that all the problems are at the municipal level. Sure, we can contribute to solving it with what we can control, but as you know, we're primarily under provincial legislation. We do what we need to do under the Planning Act. Again, the province can refine and transform that legislation, but it will take everybody's participation to get rid of red tape and streamline to be able to actually see effective change.

I'll just check if Amber and Michael want to add to that.

Mrs. Daisy Wai: Well, thank you very much—

Interjection.

Mrs. Daisy Wai: Oh, sorry. Amber, do you want to add to that?

Ms. Amber Crawford: Sorry, if I could. I was unable to get off mute there.

I would just provide a couple of quick examples of things that we're looking for when working with developers. For instance, to encourage innovative housing while still conforming to the Ontario building code is one

of the instances that we've talked about. We're looking for innovation, to work with the province and to accelerate the development of new supply in housing while supporting new technology and methods. E-permitting is something that we've mentioned as well. Another thing that we put forward is revisiting zoning best practices. So to Monika's point, we all have a role to play, and those are some examples that we're looking at within our own shop in order to improve those timelines.

Mrs. Daisy Wai: Thank you very much for your comments.

I still want to go back to AMO. Just now, you mentioned that some of the things we'd better stall until December because we're looking at the election in October. But what do you think about the data collecting? Has that been improved, or do you see the importance of that so that all the data that we collected—we will make sure that we have that and we can maintain it to be transparent. And this information can be passed on, whether the same group is going to handle this or not. What is your comment on whether you're supporting to make sure that we have good data to work from as well as how do you make sure that we collect all the right data for the future planning?

Ms. Monika Turner: Thank you; great question. As my friends mentioned, we're also deeply involved in and want to move on the data standard. We believe very much in the need for open and transparent data. So it's public data; people can see where the system is. Anything to improve data, its openness and its transparency, would be very helpful.

Again, I don't know how detailed you want to get into, but we're actually working on a pilot project right now on e-permitting with MPAC and our sister organization, LAS, to talk about e-permitting with building permits. We need to tackle development approvals, but we see it as part of the continuum. And working together with RESCON and others on getting to a data standard I think is something we all want, and that will improve data and, I'll keep saying, transparency.

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Mrs. Daisy Wai: Thank you very much for that information.

I can pass it on to another member from my team here?

The Acting Chair (Ms. Goldie Ghamari): Okay. Who would like to speak? MPP Pang, you have three minutes, 45 seconds.

Mr. Billy Pang: This question is for RESCON. I have heard a lot of concerns from homebuyers regarding the credibility of their developers. Bill 109 seeks to strengthen consumer protection for purchasers of new homes by holding new home builders and vendors to professional standards, increasing fines to address unethical behaviour and enabling Tarion to extend the warranties on unfinished items in a new home. What additional measures, if any, would you like to see added to Bill 109 to achieve this?

Mr. Richard Lyall: Thank you for the question. I guess the first thing I'd like to say—you know, we like to say that if you can build in Ontario, you can build

anywhere. Our industry is recognized as a world leader in producing housing. We produce tens of thousands of units of housing every year successfully, and we haven't had some of the failures I think we've seen from other jurisdictions.

Circumstances can change, and of course COVID presented some very unusual challenges in supply chain mechanisms and everything else like that. The industry has done a remarkable job in addressing all of those factors. The fact is, I would say about 97% or 98% of the houses that get sold or projects that are started do get completed. That doesn't mean to say that we don't have challenges. Certainly, we do not support unethical practices, and we certainly do support that people get treated fairly.

I don't have anything to add to what Bill 109 does. I think it does add balance to where we need to go, and it's a good step in that direction. I'm not sure what else might be needed, from my point of view, and so that would be my answer to that question.

Mr. Billy Pang: Thank you for the answer. In every sector, there are good apples and bad apples; we know that. So what are your members' most important priorities in the area of consumer protection for new homebuyers and the promotion of properly built homes in Ontario?

Mr. Richard Lyall: Just on that point, we do have a number of regulatory—

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Richard Lyall: —measures that govern how we build housing. We do have a very robust building code and a very robust regulatory authority, with multiple layers of scrutiny on housing. We have professional engineers, architects and planners that are involved in the process. We do have a very professional industry, and I think, by and large, we do an excellent job at producing housing. In fact, we want to produce more because we need to build more housing. We've got a lot of immigrants coming to Canada and Ontario, and we don't know where they're going to live. We have to deal with that.

I think there are measures here that are well put and need to be addressed. But beyond that, I think we need to really look at dealing with some of the barriers to what we're doing, because some of them—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That's all the time we have for this round.

We'll now turn to the official opposition. MPP Burch, you may begin.

Mr. Jeff Burch: Thank you to all of our presenters for being here today and for your comments. As the official opposition critic for municipal affairs, I just want to direct a few questions to AMO and then I'll hand it over to my colleagues.

First of all, I have to comment that over the last week or so, throughout the debate on Bill 109, if you had the time to read Hansard you'd hear an awful lot of blaming going on—blaming municipalities for every single problem in the approval process, all of the problems with everything from affordability to everything else. That has caused some of your members to push back. The big city

mayors have talked about—it's not just municipalities here. There are issues where developers are maybe not moving forward with approvals in certain areas, at certain times. The province certainly has responsibilities.

I couldn't help but notice, as well, AMO's concern they were not included at the outset on the Housing Affordability Task Force. Could you comment: Is it really constructive to play the blame game, first of all, and secondly, how important is it to have municipalities at the table right from the start so that they can be involved as partners in the conversation?

Ms. Monika Turner: Thank you very much for that question. We don't find blame games very effective, which is why we are looking at our integrated approach to deal with the housing crisis. This is our paper—as I said, 90 recommendations, because this is complex.

It didn't happen overnight and we're not going to fix it overnight. We don't think it's just us. We can always improve; everyone can. But we really did focus on, what can everybody do in their particular areas to help with the leverage? The province and the feds both have legislative levers. They have funding.

Municipalities are very much part of land use planning and all the requirements of a complete community. One of the things we do suggest in our recommendations is: We're looking for an integrated provincial portal, if you will, where all aligned ministries come together and a complete application—I'll keep saying that—goes in and is reviewed with a timeline. Right now there are no timelines. All of us can do better, but what we're looking for is for provincial approvals to also be streamlined.

Again, we're going to solve it together. That's why we're looking very much at the positive and trying to contribute what can be done, but you're not going to get much housing development without working with municipal governments.

Mr. Jeff Burch: Very true. I also wanted to talk about—there's been some interesting back-and-forth throughout the day with various presentations regarding root causes of the lack of affordability of housing. I was glad to see you make a comment in your presentation that municipalities can't control the fact that a considerable segment of the housing market is seen as a financial investment rather than places to live. We've heard that one out of every four homes bought is bought as an investment, not as a place to live. Many folks have talked about the financialization of the housing market.

I'm going to assume that you fall on the side of, and your members have told you that, yes, in our municipalities speculation and the financialization of the market play a big role in the fact that housing is becoming less affordable in our community.

Ms. Monika Turner: It is something we've heard from our members, but I also want to stress, we're not just looking at one part of housing; we're looking at the continuum. Again, that's how we look at it.

There may be many folks who can afford a high-end executive home, but we work on both housing and homelessness. We are looking for people to be housed, to have

a home, be it home ownership or rental, be it supportive housing or be it co-op—all that different mix of housing types, as opposed to one segment. We're looking for a comprehensive and integrated approach.

I'm trying to get Amber, and Michael might also want to add on this. Amber?

1510

Ms. Amber Crawford: Thank you. To your previous question—and thank you for that—I think that's the reason why it's really important that municipal governments are at those working groups. That's why we really appreciate the fact that the housing supply working group was a part of this plan and act. We stand ready and willing to be at that table, along with other actors.

Mr. Jeff Burch: Great. Thank you for that. There are many things that go into the solution, and all different kinds of housing. If we're going to meet—not just talk about supply, but if we're going to meet the demand, obviously there's a huge and growing demand for affordable housing of all types. We talked earlier about governments not playing the blame game, and working together. AMO has commented that all orders of government have to make that proportionate investment. When you talk about social housing and other types of more affordable housing, the provincial contribution has lagged behind proportionately. Can you comment on the fact that that is such an important part of housing affordability, that we invest in social housing and that all orders of government have to play a part?

Ms. Monika Turner: Again, I couldn't agree with you more. That's why there are public services, public governments, to assist those who need assistance, that being community housing or supportive housing.

But I'm also going to ask my colleague Michael to just talk about where we are on homelessness, ending it, and how we're looking at that part of that spectrum of housing. Michael?

Mr. Michael Jacek: On homelessness, just to segue from Monika's last point, AMO's view is that the homelessness crisis exists amidst—we've been calling upon the government to essentially work with municipalities to figure out a solution to end homelessness, starting with chronic homelessness, by 2028. Housing is a big part of that. There are also some non-financial interventions that can be looked at as well. But the bottom line is that we need more community and supportive housing. There was a call, many years ago, for 30,000 new supportive units in the province, and that's an ambitious target.

In terms of facilitating that type of non-market housing, which is critically important, I think one thing that all governments can do is land donations. What it does is it reduces the cost for affordable housing, and takes the land out of the speculative market as well. We've been advocating with our Federation of Canadian Municipalities to encourage the federal government to do an acquisition funding program where they help convert private market housing and keep it at a low rent and under the management of non-profit and co-operative housing providers.

Mr. Jeff Burch: Great. That may be a good segue into talking about the principle of growth paying for growth. You spoke about some of the unintended consequences that may be a result of not having municipalities at the table right from the start. Can you expand on some of those unintended consequences and how important it is, as we aim for the kind of growth that we need, that it pays for itself and doesn't further impoverish communities and municipalities?

The Acting Chair (Ms. Goldie Ghamari): That's all the time we have for this round. My apologies. You'll have to wait for the next round.

We'll now go to the government. MPP Oosterhoff?

Mr. Sam Oosterhoff: Thank you so much. I appreciate everyone coming. I have a couple of quick questions for Barbara. Thank you for appearing before the committee today.

Barbara, you mentioned a concern with schedule 3, section 56.1 of the legislation, the wording "if the registrar is of the opinion". Do you believe that the concern around that is that opinions can be unreliable?

Ms. Barbara Captijn: Is my concern—sorry?

Mr. Sam Oosterhoff: That opinions can be unreliable.

Ms. Barbara Captijn: Well, they're not objectively examinable, you know—

Mr. Sam Oosterhoff: Okay, thank you. That was the question. Would you say that's an opinion?

Ms. Barbara Captijn: Excuse me?

Mr. Sam Oosterhoff: Would you say that that's an opinion? Is that your opinion?

Ms. Barbara Captijn: I think that you could look at court cases to see whether, when decisions are made, judges use their own opinions or do they use facts and evidence. I think, in determining if a builder has not conformed to the code of ethics, you have to look at facts and evidence. Opinions have nothing to do with it.

Mr. Sam Oosterhoff: Okay. So I just want to clarify. From your opinion, opinions should have nothing to do with the consideration. It shouldn't be based on that. I just wanted to make sure with regard to that. Thank you.

I also wanted to ask RESCON very quickly about some of the work that's gone on in your sector. You've built a lot of new houses lately, and I very much appreciate that work. I have a question about the approach that we often hear from some of our opposition colleagues in the New Democrat and Liberal parties, where they really seem to, frankly, demonize construction, demonize development, demonize new housing. It's a very strange thing where on the one hand, they're saying we need more housing, and then on the other hand, they're saying, "We don't want to work at all with people who are building these." I know they will lob accusations at the government that we're working too closely with developers.

My question back, as you know, to them: "Well, who do you want to build these housing units, then, if it's not construction workers?" I know a lot of people in our community who came across this as new immigrants to Ontario and didn't speak a lot of the language when they first arrived and got their first work in construction. Many

of them went on to become successful builders and have added a lot to our local GDP and to our local communities.

I'm just wondering if you can speak a little bit about why you think there's that approach from certain political parties in Ontario, that they seem to have a real antagonism towards residential construction.

Mr. Richard Lyall: That's a very good question. Frankly, I can't say I've got a rational answer for you, because we are not the enemy. Although, sometimes, you do get to that sort of, "That's the flavour of the day." Maybe that's driven by some unusual examples or some things that may have happened at one point in time or another. Our industry is a massive industry, and our industry builds all housing. It doesn't matter if it's social housing—whatever form of housing, the private sector builds it. So we know what we're talking about. As I've said, we do a good job.

We also know that, relative to any other jurisdiction in North America, the fact is, our taxes, fees and levies are the highest in North America. That's just a reality. A new home, low-rise, if it's a million-dollar home, about \$240,000 of that price tag is taxes, fees and levies; on a condominium, it's about \$220,000. And that's borne by the consumer or the state, in the case of where there is, say, social housing being built.

But I really appreciated what Monika was saying. This is no time to point fingers. We need everyone's shoulder on the wheel here, all levels of government. I know I mentioned municipalities briefly there, but that's only because we do have antiquated zoning and—Monika mentioned this—we do have a lack of certain disciplines, timelines and so on. It is a very complex process, and the municipalities are—I don't like the word, but they're creatures of the province, so the Planning Act, really, and other acts do determine how exactly we build things. But we're not the enemy, and we need—

Mr. Sam Oosterhoff: Could I just return—I want to return back to the question that I asked, and it's kind of tied to it. You mention that about a quarter of a million dollars for most new residential units or builds goes towards taxes and fees. Obviously, that's a lot of money. Do you know how much would be paid annually in taxes, fees to various levels of government over the course of a year here in Ontario through the construction sector?

Mr. Richard Lyall: Well, that's a good question. It is well into the billions. If you look at just residential—all residential construction, renovation, new home build—nationally, in 2022: \$167 billion. So if you do some rough math on that, the province of Ontario is at least, probably, around \$60 billion to \$70 billion in activity, and then you take your income taxes and HST, and so on and so forth, out of that.

1520

We're the number one industry in Ontario, and—

Mr. Sam Oosterhoff: Right. The point I think we need to make and stress there is that this is tens of billions of dollars that's going towards paying for the services, the transit, the health care, the education, the government

services that, frankly, we all enjoy and we all want to see expanded.

It seems very strange that there's a whole segment of the population—I know they're traditionally called NIMBYs; I know that Minister Clark called them BANANAs, “build absolutely nothing anywhere near anyone.” It just seems strange to me that on the one hand, we want to have our services that are paid for through all those taxes, but there seem to be segments of the population—the political class, I should say, rather, because I think most people in the province recognize the need for more housing—who don't want the economic opportunities, or they want the economic growth, the taxes and the spinoff, but they don't want to allow that growth to happen, it seems.

It's very frustrating, I think, just watching as a young person, where many, many of my friends and constituents and people I know aren't able to get into the market because, obviously, we've seen a huge increase in prices. I appreciate you being willing to share with the committee a little bit more on that, because I find it very perplexing.

I also want to just acknowledge the work that so many of the members of your industry do. Frankly, so many of the people who came here to Ontario looking for a better future, like many people in my family, started off working in construction, swinging a hammer or using a saw, and were able to build a good life here in Ontario off of that as well.

I also want to just, very quickly, speak with AMO, if possible, about transit-oriented communities—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Sam Oosterhoff: Oh, wow. That went quick.

Specifically, we're building a lot of transit. There's a lot of planning around that transit. So I'm wondering if you could speak a little bit about the value of transit-oriented communities and what you're seeing in some of your municipalities around that.

Ms. Monika Turner: If I may, I believe there are over 100 municipal governments that have public transit systems, and it only makes sense to have people try to use transit more and more. Again, we could talk about climate change, we can talk about GHGs, we can talk about the cost of gas, but communities being communities where you've got the amenities—there's walkability, there's transit, there are transit hubs. Again, we have been supportive of that. But one of the things that our municipalities are looking for is a mix, that it's not all—

The Acting Chair (Ms. Goldie Ghamari): Thank you. That's all the time that we have.

We'll now turn to the official opposition. MPP Hassan.

Mr. Faisal Hassan: Thank you to the presenters for their comments. My question is to Barbara. I know, Barbara, that you have done extensive work about consumer protection. This bill, as your presentation shows, actually doesn't protect consumers, and it fails them on many occasions. I know that we need to protect consumers. When consumers are buying homes, this is a big purchase for their lifetime; they've been saving a lot of

money. And we have many cases where this has been the case.

In your opinion—you're right; we need an objective standard, and this bill doesn't add that—how can we elaborate to protect consumers and strengthen Bill 109?

Ms. Barbara Captijn: Well, the one thing that I can think of, which our friends the PC MPPs were in favour of when they were in opposition—I'll repeat it now, because hopefully it's popular with them—is to introduce the oversight of the Ombudsman of Ontario over these delegated agencies of government like the HCRA and Tarion. Neither of those agencies are subject to the freedom-of-information act or the Ontario Ombudsman Act. We need independent oversight of these arm's-length agencies of government.

We all remember the example of Ornge. If there's no transparency and accountability—which are also two favourite themes of the PC MPPs who are here at this table, who were in opposition and always were proponents of transparency and accountability at government agencies. I would suggest maybe the oversight of the Ombudsman of Ontario over the HCRA—an objective oversight, independent. It's not the silver bullet, it's not the answer, but it would help consumers have the idea that at least there is an objective standard being held to the builder directory, for example, the list of builder performance—not somebody's opinion about if a builder is a great philanthropist and is donating to children's hospitals then he gets a free pass on whatever he does when he's building homes. I don't want to buy a home from a builder like that, and I don't think that people who are on tight budgets or trying to save their life savings to buy a home want to buy from a builder whose record they can't see.

Mr. Faisal Hassan: Absolutely. It's very important to see those records. I know my colleague also wants to ask you a question.

I know that we, with my colleagues, have recently put forward a bill about an independent consumer watchdog, but this government and the folks from the other side of the aisle have voted it down. In Ontario, we don't have protection for consumers, and to strengthen the consumer protection—

Ms. Barbara Captijn: I agree.

Mr. Faisal Hassan: Yes, exactly. Would you elaborate on that?

Ms. Barbara Captijn: I supported the consumer protection watchdog act because consumers need an independent body. They need a friend out there. Tarion and the HCRA—I don't need to tell it to you. Judge Cunningham's report on Tarion in 2017 and the Auditor General's report on Tarion in 2019 showed a highly conflicted agency which did not protect consumers as their number one stakeholder. They have many stakeholders, including themselves and builders. These are their flawed agencies. This is a flawed regulatory and warranty framework that you are throwing consumers into without properly protecting their life savings.

Mr. Faisal Hassan: Thank you. I turn now to my colleague, who might have a question.

Ms. Jessica Bell: Thank you. Thank you, Barbara, also, for your presentation.

The question that I had was again for AMO. It regards some of the province-backed Housing Affordability Task Force recommendations around municipal zoning reform. It would be good to get an update from you on where AMO stands on measures like ending exclusionary zoning of single-family housing, in what areas and for what size of municipalities. It would be good if you could just elaborate on that a little bit because I know that there's a lot of conversation around that right now.

Ms. Monika Turner: There is a lot of conversation and we keep stressing that there is not a one-size-fits-all, so having one sweeping statement doesn't make sense to our members.

We do not have a policy or a position on exclusionary bylaws. It is something that we are looking at with our task force, with our executive and with our board. Many municipalities are looking at it. Again, good planning processes—at the same time, there are capacity issues.

I also want to get in that one of the biggest issues is growth paying for growth. I didn't quite get to finish that sentence. We need the ability to do development charges. Though they are somewhat demonized, they shouldn't be. They're actually cost recovery for that infrastructure that supports that home and that community, because you need sewers, you need stormwater—they're definitely unsexy, but they're definitely needed to make a home a home.

As well, one of the issues we have seen and what we're hearing from members is that part of the issue about NIMBYism—and we all need to work on that as well—is the fact that if there's not enough capacity for the schools or the hospitals, we need growth from the provincial level as well, that when there is new development there is provincial infrastructure that goes in as well, which includes transit. Sorry, I took you on a long way of doing it. Again, it's building complete communities, not that they all look cookie-cutter or anything like that, but that they fit the community for the full housing spectrum.

1530

Ms. Jessica Bell: Thank you for that answer. What I hear is that there is no position on it at this point, but you're certainly having a conversation about it, and that there is this real need to make sure the services that are provided to communities match the growth, and that the funding that is provided—that growth pays for growth, essentially, too. So thanks for sharing that.

The additional question I had—and again, this is for AMO—is around the introduction of the community infrastructure and housing accelerator tool. This is acknowledging that the MZO process was opaque and that there needs to be little bit more transparency, accountability, some clarification on what a public consultation process could look like etc. Do you have a position on the community infrastructure and housing accelerator piece to this bill?

Ms. Monika Turner: We're starting to develop one. Again, I'll just point out that MZOs have been around for a very long time. They're just—I think “acceleration” is

the word there. I will also say that one of our things that we have flagged with the community infrastructure and housing—

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Ms. Monika Turner: For lower tiers and single tiers, we'll just point out that it's the upper tiers that do the infrastructure like waste water, stormwater and such. Again, we would want whatever development it matches at the tiers.

I'll just turn the rest of my time to Amber on the accelerated MZOs.

Ms. Amber Crawford: Thank you. In short, there is potential to be useful for municipalities as long as consultation is built in and fairness is ensured. We appreciate that local governments would be the ones to request this of the minister and that guidelines are being proposed to help improve the scope and increase the transparency of its use, but local flexibility is key and can't be unmatched, and so some planning development and planning processes are really important as well.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes the time we have. I'd like to thank our presenters for their presentations.

CANADIANS FOR PROPERLY
BUILT HOMES
FEDERATION OF RENTAL-HOUSING
PROVIDERS OF ONTARIO
ONTARIO PROFESSIONAL PLANNERS
INSTITUTE

The Acting Chair (Ms. Goldie Ghamari): We're now going to call upon our next set of presenters, from Canadians for Properly Built Homes. Please state your name for the record, and then you may begin. You will have eight minutes. Thank you.

Ms. Karen Somerville: Good afternoon. My name is Karen Somerville. I'm the president of Canadians for Properly Built Homes. I appreciate the opportunity to present to you today. We have some key considerations for you, as well as eight recommendations. We'll see how far I get in those recommendations.

I want to be clear at the outset regarding Bill 109, More Homes for Everyone Act. This isn't about consumer protection or properly built homes; the focus is on quantity and building faster rather than quality or even meeting the minimal Ontario building code—what I'll refer to as the OBC.

No level of government in Canada is focused on the quality of Ontario's housing stock. This is a very serious problem. Indeed, in the past four years, we've seen a regression in even meeting the minimal OBC. In 1976, when Ontario's home warranty program was created, there was a requirement in the letters patent to have research programs to achieve a progressive improvement in the quality of housing in all of its aspects. Obviously this quality focus was dropped decades ago by Tarion. As far

as builders go, they like to give themselves awards for design. Can anyone point to even one builder award for quality?

For decades now, CPBH, the media and many others have been highlighting the serious concerns with a lack of enforcement of the OBC by municipal inspectors during construction. There are good municipalities and good municipal inspectors, but there are also shortcuts and a lack of qualified municipal inspectors. It's important for everyone to understand that the OBC is focused on health and safety: the bare minimum standards for survival in one's home. Shockingly, Ontario recently approved remote inspections for municipal inspectors, for example, via drones and Zoom calls, rather than properly addressing the serious shortage of qualified municipal inspectors.

Many agree that Bill 109, with its focus on building faster, will result in an increase in health and safety issues for homeowners due to an increase in OBC violations, but it's not only the grave concern about an increase in health and safety threats for the occupants of the home, it's also about the increase in the cost of housing due to code violations and the required repairs. Remember the old adage, haste makes waste? Builders have advised that once occupied, it costs about seven times more to repair the home.

This bill will also force more homeowners to live in a construction zone, while at the same time forcing purchasers to pay 100% in order to get the keys to the home. Forcing purchasers to pay 100% upfront while the home is incomplete or doesn't even meet the minimal OBC is unfair and it's unacceptable. Forcing more purchasers to accept incomplete homes will also have a negative impact on purchasers' quality of life while living in a construction zone. This is already a problem for many, and will get worse with this bill.

Ontario's private home inspection industry remains unregulated. It's in turmoil, and it's now in a serious state of decline, since 2018, in terms of the number of private home inspectors working in Ontario. Legislation that was approved by the Wynne government is collecting dust. It is almost impossible for homeowners to hire their own private home inspectors who can cite code violations in their reports.

Now on to Tarion and HCRA: Since transferring the regulator function from Tarion to HCRA just over a year ago, the situation has worsened, we believe, from a consumer-protection perspective. Meanwhile, there's a significant increase in costs that we've been able to see so far: for example, a 40% increase in compensation for Tarion and HCRA executives and board members, comparing the 2020 Tarion and now the 2021 Tarion and HCRA. That alone equates to about \$1.3 million in increased board and executive compensation expenses in one year.

Do you think that this was what Justice Cunningham envisioned with his Tarion review recommendations? A decline in consumer protection and significantly increased executive and board member compensation in one year? We don't think so.

Tarion ceased operating as the regulator on January 31, 2021, yet its compensation for board members and executives remained about the same in 2021 compared to 2020. Why did this compensation not significantly decline given Tarion's significantly reduced mandate? For example, the Tarion board chair received about a 35% compensation increase in 2021. Why would the Tarion board chair get a 35% increase in compensation in the same year that Tarion was stripped of many of its responsibilities? In 2019, there was a Toronto Sun headline that read, "New Home Warranty Paid the Execs, Screwed the Homeowners." This seems still to be the situation at Tarion. Why is this being allowed to continue?

Despite all the promises by the Ford government related to fixing the Ontario Builder Directory, this directory is still seriously misleading for many builders. What has HCRA said that it's going to do about this? It will conduct a consultation about the Ontario Builder Directory—more consultation. This is further unnecessary delay and a waste of money by HCRA. The only parties that benefit from this are the marginal and bad builders.

In 2019 and 2020, Tarion transferred more than \$19 million to HCRA for start-up costs. But in 2022, consumers are still not seeing improvements. It's important to note that this \$19 million largely came from mandatory monopoly payments from homeowners to Tarion. MGCS is supposed to be providing oversight to these administrative authorities. MGCS gets paid millions of dollars annually for this oversight, but there's no transparency or accountability on how these funds are used.

There is obviously serious concern with how MGCS is providing oversight. Just read the Auditor General's reports regarding these administrative authorities, such as Tarion, the Electrical Safety Authority etc. All of these increased costs, plus the oversight fees paid to MGCS by AAs, are obviously negatively impacting the affordability of Ontario's housing. HCRA and MGCS continue to allow builders to secretly sell newly built homes with used and damaged furnaces, even though we have a legal opinion that says that this practice contravenes the Ontario Consumer Protection Act.

I make it a priority to personally talk to as many homeowners as possible who reach out to CPBH for help.

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Ms. Karen Somerville: These discussions are typically very difficult, with the homeowner often angry and/or crying: physical health issues, mental health issues, financial issues as a result of purchasing a newly built home in Ontario with code violations and fighting with their builder and mandatory monopoly provider Tarion. Tragically, some are considering, or have considered, suicide. Tragically, one homeowner did, as reported by the Toronto Star in 2019. Dr. Earl Shuman took his own life after battling Tarion for 27 years.

1540

Ontario has moved in the wrong direction in the past four years when it comes to the quality of our housing stock, OBC violations, housing affordability and consumer protection. This is not progress; no one should feel

good about this. Ontario must refocus and balance quantity with quality. Affordable homes are properly built homes.

I'll leave my recommendations, perhaps, to questions later on.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes the time that we have.

We'll now turn to our next presenter from the Federation of Rental-housing Providers of Ontario. Please state your name for the record, and then you may begin. You'll have eight minutes.

Mr. Tony Irwin: My name is Tony Irwin, and I am the president and CEO of the Federation of Rental-housing Providers of Ontario. Thank you, Madam Chair and committee members. It's nice to be back in this beautiful building that I first worked in as a political staffer 25 years ago. After a long absence, it's very nice to be back.

FRPO has been the leading voice of Ontario's rental housing industry for over 30 years. We're the largest association in the province representing those who own, manage, build and finance residential rental units. We represent more than 2,200 members who own and/or manage over 350,000 rental homes across the province. Today, I am pleased to have the opportunity to provide FRPO's comments as the Standing Committee on the Legislative Assembly studies Bill 109, the More Homes for Everyone Act.

I'll start by providing a brief overview of the current state of Ontario's rental housing market. During the first year of the COVID-19 pandemic, the Ontario rental market experienced a slight softening, with increased vacancies primarily in urban areas, while areas outside of the GTA experienced little or no change. The reversal back to a very tight rental market is already happening as the economy fully opens up.

Going forward, we expect vacancies to decline to pre-COVID levels, and perhaps even lower, given the increase in immigration and students and young professionals moving out of temporary pandemic accommodation and back into independent living. This is in a context where there has been very little new supply built in decades. Over 80% of Ontario's existing rental stock was built before 1980.

Our association commissioned a study by Urbanation which concluded that, barring major policy intervention, Ontario is tracking a 200,000-rental-unit deficit over the next 10 years.

However, there has been some movement in the right direction over the past couple of years. Due to measures introduced by this government, Ontario had 13,000 rental unit starts in 2021, the highest level in 30 years. But we still need to get to 20,000 new rental units a year to meet the anticipated shortage over the next decade.

FRPO supports any and all efforts to get more housing built in the province of Ontario. We support Bill 109 and believe the bill represents a positive next step that includes concrete actions to address Ontario's housing crisis. I'll highlight some of the positive measures in the bill that will serve to get more rental housing built and get it built faster in the province of Ontario.

First, site plan control delegation: This amendment to the Planning Act is seen as a no-brainer in our industry. The ability for regulated planning professionals to approve these types of applications is welcomed by rental housing providers. Site plan applications are technical approvals that simply implement what council has already approved in principle. Requiring site plans to come to council for approval is an unnecessary step that adds time and delays to building more housing, at a time when it's needed most. Many municipalities already delegate site plan approval to planning staff; however, this measure in Bill 109 will make it a requirement across all municipalities in Ontario. We anticipate that the timelines under this new delegated system will reduce the current average combined site plan approval and rezoning timeline of approximately five years. We're delighted to see this measure and support all efforts to increase delegation of planning approvals in the system. This helps depoliticize local decisions and ensures projects are assessed on their planning merits.

Secondly, the introduction of alternative parkland dedication rates for transit-oriented community developments is also welcomed by our industry. The government has struck the right balance between incenting development where it makes sense—next to transit—and ensuring appropriate park space is provided. Our members have real examples of projects where the cost of parkland dedication, or the cash-in-lieu payment, is more than what you need to purchase the site on which you intend to build. The proposed change will bring much-needed cost certainty to the development process.

Third, transparency measures around development charges and community benefits charges are a move in the right direction. Municipal fees and charges are continuously posing a greater burden on project feasibility for rental developments. Our members appreciate the need for levies to pay for the underlying costs of infrastructure and community benefits; however, it's important to ensure funds raised through these levies are being spent appropriately and on time. We support measures in Bill 109 that enhance reporting requirements, including the requirement to post annual financial reports for development-related charges on municipal websites.

Lastly, we welcome the \$19-million investment to the Landlord and Tenant Board and the Ontario Land Tribunal. FRPO has long called for a meaningful increase in resources for the particularly challenged LTB. Even with the government's substantive increase to the allocation of adjudicators, both residents and rental housing providers have experienced long delays in scheduling hearings and reaching resolutions to disputes. We hope that this funding will be dedicated to hiring more full-time staff and helping all parties navigate processes and assist LTB members with the looming backlog of cases. An efficient, customer-focused LTB will benefit both rental housing providers and residents, achieve meaningful access to justice and this funding will uphold the principle of procedural fairness in delivering this access.

In summary, FRPO is pleased to see the government's measures in Bill 109, the More Homes for Everyone Act.

We're also pleased the government sees these measures as an initial step in a long-term strategy that involves coordination among all orders of governments. Thank you very much for your time.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. We'll now turn to our final presenter from the Ontario Professional Planners Institute. Please state your names for the record and then you may begin. You will have eight minutes. Thank you.

Ms. Susan Wiggins: Good afternoon, committee members. My name is Susan Wiggins and I am the executive director for the Ontario Professional Planners Institute, or OPPI in short. Today, I'm joined by my colleague Paul Lowes, who currently serves as OPPI president. When not volunteering for OPPI, Paul is principal with SGL Planning and Design, a mid-sized firm in Toronto specializing in land use planning, urban design, landscape architecture and development approvals.

A quick background on OPPI for those who may not be familiar: We are the professional institute and regulator of professional planners in the province of Ontario. We represent over 4,600 members who work across the planning spectrum. Our members work for consulting firms; municipalities, often in the role of planner and, in many cases, chief planner; within the provincial and federal governments; and for private developers, community agencies and academic institutions educating the next generation of planners. There are currently six accredited planning programs in Ontario.

Under provincial legislation, OPPI has the mandate to set academic experience and examination requirements for membership. We grant the registered professional planner or RPP designation and we govern the rights and responsibilities of our members. We're pleased to be here today and have the opportunity to provide comments as the committee studies Bill 109, the More Homes for Everyone Act.

Generally speaking, OPPI supports the government's policy objective to address housing affordability in the province of Ontario. It's no secret that housing prices are increasingly out of reach for many Ontarians, and rents keep rising at a pace higher than incomes. It's a complex challenge with multiple dimensions that involve all orders of government.

As professional planners, OPPI's focus is on land use planning and its role in the housing policy conversation. The institute has spent significant time on this matter over the last several months, trying to develop strategies to address the challenge we face as a province. As a result of our own review, we have developed OPPI's top 10 housing supply and affordability recommendations. This includes things like creating a chief planner of Ontario, similar to the Auditor General role under the Legislative Assembly, but for planning-related matters; promoting new planning tools that streamline the process, one in particular being the community planning permit system, which combines multiple systems into one to shorten the time frame; and leveraging RPPs, the planning professionals, to expedite decision-making.

We're happy to share those at any time, but today, we're here to present our comments on the bill.

To do that, I'm now going to pass the floor to Paul to provide our feedback on specific measures in the government's housing package.

1550

Mr. Paul Lowes: Thank you, Susan. Good afternoon, Madam Chair and members of committee. I'm going to provide our perspective on three specific aspects of the government's plan.

Firstly, I want to talk about mandatory delegation of site plan. OPPI is very pleased to see the government continue to enhance delegation framework for technical land use planning matters. Last year, through Bill 13, the government provided municipal councils with the authority to delegate additional planning matters to expert staff, including registered professional planners. These included technical items such as lifting of holding symbols, temporary use bylaws and minor zoning amendments. We are happy to see the government continue to enhance delegation framework through Bill 109 through the mandatory delegation of site plan approval.

Site plan approval is already delegated, as you heard earlier, to many councils; however, it's not standard across the province. These types of approvals are technical in nature, simply implementing already-approved council plans and zoning bylaws. Registered professional planners have the expertise to review and approve site plans and other technical matters. Shifting site plan approvals to exclusive delegated authority will improve site service levels and get more housing built faster.

OPPI did a survey of housing and planning departments to understand the real-world outcomes of delegation: 63% of respondents reported a two-to-three-month reduction in development approval times when delegation was used, and 11% of respondents reported an even greater four-to-five-month reduction of approval times. We strongly support and encourage the government to continue to enhance delegation of land use planning approvals.

Secondly, I want to talk about the Ontario Land Tribunal. OPPI is pleased to see an additional \$19 million allocated to the Ontario Land Tribunal. Registered professional planners are key participants at OLT hearings. We provide our professional planning opinion on planning matters and we have also been involved in mediation in the process. The tribunal will benefit from additional adjudicators, back office staff and expert land use planning mediators. Additional resources will help address the backlog of housing projects stuck at the OLT.

Lastly, I want to talk about the application fee rebates. The approval process is long and needs attention; there is no doubt about it. But OPPI is concerned that the government's proposed framework for application fee rebates may have the unintended consequence of further delaying approvals. Existing and proposed timelines may be appropriate for some applications, such as smaller applications. However, large applications are complex. They require input from departments and agencies outside a municipi-

pality's planning department. Outside agencies are notorious for taking long periods of time to comment. A recent application I've been reviewing in the Vaughan Metropolitan Centre—this is the end of the subway in Vaughan, at Highway 7. MTO took 14 months to comment on a site plan approval, no PA, no zoning bylaw, just site plan.

In addition, complex applications require multiple rounds of submissions by the proponents. Proponents know this. They go in a little higher, see what the planning department says, see what council says, and if they get negative reaction, they reduce the size and come in with another application. It's the dance that's made through the application process.

These elements are outside the planning department's influence. A system of penalties that reduces revenues from already resource-crunched planning departments may not be the right approach. We're concerned it may lead to applications being prematurely rejected, ones that might otherwise be approved eventually through the current process, and could lead to more applications going to the already under-resourced Ontario Land Tribunal. It will have the opposite effect of delaying approvals for these projects.

OPPI recommends a second look at the proposal—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Paul Lowes: Thank you—perhaps an avenue for further study and consultation on where and if penalties are an appropriate tool to streamline the approval process.

In closing, we appreciate the opportunity to present our comments to committee this afternoon. Thank you for your time. We would be pleased to take any questions.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. For this round of questions, we'll begin with the official opposition. Who would like to begin? MPP Bell.

Ms. Jessica Bell: Thank you so much, and thank you also to the presenters for coming in here today and sharing your expertise.

My first question is to OPPI and it's around the Ontario Land Tribunal. What recommendations do you have to reform the land tribunal, if any?

Mr. Paul Lowes: Thank you. I'd be happy to respond to that question.

Interruption.

Mr. Paul Lowes: I don't know where the beeping is coming from.

OPPI does not take a position on the need for reforming the OLT. The OLT serves an important purpose and that purpose is to—

Interruption.

Mr. Paul Lowes: I think that finally ended it.

That purpose is to be a second reviewer, in detail, of technical matters. The problem sometimes with council is that we need council's review, we need council's deliberation and we need deliberation of the public and staff, but sometimes at council there's not sufficient time to thoroughly review an application. That's the role of the OLT, where there is that further need for review. If we

don't have that, we'll be in the courts with long, long periods of time at the courts. So it does serve a purpose.

What is needed are more resources—more resources in terms of people at the OLT, in terms of adjudicators, in terms of mediators—and more push for mediation. Many, many of these cases—I'm at the OLT a lot, and many of these cases could be easily addressed through mediation.

Ms. Jessica Bell: Thank you for that answer.

My second question is to Karen Somerville from Canadians for Properly Built Homes. I was listening very carefully to your presentation, and the question I had for you was: What recommendations do you have to ensure that we build quality homes in Ontario?

Ms. Karen Somerville: Thanks for that, and I do have some recommendations. I have eight. I'll be brief here; I'll just pick out a couple.

First of all, I think to refocus building back into the area of quality—as I mentioned, in 1976, that was the focus then of the new home warranty program. That's the first thing that we would say. Bring that into HCRA's mandate to conduct research as the regulator. That's number one.

Secondly, it's really important that the Ontario government take steps to develop and implement a serious plan to ensure that municipalities properly inspect during construction. That's very, very important. A couple of specific recommendations there: state-of-the-art training and apprentice programs for municipal inspectors. We know that there's obviously an important focus on skilled trades. We'd like to see more of that around municipal inspectors. Also, we understand that the compensation is not sufficient to attract municipal inspectors as a profession. Then also we're suggesting serious penalties for municipalities related to OBC violations discovered once the home is occupied.

Those are some specific recommendations that we have to get the building industry and the Ontario government focused back on quality.

Ms. Jessica Bell: Thank you. I was taking careful notes. I appreciate it. I know that you've submitted a written summary as well that we can also refer to.

My third and final question is directed to Tony Irwin. Thank you so much for coming in personally. It's good to have people back again in the Legislature. I'm certainly enjoying it. I'm going to just leave the question of rent control aside. We're very clear about our position on rent control. I know you have a different position on that.

What I am curious about is the fact that there were 13,000 starts in 2021. I have noticed that there has been an increase in the construction of purpose-built rentals in Ontario. I was wondering if you could flesh out that number a little bit for me. Do you know what percentage of these homes are bachelors? What percentage are one-bedroom, two-bedroom, three-bedroom?

Mr. Tony Irwin: I'm sorry, MPP. I don't have those stats with me today. I could certainly endeavour to try to get you some information on that.

Ms. Jessica Bell: I would appreciate that. If you could send that to me as a follow-up, that would be—

Mr. Tony Irwin: I try to keep numbers in my head, but not too many because you end up saying the wrong things.

Ms. Jessica Bell: That's fine.

Mr. Tony Irwin: I'm just always very mindful of that, but I'd be happy to try to follow up with you in your office.

Ms. Jessica Bell: Thank you. I would appreciate that. It was not a trick question. I'm actually genuinely interested. One of the reasons why is because at least what I see in construction in the housing sector for people who are planning on buying, there is a real preference for building large homes and then very small—650 square foot I think is the average condo size.

But then there's this real need for homes for families, homes for seniors who want to downsize—they don't want to go into a retirement home; they want a smaller home—and then also, surprisingly, a need for student housing. I'd just be curious to know a little bit about that.

Mr. Tony Irwin: Absolutely.

Ms. Jessica Bell: Thank you.

Mr. Tony Irwin: You're welcome.

Ms. Jessica Bell: That's the extent of my questions today.

Mr. Faisal Hassan: How many minutes do we have, Chair?

The Acting Chair (Ms. Goldie Ghamari): About three minutes.

Mr. Faisal Hassan: Oh, that's good, very good. Thank you very much.

Thank you for the presentations this afternoon and your comments as well.

1600

I would like to direct my question to Karen of Canadians for Properly Built Homes. You have also talked about how the quality of homes is important. Also, the lack of enforcement and cutting corners is another issue that happens.

This Bill 109, which is focused on quantity and building it faster, creates a problem. We also know that there isn't protection for consumers. I know that you have been really advocating for consumers. Consumers, when they're thinking about buying a home—this is a huge investment for them. How do we protect and make it better, this Bill 109, to make sure there's the angle of protecting consumers and also making quality homes?

Ms. Karen Somerville: Thank you for the opportunity to speak to that. I tried to bring this out through my comments, but just let me take a stab at this again. The building code is the absolute minimum. When we talk to people in the industry, as well as consumers, the Ontario Building Code is usually not interpreted as quality; it's the absolute minimum. We're not meeting that in far too many cases. Then what's a "quality home"? It's interesting, because when we talk to various levels of government, including CMHC, they can't define what a quality home is. I find that a really interesting challenge.

Many other industries have come to terms with what quality is, decades ago, but in the home building industry we have not. The standard that we continue to strive for and talk about is that code, which is so minimal, and yet

we don't even have people—let's say, the private home inspection industry—who are able to cite code. There's a real disconnect there. I think it's an opportunity and a challenge for the home-building industry—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Ms. Karen Somerville: —and for the government to define what is meant by a quality home, and then we have this minimal standard. Does that answer your question?

Mr. Faisal Hassan: Yes, absolutely. I think that's the key to protecting consumers. Definitely we don't have much time at the moment, but I'll be coming back in the next round. Making sure that the consumers are protected: This bill doesn't do that.

Ms. Karen Somerville: Correct.

Mr. Faisal Hassan: Thank you, Chair.

The Acting Chair (Ms. Goldie Ghamari): Thank you.

We'll now turn to the government for this round of questions. MPP Skelly, you may begin.

Ms. Donna Skelly: Thank you to all of you for your deputations this afternoon. I'm very interested in this subject matter. I really believe, post-COVID or COVID aside, that this is perhaps the greatest challenge facing Ontarians and Canadians today. There is no magic bullet, as the Minister of Municipal Affairs and Housing said, to solve our housing crisis. We have to collaborate. We have to listen to what all of you have to say, and all levels of government have got to work together to try to resolve this.

My first question is to the delegation from the Professional Planners Institute. We have changed the decision-making authority and moved it away from municipal councils, really giving more of the control for site plan decisions to municipal staff. I gather from your comments that you are supportive of that. If so, could you expand, please, on why?

Mr. Paul Lowes: Certainly. I'm happy to do so, Madam Chair. We are supportive. We're very supportive. A site plan is largely a technical matter. You're getting into the detail of grading. You're getting into the detail of where the building is located on the site. You're getting into details of landscaping and servicing connections. You're getting into details of some of the elevations. These are all technical matters that educated, experienced staff can easily deal with. Most municipalities delegate that to their staff now; there are a few that don't. Some require it to come back to staff in certain situations. But it's easily delegated to staff.

It's best for councils to deal with the more important work: the more difficult, community-changing matters such as official plans and zoning bylaws; those that set the principle of development. The principle of development is already set by the time you get to site plan approval, so it's best, in our opinion, to have that done by staff such as registered professional planners that have that experience.

Ms. Donna Skelly: Let's just continue along that line of thought. One of the big issues is the lack of supply when it comes to the cost of housing, and there is reluctance in some municipalities—I'm a former city councillor in the

municipality of Hamilton, and council went against their own staff recommendation to modify and expand the urban boundary. I think a lot of times it's pressure. It's pressure from constituents. It's your—I hate to use the term NIMBY, but now, as you've heard many times before, we call it BANANA, "build absolutely nothing anywhere near anyone." And that's what we're hearing: People don't want change. They don't embrace change, and change can be very difficult. I understand why. I would be reluctant to embrace a seven-storey, eight-storey apartment building next to my single detached charming little home in a historic part of my city. But we have to do something.

As planners, how much involvement do you have in, for example, official plans? Speak to the importance of recognizing the expertise that's being offered by planners when it comes to dealing with these very sensitive and very emotional issues.

Mr. Paul Lowes: Certainly. I'm happy to do so. Registered professional planners, of which I am one, prepare official plans. We are the ones who take in all the input from other technical expertise, and we take in input from the public. The public is of key importance to preparing official plans and preparing secondary plans. But we take in that, and we have to balance that. We have to balance the need to supply the housing, which is desperately needed. We have to balance the need of some residents, and sometimes we have to make recommendations against what residents in the area want for the greater good of the community, which is to supply the housing.

I am involved in many, many official plans, including—I've done a lot of work for the city of Hamilton, previously, and I do a lot of secondary plans. That builds the principles of development, but you need the planners to be able to give that sober look at things from their expertise, to be able to give that recommendation to councils on what proper planning is to achieve the benefits of the broader community and balance all the competing interests.

Ms. Donna Skelly: One of the other arguments that was put forward against expanding the urban boundary was the lack of acceptance of the data that was used to determine the amount of housing supply that we would need. Where do you get the data, this information, to base your decisions on how many homes are required for, you know, 2051?

Mr. Paul Lowes: Certainly. I'm well aware of what's been happening in Hamilton and Halton and other regions. I've been working a lot on those aspects. What we do as planners—we have economic planners, economists, who have to go through the process that the province has set out. It's called a land needs assessment. In that land needs assessment, we take the population forecasts that are set out in the growth plan. It's set out right in the requirements from the province that we have to meet, and then we apply those, as planners and economists, to how many housing units you need.

I don't want to get into technicalities, but we have to look at what type of housing people want to live in. Some

people will move into more higher-density housing because of housing prices, but many people at a certain age, like when you're creating a family and having little kids, want a certain type of house. It's usually a ground-related house. That pushes what type of housing you need to provide, and we give that recommendation to the council.

I know in some cases, like Hamilton, the public didn't accept that, but it's grounded in logical, historic facts and in projections based on what the population needs, and that's what we planners and economists do. There's a number of RPPs that our economists in our planning profession help out, and that expertise was provided to Hamilton council and other councils to determine how many units of what type you need. That then determines whether you need to expand the urban boundary or not. I hope I didn't get too technical.

Ms. Donna Skelly: Do planners take into consideration environmental impacts?

Mr. Paul Lowes: Absolutely.

Ms. Donna Skelly: Agricultural land, for example?

Mr. Paul Lowes: Absolutely. We have to. That's one of the key requirements of looking at a land needs assessment.

1610

Ms. Donna Skelly: Okay. One last question—Madam Chair, how much time do we have?

The Acting Chair (Ms. Goldie Ghamari): About a minute and 45.

Ms. Donna Skelly: Perfect. Perhaps anybody here, can you give me some ideas of how we, all of us, can work together but, in particular, residents who are so passionate about maintaining the integrity of their communities, people who are desperate to maintain the green space and farmland, and the need to address the housing crisis? What can we do to collaborate to resolve this issue when you have so many different ideas competing against each other for a final—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Paul Lowes: Different opinions—that's a very good question. What we need to recognize is we need a balance. We certainly need more intensification in our cities. We certainly need more apartments and high density, but that is not the sole solution.

We also need ground-related housing for families, because for families, on a per-square-foot basis, apartments are way more expensive than a townhouse. So what we need to do is provide ground-related housing for families. We need to provide intensification for empty nesters or smaller households, people who want to live in that. So we need a balance.

Yes, we need to protect agricultural land. Yes, we need to protect the environment. Yes, we need to intensify our cities, but we also need to grow for ground-related housing. It's a balance, and that balance can help us achieve our housing needs.

At a proper density, we can also create new communities that answer to climate change and can be climate-

neutral communities. It's possible. We can do it. We just have to think of that proper balance.

Ms. Donna Skelly: Thank you so much,

The Acting Chair (Mr. Sam Oosterhoff): We go back to the opposition. MPP Hassan.

Mr. Faisal Hassan: You can hear me?

Interjection.

Mr. Faisal Hassan: Thank you very much. My question in this round is for the Ontario Professional Planners Institute. I don't know if you agree with the premise that housing is a human right, and now we are talking about supply and we don't talk about the demand. I know that this crisis has continued, not only in the last four years, but for the last 15 years and beyond. We are in a situation where we need to think about not only an investment for housing, but we also need to think about homes for communities and individuals that are basically unaffordable to rent or to own at the moment.

What is the Ontario professional planners' view with regard to making housing accessible and also making it a human right?

Mr. Paul Lowes: That's an interesting question. Thank you very much for it. We have not taken a position on that, whether it's a human right to have housing. But certainly as registered professional planners, a key aspect of our work is making sure that proper housing is provided to meet the full needs of a community. It's set out in the provincial policy statement. It's set out in the growth plan. It's something that we do as a basis of making sure that our communities have appropriate housing to meet the needs of not only our current residents, but future residents 10, 20, 30 years hence.

Mr. Faisal Hassan: I see. We see currently all the plans in housing are about investors or developers, which are now shutting off people. That becomes very difficult when we are in a crisis where also—and this bill, Bill 109, doesn't even protect the consumers.

To that, there is also, on the individuals at the moment who are—has the industry thought about other ways of actually making housing more ownership-accessible and also include planning as another aspect rather than the investment portion of it, but also other ways of people affording quality homes?

Mr. Paul Lowes: Certainly, as planners, we have to look at making sure that all demographics can get homes. What we're concerned about is not just ownership homes but also rental, and that there's a sufficient supply of rental available, a sufficient supply of affordable housing. We recognize, as planners, that requires the development industry to help out. They're the ones that build our homes. But the development industry, we recognize, can't do it all.

We institute policies like inclusionary zoning to try and incentivize developers to provide affordable housing, but we also need the government to step up and help out where they can and to come up with alternative means for that affordable housing and rental ownership for those who are least able to afford it. We try to set out the policies to create a broad range of supply, both affordable ownership and

rental, to encourage that, but we realize as planners that we rely on others to supply that form of housing. We just set the policy and try and encourage it.

Mr. Faisal Hassan: Thank you. Now I want to turn to Tony. I know you represent the Federation of Rental-housing Providers of Ontario. Here in Ontario we are also having a lot of challenges. I know we are focused on Bill 109, but I also want your view with regard to—the minister was here earlier in the morning and I asked him about the above-guideline rent increases, which also has to do with passing that on to tenants to give them a burden, every year, that continuously goes up and up until they are evicted, and there's no other—it's become expensive to look into other locations.

What is the view of the Federation of Rental-housing Providers of Ontario to actually take responsibility for the issues of maintenance rather than passing it to renters?

Mr. Tony Irwin: Thank you for the question, MPP Hassan. I would start by saying that the responsibility for maintaining rental units and maintaining rental buildings is one that our members take very seriously.

As I alluded to earlier, the vast majority of our rental stock in Ontario is quite old, having been constructed before 1980. There is a great responsibility to maintain the units and buildings. They are people's homes. I certainly agree with that, but it does come with a cost as well. Certainly, the fact is that buildings are aging and are getting to points in their lifespan where major significant repairs are required. We know we live in a rent-control environment where, of course, rents are only permitted to increase by the amount—the calculation that comes out from the ministry. That puts pressure on rental housing providers who are facing these major expenditures to be able to pay for them.

I think we all recognize the issue of housing affordability. It's a big issue for many Ontarians. I know this is contrary to what some people might believe, but our members are not in the business of wanting to evict people. It's not what they're in the business of doing. They're in the business of providing housing, of maintaining housing, of working with their residents. Of course, you can't make one statement and suggest that it applies in every circumstance to every circumstance. I'm not suggesting that. But as an industry, and certainly the members I represent, our entire purpose is to provide housing and do so in a way that can be affordable. Recognizing that there are circumstances, there are situations where there are residents who have difficulty—that's been exacerbated by COVID and other reasons that really do speak to the need for more housing supply, to give other options, more choices for people, more housing of all types to relieve some of these pressures you're talking about.

But it doesn't change the fact that the majority of the rental stock is old and in need of significant, serious infrastructure repair, and that does have to get paid for. AGIs don't cover the full amount; they cover a portion of those repairs, generally. They don't cover the whole amount. So yes, it is a sharing of some of those costs, but it is provided within our system. We think it's a reasonable

lever to be able to look at, also recognizing that all rental housing providers don't always go down that road. Every repair that's done is not always subject to an AGI, because our housing providers do look at the whole situation. They look at whether they think it's something that they really do need to be able to pass on some of those costs to some extent because of the nature of the work or whether they think that maybe that's not something that is warranted in that case. It is done on a case-by-case basis, and that's how many of our members look at AGIs.

Mr. Faisal Hassan: How many minutes do I have, Chair?

The Acting Chair (Mr. Sam Oosterhoff): One minute.

1620

Mr. Faisal Hassan: I do know there are some good landlords and bad landlords, definitely. But I think the problem we have is that landlords you represent basically are trying to take advantage of tenants, simply, every year, excessively applying above-guideline rent increases, which is becoming a serious crisis. Have you looked into this and have a solution or maybe—

Mr. Tony Irwin: Of course, I don't accept the premise of the comment. I would also say that all these AGI applications go to the Landlord and Tenant Board as well. They're not just unilaterally decided upon by the rental-housing provider; they have to apply and go to the Landlord and Tenant Board. Residents obviously have the opportunity and the right to dispute it or challenge it, as is part of our system, and then the board has to make a determination. That is an important part of the whole process that shouldn't be overlooked.

The Acting Chair (Mr. Sam Oosterhoff): We will now go to the government side. MPP Pang.

Mr. Billy Pang: My first question is for the Federation of Rental-housing Providers of Ontario. Thank you for sharing your presentation and also for the previous answers.

Our government is aware that housing is top of mind for many Ontarians. More Homes for Everyone is informed by a three-part consultation: with municipalities, the public, and industry. More Homes for Everyone is an important next step, but we are far from done. Our government is committed to working with municipalities to implement the Housing Affordability Task Force recommendations to deliver long-term solutions to the people of Ontario over the next four years. We have a housing supply action plan every year, starting in 2022-23.

I want to emphasize working with the municipalities. What do you think, from your perspective, are the pros and cons as we work closely with the municipalities to implement the rental housing strategy?

Mr. Tony Irwin: Thank you for the question, MPP Pang.

I think it's critical, obviously, that the province work with the municipal governments. We know that our system of approvals and the whole development process is one that very much involves both levels of government. Of course, the federal government, as we saw in the budget

last week, has a role to play here too, and we were certainly pleased to see Minister Freeland talk about housing supply as being a real issue that needs to be addressed.

Directly to your question: I think it's vitally important that all orders of government work together and that the province is working with municipal governments to try to come to solutions that will address what for our members, and for many who are looking to build housing, is a very fundamental problem, and that is the length of time it takes to get projects approved and get housing built. The fact that it can take five or six years or longer, I think most would accept that that's far too long, so anything that can be done in collaboration between the provincial government and municipalities to say, "What can we do to work together?"

I think we've all recognized that supply of all housing types is badly needed, including purpose-built rental. So what can we do, recognizing that municipalities, rightly so, have a big role to play in what housing gets built and where? The province has a vision that it wants to bring forward, I think, for the good of the province and to address the provincial need for housing. It has to be done in collaboration. We fully support that and think the government is on the right track in doing that.

You asked for pros and cons. I don't know that I can think of any cons, sir, because it's not going to happen without collaboration from all orders of government, from all stakeholders who are interested in getting more housing built, which should pretty much be everyone.

Mr. Billy Pang: I've heard that some municipalities have the concern that they don't want to move that fast. Is that one of your concerns?

Mr. Tony Irwin: I think we are in the situation we are in for multiple reasons. I'm not really about pointing fingers or assigning blame. The fact of the matter is, we know we are in a significant housing crisis. We know we need a lot of housing to get built. From my members' and our point of view, rental housing is a big part of the solution. So how do we get there?

For sure, earlier speakers have talked about the reluctance for changes. We understand that. That's why, from our members, we've been advancing—and we started talking about this before the pandemic. It got a little bit sidetracked, for very obvious reasons. I'm just going to make a comment in reference to what MPP Skelly said earlier, about not wanting a big tower built on a leafy, quiet, residential street. Well, we're not talking about that. We are talking about unlocking unicorn sites.

There are a lot of sites around the province where our members have a tower—or two, perhaps—and it was built maybe in the 1960s or 1970s, when land use was different, land was abundant and we looked at things differently back then.

We're saying these are sites that are not on a residential street, where there will perhaps be a lot of opposition; these are sites where it would make sense to build more because there are already existing towers and infrastructure there. It doesn't mean every site will work. It doesn't mean that there wouldn't be issues. But I think we,

with the help of Urbanation, have identified close to a thousand sites in the GTHA that we felt really could be looked at. Again, they wouldn't all work, but even if half of them worked—whatever number you want to pick—it's a lot of sites that could bring housing. That means working together with municipalities to say we believe this is something that we should be looking at.

Every solution you come up with isn't going to work. Some will; some won't. But we need to bring ideas forward that we can explore and decide if they might work. If they can, why not use them? Why not advance them, working with municipalities to say that these are sites where we need to expedite approvals because it makes sense? Waiting five, six years doesn't make sense. So let's look at ways that we can really move forward, get shovels in the ground and get more housing built, including rental.

Mr. Billy Pang: Thank you very much for your answer.

My second question is for the Ontario Professional Planners Institute. We will be establishing a housing supply working group, which will engage with municipal and federal governments, planners, ministries, industries and associations to monitor the progress and support improvement to our new housing supply plans. You have expressed support for the delegation of planning decisions. Could you further comment on how the delegation of site plan decisions could help speed up the development approval process?

Mr. Paul Lowes: Thank you for the question. I'm happy to respond.

As I indicated in my opening submissions, we've done a number of surveys with heads of planning across Ontario, and we found that delegation can increase by a number of months the speed of the process.

It is a time-consuming matter, a site plan. We're getting into a lot of detail. But if you can delegate to your head of planning, you can reduce by two, three months—and in some cases, we found five, six months—through delegation, which can improve and speed up the process. So there are definite time savings that help to get those units built faster and gets the development in the ground faster.

Mr. Billy Pang: Thank you very much. My third question is for Canadians for Properly Built Homes. We all want to buy quality homes, so I hear you; I heard your concern on quality homes as well. But when we are looking at Bill 109, we are seeking to strengthen consumer protections for purchases of new homes by holding new home builders and vendors to professional standards, increasing fines to address unethical behaviour and enabling Tarion to extend the warranties on unfinished items in a new home.

I heard some suggestions already there. Can you expand more on additional measures, if any, you would like to add to Bill 109 to achieve this?

Ms. Karen Somerville: Yes, thank you for the opportunity, MPP Pang. I mentioned homeowners living in a construction zone in newly built homes, and this is already happening. What I'm talking about there is homeowners who may not have a final occupancy permit for their home, but they're still permitted to move into their home through

what some municipalities call a partial occupancy permit. What that means is that the municipality has already found that there are some items outstanding or that didn't meet the Ontario building code that the builder has to address once the homeowners move in. We're very concerned that this is going to get worse if Bill 109 goes forward. We appreciate the provision that the Tarion warranty can be extended, but we think that's inadequate.

It's very, very stressful on families to have to live in a construction zone or to be at home waiting for trades to come, and they often don't show up etc. One of our recommendations is to establish a financial holdback to motivate builders to more quickly finish homes and properly repair code violations, in addition to the extension of the Tarion warranty. We see that as very important. Decades ago, that used to be the case in some parts of Canada, that there was a financial holdback—

The Acting Chair (Ms. Goldie Ghamari): Thank you. That's all the time that we have for this round. I believe that concludes this round of presentations. I'd like to thank everyone for their time.

1630

ONTARIO ASSOCIATION OF ARCHITECTS

ONTARIO FOR ALL

ONTARIO HOME BUILDERS' ASSOCIATION

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to the next set of presenters, starting with the Ontario Association of Architects. Please state your name for the record, and then you may begin. You will have eight minutes.

Ms. Susan Spiegel: Hello, Chair and members. Thank you for having us here today. I'm Susan Spiegel, the president of the Ontario Association of Architects. Here with me is Adam Tracey—maybe wave, please—manager of policy and government relations.

As the regulator of the profession responsible for the design of all built environments where we in Ontario live, work and play, the OAA commends the government on the introduction of Bill 109. Bill 109 acknowledges the housing crisis in Ontario and takes steps to address this urgent issue by, one, supporting innovation in design and construction, supporting a streamlined development approvals process, and addressing the urgency of the issue. As a practising architect and president of the Ontario Association of Architects' governing council, I am keen to continue working alongside the government to address housing affordability in our province. We will be sharing insights only on the items directly related to the practice of architecture.

Again, the OAA is pleased to learn Bill 109 supports innovation in design and construction. The OAA supports the allowance of 12-storey encapsulated mass timber buildings. Ontario has the potential to become a global leader in the use of sustainably harvested wood for building construction. Not only do trees capture carbon during

their growth, but that carbon is sequestered for the life of the building. Increasing the use of wood can help significantly lower greenhouse gas emissions, offer positive contributions to local economies and provide more expeditious construction approaches.

The OAA also supports proposed changes to make modular buildings feasible in Ontario, the type of construction that consumes less energy and carbon on site and reduces construction waste. The pre-manufacturing process may be economically beneficial and broaden the availability of quality-controlled construction for communities that are remote or have limited resources.

And I'm going to pass it to you now, Adam.

Mr. Adam Tracey: Sorry, we're having trouble muting and unmuting here.

The OAA is also pleased to learn that Bill 109 supports innovations in the development approval process. Of particular interest is a proposal to require municipal councils to delegate site plan control decisions to municipal staff. This is a significant development we have supported for more than a decade.

The true purpose of site plan approval seems to have been lost over time. It was intended to be a technical and predictable review process that relied on professional staff rather than elected politicians and the public. Section 41 of the Planning Act does not even provide for third-party involvement, which can be confusing or frustrating for everyone involved.

For nearly a decade, the OAA has called on government to address the province's broken site plan approval process, and delegated approval is only one aspect of needed reforms. In 2013, the OAA commissioned independent research to quantify the economic impact of site plan approval. Based on a 100-unit condominium building, it found each month of delay would cost an applicant \$193,000, a cost likely passed on to new homebuyers; a combined cost to the municipality and existing community of \$160,000 to \$242,000 per month; and direct costs to homebuyers of around \$500 per month.

At the request of various parties, including the government of the day, the OAA commissioned a follow-up report in 2018. It found direct costs of site plan review were extremely varied, with fees ranging from \$1,500 in Thunder Bay to \$91,000 in Markham. It's important to note, again, that section 69 of the Planning Act requires that fees must only be designed to meet the costs associated with processing each type of application and cannot be treated as a revenue source. As significant as these direct costs are, they only represent the tip of the iceberg. The independent research estimated the total cost to stakeholders of up to \$900 million annually. It's clear something needs to be done.

The OAA supports the 60-day approval timeline. We applaud government for adding in accountability measures to the plan. The OAA understands the 60-day timeline may seem daunting, and that includes for architects. We must all learn how to do things better because the current time frames are simply not acceptable.

You've heard today about the OECD findings, but the OAA also shares data from the World Bank, which

consistently places us near the bottom of almost 200 countries on time taken to obtain a construction permit. We focus so much of our research and time on site plan approval because it accounts for 73% of the time spent in the building approval process and nearly 60% of the cost. If we fix site plans, to a large degree we will fix our timeline for building approvals. We are encouraged to see further accountability through tracking and publicizing municipal performance.

Susan, back to you.

Ms. Susan Spiegel: Thank you. The OAA again applauds the government for holding application fee rebates until January 1 and for creating the Streamline Development Approval Fund. While some municipalities, like Toronto, have made significant strides through programs like Concept 2 Keys, C2K—I happen to be one of the pilot projects in it, so I can actually attest to how well it's working—the OAA recognizes that many municipalities need help refocusing their approval processes, and all of them are asking us for it in all the times that we've spoken to all the societies in Ontario. Everyone is ready to work on this. The OAA also remains a willing partner with the municipalities to streamline.

Recently, I saw a planner comment that the only way municipalities could meet the 60-day time frame would be to stop requiring some items. That suggestion may have merit. In 2006, there was a submission to the Standing Committee on General Government. The OAA cautioned that site plan review must focus on issues related to the public realm rather than architectural details with little direct impact. The planners, moonlighting as architects, would slow down the design review and the planning approval process. We've asked the government to give more control over architecture back to architects by restoring some exemptions back to the Planning Act. This will free up time for planners to do the important work that is delegated directly to planners.

The OAA has long maintained that an unbiased, independent decision-making process is a necessity. We continue to support the existence and empowerment of the OLT. This tribunal not only ensures that policies and regulations are clear, but also that municipalities in turn comply with these policies and regulations. Far from being politically motivated, the tribunal is required to make decisions based on planning regimes, rationales and good planning. That's what we want, and that's what they do.

But we share the government's opinion that the tribunal must resolve disputes faster. In that vein, the OAA—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Ms. Susan Spiegel:—supports the \$19-million investment to help the tribunal clear its backlog and hire more staff. Taken together, these innovations that have been proposed show that the government is committed to addressing current affordability crises in Ontario. In light of the urgency of the issue, the OAA urges you to push forward the task force recommendations.

In our remaining moments, we want to call attention to eliminating exclusionary zoning, permitting as-of-right

secondary garden and laneway suites. The OAA supports the government's goal to build 1.5 million new homes, but cautions that it has to be the right mix of new homes.

Finally, the OAA is concerned about recent comments made by a number of municipal planners that they intend—and politicians—to simply reject applications rather than refund fees. Recommendation 29 was to give the tribunal authority to award punitive damages if a municipality refused an application simply for lack of a decision in the 60-day time frame. We would encourage the government to consider this very carefully.

Thank you for the opportunity to present, and we look forward to a further discussion with all of you. Thank you.

The Chair (Ms. Goldie Ghamari): Thank you very much.

We'll turn to our next presenter, Ontario for All. Please state your name for the record, and then you may begin. You will have eight minutes.

Mr. Sean Meagher: Thank you. My name is Sean Meagher, and I'm the coordinator of Ontario for All. I'd like to start by talking about what this bill does and doesn't do. Unfortunately, the bill and the Ontario Housing Affordability Task Force on whose work it is based—and in fact, the two provincial-municipal affordable housing summits before them—quite specifically ruled out any effort to address the core issues of what most people think of as affordable housing. There are no new initiatives to address co-op housing. There are no rent supplements. There's no non-profit housing mentioned. There are no subsidies for public housing. And for anyone with any uncertainty about that, both the task force members and the minister came out at the summit and the task force launch saying quite specifically that they were not able to address these items. These are only considering increasing the supply of market housing. That's an unfortunate constraint.

It is absolutely true: Right now, there are a lot of people who want to buy and own a house but can't afford to do that. Trust me, I know. As the father of three 20-somethings, I appreciate that concern. My children worry about whether or not they will be able to stay in their neighbourhood they grew up in, and that's disappointing.

But we're also facing a rental housing crisis where many people can't afford the rent on the apartments or rooms where they and their families lived. That's not just unfortunate; that is lethal. It is lethal for the 200 people per year who die on the streets of Ontario, more than three times as many as die from homicides or traffic accidents. That is true in Toronto, but it is also true in Huntsville, Thunder Bay, Simcoe county and all across this province.

1640

Homelessness is lethal, and when it isn't lethal, it is staggeringly expensive. The impact on our health care system from leaving people homeless is estimated by the CMHA to be at least \$56,000 per year in large cities, on average. The cost of young people not being able to buy their own homes, both in human suffering and economic impact, is much lower. So when we think about where an affordable housing crisis bill should be addressed, we

certainly see it as focusing on rental housing affordability for lower-income Ontarians, and that is not what the task force or this bill achieve.

There are those who hope that, despite where the legislation and the task force were focused, nonetheless the supply side model proposed in the bill might eventually trickle down to serve everyone in every income spectrum. They argue that more homes will mean cheaper homes, and they hope that that will be helpful across the board.

The public discourse on that topic reminds me of the famous H.L. Mencken quote, "There is always an easy solution to every human problem" that is "neat, plausible, and wrong." When we look at the answer to a tough problem, it's not enough to find an answer that sounds simple and plausible; it also has to be tested against the facts to see if it is actually true. And the facts here are distressing.

More homes might mean cheaper homes, all things being equal, in a simpler world, but as the former Bank of Canada governor Mark Carney recently noted, the only place where all markets' clear and simple economics sayings turn out to be true is in economics textbooks. In the real world, details matter. And even a brief look at the details tells us that what Bill 109 is proposing as a solution won't bring affordable housing to most people in Ontario. There are three reasons for that: The market prevents it, the inputs prevent it, and market distortions prevent our adding significant numbers of affordable units using these tools.

The market prevents new supply from lowering costs because developers are competent business people. They analyze their markets. They pay attention to the impact of their actions. As the city of Mississauga noted in their recent report on the Housing Affordability Task Force, giving developers more density won't cause them to build and build and build until there is a glut on the market that causes prices to collapse. That is why Mississauga has 60,000 units of approved density that developers simply have not built. They could build and they could add to housing supply, but they don't because they analyze the market and they see that they would lose money on those projects. They wait until the sale value rises to match or exceed the cost of the inputs. They are not—in Mississauga or anywhere else in the GTA, where there are another 200,000 units of zoned housing available for developers to build—building unless they can recover their costs, and the input costs right now don't enable them to build at the price that most Ontarians can afford to rent.

The cost inflation during the recent housing boom has created enough stress that the cost, just of land and construction, requires rental rates that exceed what people at the median income in Ontario can afford to pay. So, we can build and build, but unless the cost of inputs go down, developers can't afford to rent them at rents that the average Ontarian can afford. We know that, because that is what's happening now. Housing starts are about 50% higher than they were in 2010 and in 2000. They're almost double what they were in 1990. But despite the staggering increase in density and construction projects and supply, over the last few years, rents have continued to skyrocket.

In Toronto, where supply has risen fastest—several times faster than in most other major cities—only 4% of the units that were built were affordable to the average Ontarian. Building more supply didn't make prices go down. Instead, inflation and land costs in particular ate up all the potential benefits.

There are options for bridging that gap. One option is for the public sector to invest to cover the gap in costs, as the public sector did in the 1970s, 1980s and very early 1990s. That was the last time we had significant increases in affordable rental housing, and the volume of affordable housing during that period pretty closely matched the public investment that was going into it. But despite 30 years of subsequent experiments trying to find an alternative model that generates affordable housing, we have not seen something else that does that trick.

We could use that model and that would be welcome to many of our partners. Both the region of Peel and the city of Toronto have robust affordable housing strategies in which they have invested and where they await provincial contributions that match the investments that they have made and the federal government has made. But without regulatory constraints or investment, the market will not bring down the cost of housing all on its own.

Finally, we need to recognize that more supply won't overcome the fact that many affordable units are gobbled up in other ways. As Karen Chapple, the director of the U of T's School of Cities, noted when the task force report was launched, added supply is likely to be gobbled up in much the same way. We lose far too many units to short-term rentals, such as Airbnb, and if there's any doubt about that, the pandemic made it clear. When there were no short-term rentals to be had, more units came on the market, sufficient in number to double the vacancy rate, and rental costs fell for the first time in a generation. Better regulation to prevent those units from being taken away from the actual housing market can help produce more supply than what's proposed in Bill 109.

We lose even more units to vacancy decontrol—

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Sean Meagher: Right now, a market unit for a one-bedroom in Toronto rents for about \$1,200 a month, but a new market unit rents for almost double that. So anyone getting vacant possession of a unit has enormous incentive to dramatically raise the rent. In fact, anyone renting an occupied unit has an enormous incentive to obtain vacant possession, which creates pressure for things like renovictions that have been a concern in Ontario for some time. That pressure has consequences. Recent research by Steve Pomeroy in Ottawa shows we are losing about 15 affordable housing units for every affordable housing unit we currently build, and the rent increases on vacant units is responsible for a large and growing share of that problem.

For real change in affordability, we're going to have to rely on direct investment from governments and an end to vacancy decontrol. These are steps that Bill 109 simply does not take.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much.

We'll now turn to our final presenter: Ontario Home Builders' Association. Please state your names for the record, and then you may begin. You will have eight minutes.

Mr. Bob Schickedanz: Thank you and good afternoon, Chair, committee members, staff and fellow presenters. My name is Bob Schickedanz. I'm the president of the Ontario Home Builders' Association. I'm joined this afternoon by Alex Piccini, OHBA's manager of government relations.

The Ontario Home Builders' Association is the voice of the residential construction industry, representing 4,000 member companies organized into 27 locals right across the province of Ontario. Our membership includes builders, professional renovators, suppliers, trade contractors and many others within the residential construction sector. Annually, we employ half a million Ontarians, pay approximately \$31.5 billion in wages and generate over \$55 billion in economic value for our province.

I want to thank the committee for this opportunity to speak to you today about Bill 109, More Homes for Everyone Act. I think everyone today can agree that we're in a challenging situation with respect to housing; in fact, many call it a housing crisis. I'd like the committee to understand that our membership is extremely concerned. We're very concerned with our ability as builders to provide the housing that this province needs.

We're in a housing crisis. We need more supply, and that means bold action must be taken. I can say that Bill 109 is one of the first measurable impacts and bold steps forward to address the housing supply we're facing today.

I'd like to focus on four particular items—and then I'll pass it over to my colleague—that we feel are important to give us what we refer to as the right tools to get the job done. First is properly resourcing the Ontario Land Tribunal. There are potentially thousands of housing units that are unnecessarily detained and waiting for hearings or waiting for a decision at the tribunal. Properly resourcing the tribunal for quicker decisions is extremely important to un-logjam that housing supply that's not available to build on at the current time.

Secondly, we support the proposed change to empower the OLT, the tribunal, enabling the Minister of Municipal Affairs and Housing, when making decisions on official plans, to refer all or parts of the official plan to the OLT for a recommendation, or the entire matter could be referred to the OLT to make a decision that is fair and impartial.

Thirdly, we've been advocating for some time, and we are pleased to see, measures taken to allow the acceptance of pay-on-demand surety bonds as an acceptable alternative for security for site plan and subdivision agreements. This one step alone will unlock billions of dollars of capital to be invested in housing projects across the province. The good news about this is it will cause no further risk to the province or the municipalities and not cost the province or local municipalities a dime. This is a win-win for everyone concerned.

1650

Finally, we applaud the initiative to propose a development-approved data standard. Good data means good results and means streamlining the approval system. All stakeholders, but, most importantly, new homebuyers, will benefit from a better data standard that produces faster results and homes for more families and individuals.

Now I'll turn it over to Alex for some further commentary.

Mr. Alex Piccini: Thank you, Bob, and thank you, Chair and committee members, for providing this opportunity today to speak to Bill 109. Bob has made some important remarks about a number of the aspects of Bill 109 that will help unlock potential in the new housing sector. I'm going to focus my remarks on some of the measures that are being proposed as part of Bill 109 that will help accelerate the delivery of new housing tremendously.

Starting first and foremost, streamlining site plan approval is an important process. Requiring the delegation of site plan control decisions from municipal councils to staff enables municipal councils to focus on big-picture decision-making while leaving technical review aspects of site plan approval to qualified professional planners, engineers and architects.

I understand you heard from OPPI earlier today, and I recognize that we have the architects on the call here today as well for this session. These folks are well positioned within the municipal civil service to make these decisions and accelerate that process. Site plan control is not considered a public process. Municipal staff are well positioned and, quite frankly, have the needed expertise to evaluate and approve plans. So often we hear from builder members who are stuck in the site plan approval stage; they just can't move ahead because of local politics. This has been a very challenging issue for our industry, but most importantly for new homebuyers who are shut out of their home—their potential future house—because of issues like site plan approval.

We would note that OPPI conducted a municipal survey to better understand on-the-ground experiences with respect to delegating this authority, and found that approximately two thirds of surveyed heads of municipal planning departments had already undertaken this process, so further providing this is a great initiative and an important part of Bill 109.

In the long term, OHBA would recommend that the Minister of Municipal Affairs and Housing conduct a full and detailed review of all aspects of site plan control set out in section 41 of the Planning Act. We believe that there are future opportunities for streamlining, and some other aesthetic and exterior design elements considered through the site plan control process that should not be a component of the land use approvals process.

In terms of the proposed changes to subdivision plans, home builders commonly build in a number of different municipalities where the requirements for plans of a subdivision vary drastically from one neighbouring municipality to another. Without standard requirements, considerably more time, effort and cost are involved in getting

subdivision plans to the draft approval stage. Again, these costs are passed on to new homebuyers, who are ultimately bearing them. Streamlining subdivision approval processes and standardizing what can be a highly complex system will help alleviate this tension in the system and will standardize what can or cannot be required as a condition of approval to help prevent scope creep. OHBA strongly supports this long-called-for change to help standardize processes and reduce unnecessary hurdles in the subdivision approval process—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much for your—

Mr. Alex Piccini: Oh, I'm sorry; I was just flipping my page.

The Acting Chair (Ms. Goldie Ghamari): Sorry. We have about 15 seconds left.

Mr. Alex Piccini: Chair, I will keep it short. Whether it's the millennial first-time homebuyer, the working adult, the young family or the retiree, all Ontarians are in need of more attainable housing, and our members are here to build that housing with the government.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. I appreciate that.

We'll now turn to the first round of questions. MPP Skelly?

Ms. Donna Skelly: Thank you. Again, thank you to all the presenters this afternoon. I have so many questions and so little time.

I want to begin with the architects. It was interesting, because I'm sure you're aware of the Angus Reid Rise for Architecture survey that came out today. I don't know if you are aware of it, but it suggests that Canadians, not just Ontarians, would like to have more involvement in the aesthetic of developments in their communities and would lean on architects to provide some of the experience and expertise in that.

While we have the Ontario Home Builders' Association, I want to see: Is there a way of pulling in different stakeholders? I'm a huge believer that we do have to build more, and saying "I don't want to do it" or "I'm going to run from this issue" or "We're just going to maintain the status quo" is simply not the solution. We have to build. But we have to take into consideration so many of the different concerns from people across municipalities.

One of them, of course, is allowing a builder to come in and—let's take an example of a historic community. A builder has a chunk of land, wants to build, say—I'm just suggesting this—a 30-storey unit, and there's a historic building either on site or nearby. Is there a way for communities to work with developers or for architects to come on board so that we can start to please more of the stakeholders, more of the residents, rather than just move forward with a bland cookie-cutter approach to building homes?

I'll start perhaps with the architects, if I may. Maybe you can weigh in on that particular predicament.

Mr. Adam Tracey: I'm going to start, but I'm going to yield most of it over to Sue. I think on this one, it's a very architectural question. I'm on the staff side, but one thing that I hear all the time is that architects don't want to

design bland things that don't inspire the public realm. It's in our very mission and vision statements that we want to design a built landscape, a built environment that inspires and elevates the human spirit. What we want to see are planning policies that actually let that come out and thrive. We have a huge focus on innovation.

The last thing I would say is I think architects are kind of natural collaborators. I don't think they would ever do anything without considering the landscape and the community. They're a very collaborative profession, so they will always do that as a matter of course.

Then, Susan, I'll put it to you, because you can answer from all of your history of work.

Ms. Susan Speigel: Hi. Thank you very much for that question. It is such a great question.

It would be very interesting if we looked at the process of building to see how we could get everything through approvals and simultaneously run very serious stakeholder engagement. A lot of community engagement has become a check mark in ministry requirements, and it is really unfortunate, because people are the best resource.

I just want to talk about an Indigenous community where there was a cul-de-sac, and the community got together and said that they didn't want their houses in the front with big backyards, because it just didn't work for their culture. They wanted the houses at the back and the front yards to be where they're cooking and the kids played, so that you could be cooking, doing your work, watching your kids and there could be a community feeling.

It was a slight move. The cost was to move the houses back, keep the servicing the same. It wasn't a big expense. But that community is incredibly successful because it listened to the people, yet still operated within the realm of what's buildable. Stories like that give me a lot of confidence that we can do better.

Ms. Donna Skelly: That gives me a lot of confidence as well.

To the home builders: Is there a way of thinking outside the box so that when you have people who are reluctant to embrace change and you have a development coming forward, and they're upset about the density, they're upset about the height, they're upset about the setback, they're upset about the façade—what can you do to work with us, as provincial politicians and municipal politicians, and the community to ensure that this can go forward in a much quicker and smoother fashion, recognizing the concerns of all of those involved?

Mr. Bob Schickedanz: MPP Skelly, thank you for the question. I think I'll start off at a higher level and say that recognizing that we're in a housing crisis and need to build a million homes over the next 10 years, 100,000 units a year at the bare minimum just to keep up with growth that is occurring today and is here to stay, we have to be focused on producing that housing supply. But that's not to say, as you point out, that robust consultation and working with all stakeholders—which includes a local community, municipal governments, provincial governments and, at times, federal government, as well, to achieve that goal.

1700

Whether it's discussions or consultations on heritage buildings or the form of the building in construction, those are important, and we're here to support that. But the concern is, we can't use that or those consultations as a reason to delay projects, to drag the puck around and deflect, and ultimately those units don't come on the market. Because ultimately, that's not hurting builders; that's hurting the people who are desperately looking for a home to buy.

So we have to be very [*inaudible*] about streamlining the approval process. Yes, have meaningful consultation, but then move forward, that we have these discussions with all stakeholders and finally come to a fair, reasonable decision and move forward quickly.

Ms. Donna Skelly: And, of course, you can always appeal, but even the appeal process has to be costly. Can you quantify what the delay process—if you have someone who is just attempting to prevent construction of a project, adding one appeal after another, what does that cost the eventual homebuyer? Are you able to put a dollar figure on that?

Mr. Bob Schickedanz: It certainly does cost—I mean, it's an additional financial burden on the project. There's no doubt about it. Obviously, it depends on the magnitude of the project. If it's a significant, large project, it's going to have a more detrimental impact. And again, it's on timing. The old adage: Time is money.

Currently, within the Planning Act and within Bill 109, there are proposals to actually incentivize municipalities to make decisions quicker. There are actually, in the current Planning Act, provisions whereby decisions need to be rendered in a certain period of time. The problem is that they're never made in that time frame and there are no, I'll call it, penalties related to decisions that aren't made on a timely basis. Our only alternative is to appeal it to the tribunal, and that process is anywhere from—even though substantial gains have been made, that's a two, three-year process at times.

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Mr. Bob Schickedanz: Delaying—

Ms. Donna Skelly: We've only got a minute, so I'm going—

Mr. Bob Schickedanz: —the number of years—

Ms. Donna Skelly: I'm sorry, I didn't mean to cut you off, but I have one final question for Sean.

This is something new, I believe. It's addressing the homeless issue. It is clearly not the solution, but I'm praying it might work. The tiny shelters, the tiny homes that they're using as shelters now: Have you heard anything about it and any feedback on whether they are working?

Mr. Sean Meagher: I think people are really excited about tiny shelters, tiny homes, laneway homes, about all kinds of alternative strategies, and certainly our analysis doesn't tell us that new tools aren't a good thing to have. But similar to much of what is in the current bill, these are very, very modest adjustments. Tiny homes are unlikely to

make a serious dent in the 99,000 units of affordable housing that the Ontario non-profit housing federation thinks are needed—

The Acting Chair (Ms. Goldie Ghamari): Thank you. That's all the time that we have for this round.

We'll now turn to the official opposition. MPP Bell, you may begin.

Ms. Jessica Bell: Thank you to Ontario for All, the Ontario Home Builders' Association and the Ontario Association of Architects for coming in and sharing your expertise today. I'm just going to start off by going back to Sean Meagher. Do you want to just finish your answer to the question around the usefulness of tiny homes?

Mr. Sean Meagher: I was pretty much done. I think they're an asset. I think all of these things are assets. I think they tend to run into the same kind of problem that people are describing. I think the problem they're describing is real; I just worry that it is severely misdiagnosed.

It's not like the site plans and planning approvals take longer at municipalities because municipal governments just like delaying access to housing. They take longer at municipalities because municipalities are grossly understaffed. They need a lot more planners, especially given the volume of housing and the volume of development that's taking place in our large cities right now. We have more cranes in the air in Toronto than the next six largest cities combined, but we have not had the same matching increase in the staff available in the planning department. In fact, we've had reductions over many of the years that that process has been growing.

If we really want to solve this problem, let's assign staff who are qualified to do it, with enough time and enough capacity to be able to do it swiftly, rather than assuming that somehow putting them against a time clock that triggers a trip to the Ontario Land Tribunal is going to speed things up. It will in fact slow things down.

Ms. Jessica Bell: Thank you for that. Sean Meagher, I want to talk a little bit about the need for more affordable housing, especially since housing in Toronto, in particular, has just become so expensive. I was wanting your opinion on what programs you are finding are effective in meeting the need for non-market housing, government investment in affordable housing. Two that come to mind that I'd like your take on are the city of Toronto's Housing Now program—what you like and what you don't like about it—as well as the Rapid Housing Initiative to just straight out buy properties and turn them into supportive housing, like they're doing at 877 Yonge, just as an example. Would you be able to speak to that a little bit, what programs you've seen work?

Mr. Sean Meagher: Absolutely, and I do have to say that this crisis has been going on in Toronto for a very long time. It is certainly not a crisis that is unique to Toronto. I hear from people in Belleville, Bracebridge, Huntsville, Barrie and Peterborough—all across the province. The problems that Toronto had have spilled over across much of southern Ontario, and there isn't any place where we aren't having a housing affordability crisis, because the spillover from Toronto meets the spillover from Ottawa

halfway. So we really do have a province-wide challenge here; it's not just a downtown Toronto thing.

There are a number of initiatives that have been really quite helpful. Housing Now is a good example; Open Door is also a good example. They've been helpful in a number of ways. They can still stand to be improved. Housing Now has been helpful because it has freed up public land, of which the provincial, municipal and federal governments own a great deal, and committed that land at little or no cost to housing, helping to address one of the fundamental problems with building affordable housing, which is that as densities have increased, the price of land has inflated, and it's harder and harder to build inexpensively because we have increased the densities without any constraint on inflation of land prices. So Housing Now helps to solve that by committing public land at little or no cost and overcoming one of the fundamental challenges to being able to build affordable housing.

Open Door does a good job on focusing the benefits of public sector cost reductions on projects that actually generate real affordable housing. So there are development charge exemptions and tax exemptions that go to units that are affordable. The unfortunate thing in both Bill 109 and if you looked at the analysis of the recent federal government National Housing Strategy is that far too often, we are offering benefits for folks in order to enable them to develop more housing, but we're not tying that to the affordability of the housing. It becomes a bonanza for people who are not actually deeply in need instead of being a way to bridge the gap between costs and affordability for low-income folks. So I'll certainly flag those.

The Rapid Housing Initiative—another great project—demonstrated beyond a shadow of a doubt that municipalities can move quickly when they focus their efforts on these projects. With the capacity of a planning department that was fully staffed, they could move quickly on the other projects that are priorities. And the commitment of resources from other orders of government to overcome the gap between costs and what people can afford made those projects really work. We really do need to look at focusing on affordability as a criterion for those benefits, supporting our municipalities to do a good job and freeing up land to be able to create affordable housing.

Ms. Jessica Bell: Thank you. The additional question I have—and this is also again for Sean—is around inclusionary zoning. I know the city of Toronto has moved forward with inclusionary zoning. The city of Toronto is the only municipality, I believe, that has moved forward with inclusionary zoning. If we were looking at moving forward with a provincial inclusionary zoning measure, do you have recommendations for us? What could that look like, that you think would be useful?

1710

Mr. Sean Meagher: The initial inclusionary zoning legislation and the initial regulatory framework that followed it were really quite effective. I think most of the people who have looked closely at inclusionary zoning as a system recognized that there are different markets in Ontario. Ontario is not all one housing market. In fact, Toronto isn't all one housing market.

Toronto, I think, quite thoughtfully created a number of submarkets for an inclusionary zoning strategy and applied different set-asides in different areas to match what the market could bear. The ultimate set-aside was a fraction of what independent consultants looking at the costs said the market actually could bear, which is unfortunate, because we'd have two or three times as many units being generated by inclusionary zoning if independent financial advice had been followed.

I know, in all fairness, that the municipalities in Peel region are also developing an inclusionary zoning bylaw. I don't want to privilege Toronto when great work is happening in Peel. But I think a lot of municipalities—and, I know, some of the ones appearing today—could also benefit from being able to use this tool, making sure that they have the flexibility to apply the tool in the way that's most appropriate locally.

Ms. Jessica Bell: Okay. Thank you very much.

My final question is to the Ontario Home Builders' Association. It was nice to see you again today. This is just a question around the need for new housing. I also believe we need new housing, but I want to make sure that it meets the needs of Ontarians. I've just got some questions about the numbers and where you stand on that.

We hear the Smart Prosperity Institute coming out and saying we need one million new homes, so increasing the number of homes we build from 80,000 a year to 100,000 a year. And then we see CIBC coming out and saying, "Actually, we need 1.5 million homes." Where are you all at, in terms of how many homes we need and what kind of homes we actually need?

Mr. Alex Piccini: Thank you, MPP Bell. Just to jump in on that SPI report from Dr. Mike Moffatt at the Smart Prosperity Institute, OHBA worked with Dr. Moffatt to put together a report last year, in which Dr. Moffatt found that we need at least a million homes to actually just pull back the housing deficit that we have right now. This is not to actually improve the situation. This is, rather, just in response to what we're seeing in the housing crisis. This is to keep pace. Quite frankly, after at least a million homes, we're still experiencing the same—

The Acting Chair (Ms. Goldie Ghamari): Thirty seconds left.

Mr. Alex Piccini: What these new reports have shown is that the problem goes very deep and that new housing, throughout the entire housing continuum and the housing ladder, is desperately needed in order to actually push back and to actually make substantial progress on ensuring that every Ontarian can find a home in a community they love, that enables them to live, work and play. That's the reality we're facing. So the numbers that are being thrown around at the moment—

The Acting Chair (Ms. Goldie Ghamari): Thank you. That's all the time that we have for this round.

We'll now turn to the government. MPP Oosterhoff, you may begin.

Mr. Sam Oosterhoff: My thanks to all the presenters today. I'm very happy to have the opportunity to have this conversation and meet with so many different people over

the course of this day. We've heard a lot of good perspectives on legislation. Obviously, there have been areas where not everyone, perhaps, agreed on what the best approach is. But there seems to be some clear unity on the need for housing as an important option for everyone and, of course, the importance of housing as a social determinant of health, which I think we all agree on. We recognize the crucial importance of having Ontarians housed and ensuring that they're in the homes that they've all expected and come to obviously rely on, as in any society where we're hoping to be able to provide a better future for our children, a better quality of life. It's important that we see all sorts of different options when it comes to housing.

I wanted to ask Sean, very quickly—we recognize, at the end of the day, that whether or not we're seeing cooperative housing, whether or not we're seeing not-for-profit community organizations coming together to help build housing, whether or not these are various rental models that are being brought forward, the people actually doing the building, the people actually doing the work, at the end of the day, are often home builders, right? I mean, they're always home builders. You're not going to have direct staff, more than likely, from a municipality or from an organization, building the house. They might be the ones who create the contract, they might be the ones who have the legal parameters around it and obviously they're the ones who direct the type of housing they want to see built in that place, depending on the model, but at the end of the day the home builders are the ones who build it. Some of them might be building for Losani; another might be building for a local not-for-profit organization—I think of Indwell locally. They might be building for all sorts of different reasons and, at the end of the day, they still need to be able to employ their people.

The reality is that for those builds, no matter what the model is, the cost of development is a hefty cost. We know this process is costly. We all know that time is money, especially in today's day and age where we see unexpected supply chain challenges and increases in costs associated with that. If your organization has recognized that we need to speed up development approvals, and you've recognized this is a costly process, I'm just wondering, what are some solutions that you would bring forward and want to see in addition to this legislation?

Mr. Sean Meagher: Absolutely. A couple of things I can't help but vigorously agree with, and one is that the folks who build homes in Ontario—single-family dwellings, condominiums, apartment buildings—are really good at what they do. We build a lot of housing in Ontario right now. We build it really, really fast, and we build it quite well. So there's no question that the industry is capable. When I work with affordable housing providers, they tend to turn to folks in the development industry to provide those skills and that capacity. There's no question that this is all about a partnership. The big question is, what's the partnership for and what are the rules of the game? As you noted, MPP Oosterhoff, the cost of development is very, very high. The regulatory environment is not the principal driver of that. There are costs. There are

regulatory costs and they pay for our sewers and our parks, and if they were displaced, they would have to be made up for somewhere or else we wouldn't have sewers and parks, and we wouldn't have buildings that most people want to live in. In fact, the industry depends a lot on the things that those regulatory fees pay for because it makes those communities successful and it makes those units attractive.

Land inflation is in fact the place where we're really struggling and a lot of land inflation has been driven by large increases in density approvals in an unregulated environment. If you have a piece of land that you can build 100 units of housing on and the municipality gives you the right to build 200 units of housing on that, then when you sell it to a developer, you will sell it for more—you can and you will. If we want to capture some of that increase in value—and I should point out it's an increase in value created by the public sector by the decision to add density—then we need a regulatory environment that does that. Inclusionary zoning is one tool for that. It says you can have some more density, but in exchange for that density, you need to build more affordable housing.

There are other value-capture models that exist and those help to do two things: (1) They move some of the resources into affordable housing; and (2) they offset the inflationary pressure on land values and keep some of those costs down. So those are attractive models for addressing exactly what you're describing. But, in all cases, if we are going to make adjustments to the rule book to make it easier, faster and simpler to build homes, those adjustments should be attached to the public benefit we're seeking. That's not just more housing; that's more housing that average Ontarians can afford. Right now, average Ontarians cannot afford housing built at the current market price.

Mr. Sam Oosterhoff: Thank you. I also have questions, Chair, for the Ontario Home Builders' Association. I'm asking about the use of surety bonds that this bill expands, and I'm wondering if you could speak a little bit about how this will help increase the supply of housing.

Mr. Bob Schickedanz: Thank you, MPP Oosterhoff, for the question. Typically in today's age, the only acceptable form of security that a municipality accepts for site plan agreements and subdivision agreements is a cash deposit, and that ties up cash, or a letter of credit from a chartered bank. The issue with the letter of credit is, for the most part, these letters of credit need to be collateralized with cash or some other form of collateral from the developer or the proponent. If the builder doesn't have the available cash to collateralize the letter of credit—and, for instance, for a particular project, say, it's \$5 million—that credit facility is tied up in that one particular project and can't be utilized for further projects, either in the same municipality or in other municipalities across the province.

1720

That might not seem like such a big deal, but when you aggregate that across the whole province, there's billions of dollars' worth of capital that's tied up collateralizing letters of credit that is not working to create housing. It's not working to create employment. It's not working to

move the economy forward. It's sitting idle as security. Using pay-on-demand surety bonds can provide the exact same level of protection and flexibility to municipalities to achieve the same goal, but the key feature is, it does not tie up the collateral. Therefore, there's more capital—

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Sam Oosterhoff: Very quickly, could you also just speak about development charges and how this is going to be making development charges more transparent?

Mr. Bob Schickedanz: Surety bonds are not going to make development charges more transparent, but a portion of the recommendations of Bill 109 is to have municipalities report the development charges that they're collecting and how they're spending that money, because, ultimately, the purchaser is paying for this infrastructure. We want to make sure there's accountability that the money is being spent properly and applied to the infrastructure and the community benefits it's intended to fund. The transparency is important so purchasers understand that it is used in accordance with what it is intended to do.

Mr. Sam Oosterhoff: Thank you very much. I appreciate everyone coming this afternoon.

Mr. Bob Schickedanz: You're welcome.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to the official opposition. MPP Hassan, you may begin.

Mr. Faisal Hassan: Thank you all for your presentations this afternoon. I would like to direct my question to Sean, from Ontario for All. You have talked about the real crisis we have in housing, and this crisis hasn't started just in the last four years, I know. It has continued for the last 15 years and beyond, and now this government had four years to actually deal with the issues of affordability.

Now, no one can afford in Toronto. The affordability crisis is out-of-reach renting and owning. Also, the task force recommendations have not been included in this bill, Bill 109. What the government is saying is that we are letting developers and whatever the market could bear—and now we see the crisis in terms of homelessness and the waiting list in Toronto, alone, of 100,000. How can we tackle the real crisis? I know that you also said that we need direct government investment here.

Mr. Sean Meagher: Rather than give my advice, I will borrow advice from some of the leaders in the sector. I'll start with the city of Mississauga and the region of Peel, who have worked together to develop an affordable housing strategy that involves the region and the local municipalities digging deep and making direct investments to try and address their affordable housing crisis, and turning to the other orders of government and saying, "Be a partner here. Help all of us solve this problem."

There's been substantial contributions from the federal government, but the province of Ontario is late to the party. So they could hurry along and get to the party before it's too late, with direct investment in the development of affordable housing by—I will underscore MPP Oosterhoff's point—the men and women who work for the home

builders' association and by the members of the architecture association and by the professionals that have come out today to talk about the importance of moving these things forward. These investments would generate genuinely affordable units.

The other thing I will mention is that, in the desire to turn around this challenge, walking away—the single most important thing right now is addressing the problem of vacancy decontrol. It used to be the case that when an apartment was rent-controlled, it was rent-controlled and it stayed rent-controlled in perpetuity. Now, new apartments or apartments that are vacant are un-rent-controlled, and that creates a real risk to the stability of the affordability of units that are currently affordable. In fact, we lose 15 affordable units for every one that we build at this point, and that number is accelerating. The role of vacancy decontrol in that is very large and it's growing. So the second thing the province of Ontario could absolutely do, because they undid it, is to return to stable, complete rent controls that protect the affordable units that we do in fact have.

There is no way, I think we can all agree, that you can fill a bucket if there's no bottom in it. It won't matter how much affordable supply we create if we lose more at the same time. We really need to put a bottom on that bucket, so that the men and women from the home builders' association can build us affordable units and the total number will grow instead of just trying to keep pace.

The last thing I'll say is that part of the impediment to achieving affordable housing has been the out-of-control inflation of land values. There are a variety of regulatory tools—inclusionary zoning is just one of them—that help to contain the inflation of land values and capture some of the value that the new density that we've been creating has caused to exist. But we do need to start regulating, because the pace at which land value is increasing is unsustainable in terms of the housing market.

Mr. Faisal Hassan: Thank you. Those are some very excellent recommendations. I hope the side of the government is really taking notes of these recommendations you're putting forward.

Also, housing is a human right. We have focused on profit and making it as kind of an investment rather than a home where that kind of flipping or speculation on that is not considered. How can we make it a policy? Actually, one of the ways we can tackle this is to actually think of it as a human right.

Mr. Sean Meagher: I couldn't agree more. Housing is absolutely a human right. Canada has signed multiple declarations committing to that. I think we all recognize that many of the challenges we face with mental health and our health care system depend on people having stable and affordable housing as the bedrock of their well-being. As MPP Oosterhoff said, it's a critical determinant of health.

But we cannot get there if so many units of housing—the estimates in Toronto vary but it is thousands and thousands of units—are used as investment vehicles or as hotels rather than as homes for families. We saw during the pandemic, as I mentioned, that when Airbnb and other

short-term rentals stopped operating, it freed up so many units of housing that the vacancy rate almost doubled and rental rates fell. If we can move housing out of being a commodity and an investment vehicle and—heavens protect me from being a traditionalist—back into a place where people live and raise their families, then we can do a whole lot better. That's not going to happen on its own; we've seen that. It only happens if we regulate to ensure that it happens.

Mr. Faisal Hassan: Absolutely. I agree. How much time do I have, Madam Chair?

The Acting Chair (Ms. Goldie Ghamari): About two minutes and 15 seconds.

Mr. Faisal Hassan: Thank you very much.

I know that the rental aspect has shown, with regard to—we don't have real rent control at the moment, and this government also lifted rent control in new buildings as well. We also have another concern about the above-guideline rent increases the landlords are actually applying for every year, whether they do repairs or maintenance or not, which is also another problem. What do you think? What is your view on that? Because it's also just a regulatory mechanism. Even though they submit on the basis of the Landlord and Tenant Board, no one actually goes back and checks if the maintenance and the things they are submitting are actually done.

1730

Mr. Sean Meagher: Yes, I think there are a number of things that would be helpful in ensuring that the existing regulatory system operates better. The tribunal is backlogged. It's understaffed. We saw, again, during the pandemic, some real challenges in terms of tenants having access to it. We could use a bit more in the way of transparency at the tribunal. I know from recent projects that I've been involved in and other colleagues have been involved in, it's very difficult to get a real picture of what above-the-guideline increases look like in Ontario overall.

The Acting Chair (Ms. Goldie Ghamari): Forty-five seconds left.

Mr. Sean Meagher: So being able to give the public a clear view of what is and isn't happening in the decisions being made by the tribunal in an aggregate sense would also be very, very helpful.

Mr. Faisal Hassan: Thank you for answering my questions, Sean.

The Acting Chair (Ms. Goldie Ghamari): At this time, I'd like to thank our presenters.

WEST END COALITION
FOR HOUSING JUSTICE

ONTARIO ABORIGINAL HOUSING
SERVICES

The Acting Chair (Ms. Goldie Ghamari): We're now going to turn to our final set of presenters.

Before I begin, I would like to acknowledge that we are on the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnaabeg, the

Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples.

With that, I would like to call upon Hannah Fleisher. Please state your name for the record and then you may begin. You will have eight minutes.

Ms. Hannah Fleisher: Hi. My name is Hannah Fleisher, and I'm actually here as a member of the West End Coalition for Housing Justice. We're a coalition that supports collective learning around pathways to housing justice across neighbourhoods in the west end of Toronto. Our partners include supportive housing providers and developers, land trusts and non-profit organizations that deliver drop-in services, settlement services, seniors' home care and other supports for some of our most vulnerable members of our communities, as well as residents' groups that work in collaboration with us.

One of the things that we've been doing as a coalition is tracking local development activity in order to build community capacity for engagement with developers, investors and decision-makers who control the planning process. We want interested participants and those impacted by what's happening in the development world to be able to show up informed and input effectively. This work has also allowed us to observe with detail exactly what we aren't getting from the current development process in our community: affordable, inclusive and accessible housing.

While I commend the province for committing to take action to address affordability, which I understand is a core goal of its work and its report and this bill, as its name implies, I've yet to hear compelling arguments today on how fast-tracking an aggressive new supply of housing as a sole strategy will trickle into the affordable housing crisis that we face and actually impact it for the community members that I feel connected to.

I agree with the comments made by the speakers from Ontario for All and Maytree, so I'm going to try not to repeat some of the things that have already been said today. I thank them for all of the information and the facts and the analysis they shared.

I want to focus a little bit in on the repeated comments and continuing conversation throughout today around what everybody is calling NIMBYs, which I fear is a brush that's being used to paint all community members and organizations and entities who are not viewed as direct stakeholders in the planning process but who are worried about what the current real estate market will produce in terms of affordability and people's ability to stay in their community. Simply put, I think we need to create more seats at the table around these discussions of affordable housing solutions and not take seats away.

I want to touch on, quickly, before I get into some feedback here, that a recent inventory that our group put together of 53 development proposals in the west end of downtown Toronto revealed that only 257 of the 18,808 units to be built—only 1.4%—would be affordable housing units. These few units, in most cases, were won through community engagement and, quite frankly,

drawn-out negotiation processes between community stakeholders and developers and the city to come up with a solution that benefits people who need protection and need affordable housing.

Despite the fact that this type of negotiation seems to be the only mechanism we have at the moment to preserve and generate new affordable housing, the task force claims that the ability to bypass long, drawn-out consultations and zoning bylaw amendments is the most effective tool in the provincial tool kit. So again, they are claiming that making processes faster and reducing the number of voices in the room is the most effective tool to create affordable housing right now. They also claim that government fees create disincentives to affordable housing.

Our group feels that Ontarians can't afford to keep subsidizing the profit-driven private developers. Ontarians deserve to keep development charges for improving public infrastructure and services as our communities grow, in addition to adequate affordable housing. If the task force and this bill are going to continue to claim that demand-side controls are outside of the scope of affordability solutions, the least we can do is allow municipalities to collect the fees they need to try and build affordable projects on their own.

There are also attempts to cut community participation and involvement from this planning process, which threatens the ability to ensure affordable housing, community benefits and green spaces are included as a part of new developments in our neighbourhoods and reflect the unique needs of every community that we see. MPP Bell actually stated earlier today that the government doesn't have a good handle on the kind of supply that is needed to address all of the realms of affordability that we're lacking on. I'm not sure how we're going to find out where that supply is needed and the exact type of affordable housing supply that's needed if these discussions don't involve individuals who are impacted by new development and real estate activity, and those who are struggling to access any element of the housing market.

We think Ontario should be expanding community consultations, and not limiting them, as a part of new developments. The task force thinks we should decrease opportunities for public consultation and decrease development fees, when we should be supporting more community members to have a say in shaping the neighbourhoods they live in and more resources to make these changes.

I've heard so much talk of NIMBYs today, of entities who are alleged to be frivolously obstructive within development processes. And while I admit that I've encountered groups and neighbours who share concerns about development proposals that don't seem to be a priority to me, I far more often encounter residents who are eager to reimagine what equitable planning and development tools could look like so that they can support mixed-income neighbourhoods, neighbourhoods that support diversity and allow families to grow, seniors to age in place and young people to enter the workplace in the community where they grew up. At our coalition,

we're joined by groups working on all kinds of innovative solutions, from land trusts to land-back claims and community benefits negotiations, that actually increase the right type of housing supply and infrastructure needed in communities.

When we work together to invest in our neighbourhoods without creating displacement, this requires the increase of opportunities, spaces and resources for community involvement in the development process. When consultations actually reflect the diversity of communities by engaging tenants and racialized and newcomer groups, neighbourhoods shape the developments they need to see and actually contribute to much-needed public goods and infrastructure locally as our communities change. Local communities should be engaged in planning stages as early as possible to help shape equitable and sustainable developments in their neighbourhoods. This approach can actually help to build community support upfront and mitigate delays in planning approvals.

And I'll take this moment, even though it's outside the scope of this bill, to point out that we really did suffer an enormous loss when the Local Planning Appeal Support Centre was abolished a couple of years ago, and community members lost the resources to actually input in these processes effectively.

We also find it really concerning that Bill 109 proposes to meet task force recommendations by dictating time frames of two to six months for municipalities to make planning decisions, such as zoning or approving site plan applications, or see financial penalties imposed. We think that proper planning—

The Acting Chair (Ms. Goldie Ghamari): One minute left.

Ms. Hannah Fleisher: —is required to reflect the complexities that each site has and needs to be addressed.

We also think that Ontario can create actual affordable housing itself. Private developers are not the only ones who can build housing; Ontario has thousands of non-profit housing organizations and co-operatives, the majority of whom specialize in building and operating permanently affordable home ownership, rental housing, supportive housing and shelters. Public incentives and subsidies should go towards these permanently affordable housing projects instead of private developers who profit when housing costs increase.

We need to create an environment where non-profit providers are better able to build the more affordable types of housing they focus on. We need to help non-profits and co-ops buy those units and turn them into community-owned housing instead. The MURA Program at the city of Toronto is a great example of this strategy—

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That's all the time that we have.

We'll now turn to our next presenter, Ontario Aboriginal Housing Services. Please state your names for the record, and then you may begin. You will have eight minutes for your presentation.

Mr. Justin Marchand: Justin Marchand.

The Acting Chair (Ms. Goldie Ghamari): Thank you. You may begin.

1740

Mr. Justin Marchand: Thank you.

Remarks in Anishinaabemowin.

My name is Justin Marchand. My spirit name is Firerock. I am Métis, CEO of Ontario Aboriginal Housing Services, chair of the Indigenous caucus on housing, and a recent member of Ontario's Housing Affordability Task Force. Meegwetch.

Thank you for the opportunity to address this legislative committee, and chi meegwetch to Minister Clark for your strong and actionable support of urban Indigenous housing in Ontario. Your engagement and focus on all things housing has been absolutely tremendous. Minister Clark, through your leadership, your ministry team has done this in a very inclusive and thorough manner, with a very busy but comprehensive schedule of consultations on a variety of housing-related topics.

There seems to be almost universal agreement that Ontario has a housing shortage. One of the ways to solve the housing shortage is to create more supply. Bill 109, the More Homes for Everyone Act, takes a significant step forward to supporting more supply. We all have a role to play in ensuring additional supply is brought on to serve all people living in Ontario. We all have a share in the solution and this means shared accountability.

Bill 109 provides incentives for municipalities, along with previously announced supports, to reduce barriers to more efficient, but of course still effective, decision-making. This also holds developers accountable for ensuring that complete application packages are submitted the first time.

Our organization has faced years of delays on some developments, at times exceeding four years, and has been forced to incur over hundreds of thousands of dollars in legal fees instead of housing for people. This has meant that people who need affordable housing haven't been able to access it when they needed it.

The Ontario building code is also amended under this proposed act to allow up to 12-storey wood buildings, which supports provincial and Indigenous natural resource sectors, as well as opening up new markets for our first-class, value-added manufacturers to provide made-in-Ontario solutions. This leverages the best we have to collectively offer housing solutions to people living on this land.

New data standards will help ensure all stakeholders are on the scene with respect to compliance. This is a necessary precursor to e-permitting, and it also simplifies the ability for contractors and developers—as well as municipalities; wherever you are—to facilitate the approvals process in a familiar, standardized manner. This will still take an enormous amount of work but this is another step in the right direction.

Bill 109 supports the Community Housing Renewal Strategy, which itself is more focused on organizations like non-profit housing providers, charities, and municipal governments that provide housing to people with a variety of needs, with the objective of offering people a hand up. Also, More Homes for Everyone is supporting the

Landlord and Tenant Board by bringing on more resources so that both tenants and landlords have access to a fair and timely justice system. More provincial lands will become available for non-profit housing providers, who almost always use private sector partnerships, including planners, architects, engineers, contractors, developers, suppliers, transportation networks and, of course, many skilled trades.

We do believe there should have been explicit opportunities in this bill for inclusionary zoning and supporting higher density.

We would be remiss if we did not take this opportunity to briefly discuss that More Homes for Everyone also includes Indigenous people living in urban areas. I will pass the mike to my colleague Jaimee Gaunce, director of policy at Ontario Aboriginal Housing Services, for further remarks.

Ms. Jaimee Gaunce: Thank you, Justin, and good evening to you all.

In 2018, the Ontario Non-Profit Housing Association membership unanimously adopted a housing resolution put forth by its urban Aboriginal housing advisory committee to call on the federal government to implement an urban, rural and northern housing strategy. There is a need for an urban, rural and northern Indigenous housing strategy as we are now seeing that 80% of Indigenous people live in urban, rural and northern areas.

Indigenous people are 11 times more likely to experience homelessness. Indigenous mother-led households have incidences of need that are twice that of non-Indigenous mother-led households. And all Indigenous people in urban, rural and northern areas have an incidence of core housing need that is 52% higher than all Canadians.

We developed a report on six focused areas, socio-economic, legal and historic arguments, to support six calls to action. The report identified the need for 22,000 additional subsidized Indigenous housing units over 10 years to meet the current and future needs of the communities. This comes with a construction cost of \$7.3 billion, 95,000 jobs and \$3.8 billion to the provincial economy. It also saves the province a total of \$14.3 billion from reduced incarceration and recidivism rates, improved education and employment outcomes, as well as reduced spending on health care and social services and shelter costs.

The urban, rural and northern Indigenous housing strategy is a critical step on the path to reconciliation. We would like to say *chi meegwetch*, a big thank you, to Minister Clark, who initiated on his own accord a petition to call on the federal government to support a for Indigenous, by Indigenous urban, rural and northern housing strategy.

Minister Clark and this Ontario government have also stepped up in ways we have not seen, through new, meaningful investments in the Indigenous Supportive Housing Program, mental health and addiction supports, expansions and continuation of social service relief programs, among numerous and other non-monetary

supports, and changes that have made it easier for organizations like Ontario Aboriginal Housing Services to help more people with the resources we have and, certainly, significantly more people with these much-welcomed new investments. *Chi meegwetch* to Minister Clark.

If passed, Bill 109 will support significant approvals and simplify regulations so that more housing can be built quicker by Ontario contractors, Ontario labour and developers, both for-profit and non-profit alike. Thank you. *Meegwetch*.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much for your presentation.

This round of questions will begin with the official opposition. Who would like to begin? MPP Bell.

Ms. Jessica Bell: Thank you very much, Hannah Fleisher, for coming here, as well as representatives from the Ontario Aboriginal Housing Services.

My first question is to Hannah. It's nice seeing you again. I remember us meeting with Bill Worrell—it felt like a few months ago, but it was probably longer. I also appreciate you clarifying how many units are slated to be built in your area and also how many of those units classify as affordable. You said 1.4%, which is a very small amount.

And before I ask my question, I also want to clarify how the Ontario government doesn't have a good handle on what kind of homes are needed. The reason I say that is because they haven't. Some municipalities in BC have done an assessment to look at what homes are needed in specific areas based on income. So what percentage of people who earn less than \$20,000 a year are in core housing need? What percentage at \$60,000 a year are in core housing need? And then you make recommendations and use government to ensure that need is met. Our government doesn't do that.

My question to you is, just going back to the conversation we had originally around inclusionary zoning, would you be able to give your assessment on: If we were going to move forward with inclusionary zoning province-wide, what would that look like? What do you think would be an effective inclusionary zoning measure?

Ms. Hannah Fleisher: Sure. I definitely appreciated hearing some of the other speakers this morning and this afternoon talking about how different that looks in more rural municipalities. I'm located in downtown Toronto. I think it's a different mechanism and a different conversation here, and I'm not sure that we can actually implement an across-Ontario approach to inclusionary zoning, because the unintended consequences of certain measures in a place like downtown Toronto could be something that have a very different effect in the area in the Blue Mountains that some of the speakers were talking about earlier today, for example.

So I think in Toronto, we have to be a little bit more judicious and careful about where we choose to locate inclusionary zoning policies. I think that there could be all sorts of unintended consequences if we open it up across the board and put them anywhere. And you could see concentrating of affordable housing in certain areas, and

not being equitably distributed into other areas. Whereas, I think in some of these other areas, it sounds like an across-the-board inclusionary zoning policy would be really effective.

But I do think, at a bare minimum, we need to increase the percentage of units that are included in the inclusionary zoning policies. The bare minimum of the 10% right now—I know it's going up to 20%—still would not be enough to address the amount of affordable housing needed in our community, and I think there might need to be a conversation around different types of incentives.

I know it's a controversial topic, but I think there needs to be a conversation about incentives for builders to build affordable housing to the same standards and the same quality that they might produce other units with, and that's something we need to think about really, really deeply, and perhaps incentivizing non-profit builders and other builders more deeply than private housing developers so they can actually do what they're in the business of doing, which is providing affordable housing and dealing with the elevated land costs and construction costs that exist right now. I think those things need to be baked into that legislation much more deeply.

1750

Ms. Jessica Bell: Thank you for that answer. I'm following closely what's happening with the federal Rental Construction Financing Initiative program, because for a long time now they were giving very generous loans to developers to build unaffordable homes, when it makes a lot more sense for the federal government and the provincial government to partner to make sure those financing options are available to non-profit developers and developers of co-op housing or, in some cases, for-profit developers who are going to commit to building the permanently affordable housing that we need. Just as an example, that's what comes to mind when I hear you give your presentation.

The final question I have is to Justin Marchand and Jaimee Gaunce—I hope I said that correctly—from the Ontario Aboriginal Housing Services program. Could you flesh out for me what an effective housing strategy for Indigenous people, led by Indigenous people, should look like, provincially? I know Minister Clark has done a petition to have the federal government step in. I'm curious: What are your recommendations to the provincial government when it comes to having an Indigenous-led, for-Indigenous housing strategy?

Mr. Justin Marchand: Thank you, MPP Bell. I think, first and foremost, it means that that housing strategy must be led by and for Indigenous people. We know and we've seen in other areas, whether it's employment and training or education or child care, that when Indigenous organizations and Indigenous communities lead the design, development and operation of programs, that is when you find the most success. And we see no reason why that would not be the case with respect to urban Indigenous housing, as well.

Ms. Jessica Bell: Jaimee, do you have anything additional to add?

Ms. Jaimee Gaunce: No, I think Justin covered it perfectly. Thank you.

Ms. Jessica Bell: Thank you for your time. That's all the questions that I have today.

The Acting Chair (Ms. Goldie Ghamari): Thank you. Any further questions? No.

All right. We'll turn to the government: MPP Oosterhoff, for eight minutes. You may begin—sorry; nine minutes.

Mr. Sam Oosterhoff: My thanks to Justin and Jaimee for appearing before the committee today, and my thanks for the work that you do and your passion and commitment to Indigenous housing and, of course, the advocacy that you've put in on so many issues, but on such a crucial issue in every corner of our province. I want to just thank you for appearing before the committee, sharing your perspectives and sharing the words that you've brought today. I'm very thankful for this opportunity to have some dialogue.

I know you've been very involved with Minister Clark, providing feedback, providing ideas, providing advice, which is so needed and really, I believe, speaks to the importance that Minister Clark places, from what I've seen, on hearing voices and on making sure that voices are being brought forward, and that he's doing so in a meaningful way. So I want to thank you for that.

I want to just ask a little bit about the for Indigenous, by Indigenous housing strategy that you talked about, and some of the work that went into that and what that is about. Could you perhaps speak a bit more about that?

Mr. Justin Marchand: Sure. Thanks, MPP Oosterhoff. We've been working on a federal strategy first. I'll start there, because that's where—we all have a responsibility in this, but that's where the primary responsibility for funding this strategy lays. We've been working on that strategy for over eight years. It was completed about six years ago and we've been pushing the federal government to fulfill what's been in three mandate letters for the minister responsible for housing at the federal level. It was also a promise that was made in the National Housing Strategy.

I will provide some credit to the federal government for announcing some funding in this last budget that was released on Thursday. What we've seen, however, is that the amount of funding put forth is—which seems to be very much a strategy of the federal government—to spread that funding out over five-plus years. And the amount of funding that's been provided under that strategy, according to the Parliamentary Budget Office, which was asked by the federal government for their advice—what was in that budget is less than 1% of what the actual need is. So there's a significant ways to go, to say the least, in that regard. And what we've seen so far—we're hoping to find a little bit more of the details in the next couple of weeks, but the federal government has charged CMHC with the responsibility for that housing strategy, and we've been pushing all along to have this be Indigenous-led. Now, perhaps CMHC is planning to make this an Indigenous-led initiative. That's not what the budget says, but we will wait and see what the details are.

Mr. Sam Oosterhoff: Thank you. I appreciate that. Perhaps to engage with some of the other issues, as well, that you brought up, which are tied in with housing as social determinants of health and the importance of that housing and just providing that important place for people: Could you speak a little bit about some of the work that you've done with Minister Clark? I know that mental health has been an issue, and ensuring that there's access to these various support programs. Perhaps just speak a little bit about how that relationship has been, because I know Minister Clark really believes in action, not just words. And I think we've seen a lot of words over the years—and from the federal government, a lot of words—but not necessarily a lot of action.

So perhaps you could speak a little bit about how it has been working with Minister Clark, and then what some of the ideas are going forward. What can we do beyond this? I know this is an important step forward, and it speaks to the commitment of getting more housing built and ensuring that there is the right housing in the right places, and also for Indigenous communities that that is a reality. But we know there's more work to do. So perhaps could you just speak first about where we've come from, what we're working on together, and then also what you'd like to see going forward?

Mr. Justin Marchand: Maybe working backwards, slightly: I believe it was Professor Steve Pomeroy from Carleton who commented on the federal budget and said, "Lots of words, but very few homes" out of that federal budget, and I couldn't agree more.

Some of the examples of the things that we worked with Minister Clark on: I'll start in northwestern Ontario, close to Minister Rickford. In Sioux Lookout, about five years ago, we started what was more than a pilot; it was 20 units of supportive housing development. We did that in partnership with the Kenora District Services Board. We self-funded that on our own, just because at the time, we didn't have the support to try something new, and we knew we needed to do something new to help solve the homelessness crisis in northwestern Ontario.

That program has seen phenomenal success, and both Minister Rickford and Minister Clark have been through that—and those are not our words. The superintendent of the OPP for northwestern Ontario, as one example, indicated that after the supportive homes were opened up, calls to service through 911 dropped by about 90%. That is huge, considering that in a town of about 4,500 people, half the 11,000 calls per year going to 911 were from the same 21 individuals. Those 21 individuals were accessing services like police, ambulance, hallway health care at the emergency room at the hospital. That's not the sort of expensive services that people who are living on the streets need. They need some stability and safety.

To Minister Clark's credit, he tasked us last year with asking where else we would like to do this. We knew that we had opportunities in Thunder Bay and Kenora that we were working on this. And earlier this year, Minister Clark, after having seen the success of community-led, Indigenous-led housing and programming, said, in

essence, through his actions—like you mentioned, MPP Oosterhoff—"Why just two? You need to do another six or seven." That's the funding that he backed up his words with.

So we're excited that, this year, we're going to get shovels in the ground so that we can help as many people as possible. But that's just one example of something concrete that we've worked with Minister Clark on.

1800

Mr. Sam Oosterhoff: That's fantastic. Thank you. I appreciate those words and your sharing that. I guess looking forward, what would be, again, some areas that we recognize—this is building on the More Homes, More Choice Act, the legislation that we're talking about today. We know there's always more work to do and we're committed to doing it. I'm just wondering if there was some advice for some things you think should perhaps be included going forward or in the future.

The Acting Chair (Ms. Goldie Ghamari): One minute.

Mr. Justin Marchand: Sure. One example: OAHS serves the entire province of Ontario, which in the housing and social services sector means that we have to have relationships with 47 service managers across Ontario. We believe that with the very efficient overhead that we have, if it's possible for the province to continue to look at an efficient model like Ontario Aboriginal Housing Services rather than us having to go to 47 service managers and build those relationships and kind of add on another layer—again, it goes to the concept of for Indigenous, by Indigenous. We have a fantastic team that is very efficient. If we can access our partnership directly with the province on a wider basis, I think that would make sense for a number of stakeholders.

The Acting Chair (Ms. Goldie Ghamari): Thank you very much. That concludes this round of questions.

We'll now turn to the official opposition. MPP Hassan?

Mr. Faisal Hassan: Do you have one?

Mr. Jeff Burch: Sure.

Mr. Faisal Hassan: Go ahead.

Mr. Jeff Burch: I have one question. I want to circle back to Hannah. Two of the phrases that I really don't like to hear: One is "creatures of the province" in describing municipalities. I don't think it's very respectful. The other term is "NIMBY." You mentioned in your presentation how it's kind of used as a brush to colour over every single person who's concerned about what's going on in their neighbourhood.

I did a couple of terms as a city councillor myself, and certainly, you run into people that are not reasonable, who don't want to see any change in their neighbourhood. But one of the things I often enjoyed was trying to engage neighbourhoods—even between the developer and the residents of the neighbourhood—in new development. I find that's often missing locally, that kind of engagement and communication.

What does that look like, in your opinion, to engage a community and really have a discussion about how you create affordable housing and a proper mix of housing in a neighbourhood in a way where you can involve the

developer or the builder and the residents of that neighbourhood in that conversation?

Ms. Hannah Fleisher: Actually, in a previous life I had some experience doing exactly that. I think the answer is being proactive, which is going to lead to maybe some suggestions that are a bit outside the direct scope of this bill. But I think that we need, particularly in the city of Toronto, much more proactive, local plans being made that engage community members and document what community members need and what they see as relevant and important in the planning process.

Because I also am a planner—that's my professional background—I know from that side of things that these processes can be difficult; they can be slow and they can be delayed. But they can't be sped up at the expense of getting that very important proactive feedback that we need to make the right decisions about planning.

I think that the municipalities need to be given the resources and the support to actually engage community members in meaningful consultation so they have the feedback ready to go to respond to a development application when it gets initiated, as opposed to trying to collect community members after a development application gets started. We can talk to community about what they need in the future before we have a 45-storey proposal to discuss on the table. People know that without having that prompt in front of them, especially at this point in time when there is such a housing crisis in the community.

So I think we need to do things that are proactive, that are locally focused and that actually engage people in meaningful ways, and not limit them to the conversations of what one individual project can produce on one individual site. I hope that makes sense.

Mr. Jeff Burch: It does. Thank you very much.

Mr. Faisal Hassan: Thank you to the presenters. Housing is in crisis, and this also includes for the Indigenous communities. What we need to do is to partner, to work with you.

Does Bill 109 address the concerns that the community has been really concerned about? We've seen a lot of

homelessness, a lack of affordable housing for the last four years. Hannah, what are your thoughts on that?

Ms. Hannah Fleisher: I don't think it does, to be honest. I think any of these bills and these approaches that don't address some of the demand-side regulation issues are not going to touch any of the problems that our community members are experiencing. The sad reality is that with vacancy decontrol, with no rent control on units constructed after 2018, an aggressive and accelerated supply program means an aggressive and accelerated displacement program for people who don't have the means to stay in existing affordable housing. I worry that we're not thinking about the actual bigger ecosystem of not just the supply problem—which we acknowledge exists; it's a huge issue—but what we have to do and what effect that new supply will have on the market. So I just don't see any measures, actually, in this bill, that protect the type of residents and clients I'm thinking of in our community, who have no access to the kind of housing they need.

Mr. Faisal Hassan: Absolutely, and it is a crisis. That's why I have co-sponsored a bill entitled Housing is a Human Right Act. I think that's the lens we need to focus on and invest in these important issues.

I thank you for your time.

The Acting Chair (Ms. Goldie Ghamari): We'll now turn to the government. Are there any further questions? No, all right.

At this point, I'd like to thank the presenters. Thank you very much, meegwetch, for your time and for your delegation. It has been very helpful. You are now released from the committee.

Just as a reminder, the deadline for written submissions on Bill 109 is 7 p.m. today. The deadline for filing amendments to Bill 109 is 12 p.m. on Tuesday, April 12, 2022.

That concludes our business for today. The committee is now adjourned until 9 a.m. on Wednesday, April 13, 2022, when we will conduct clause-by-clause consideration of the bill. Thank you, everyone.

The committee adjourned at 1808.

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