



MAKING ROOM:

Shaping Big Housing Growth and Affordability in Ontario

Prepared by the
Regional Planning Commissioners of Ontario

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Table of Contents

Executive Summary 3

Introduction 8

Why do we need to more actively plan for and shape growth now? 8

The big picture and big implementation gaps..... 10

- 1. Shaping growth and creating opportunities for affordability at a macro scale..... 10
- 2. Housing affordability at a deeper level: understanding and addressing both supply and demand dynamics 12
- 3. Addressing affordability and accessibility issues outside of open market housing dynamics..... 14
- 4. Building and financing: the right infrastructure at the right time, fees and charges 15
- 5. Creating velocity and avoiding unintended consequences through meaningful collaboration..... 17
- 6. Supporting innovation, continuous improvement and nimbleness..... 18

A closing note 21

References 23

Executive Summary

The Regional Planning Commissioners of Ontario (RPCO) is an organization whose upper and single-tier municipal members provide planning services and give planning advice to municipal Councils that represent approximately 80% of Ontario's population. As such, we are fully engaged on a daily basis in matters which are urban and rural; northern and southern; small town and big city. We also understand the importance of having a healthy development industry to support community vitality across Ontario.

This report, entitled *Making Room: Shaping Big Housing Growth and Affordability in Ontario*, seeks to address the current state of Ontario in the face of today's growth pressures by providing a big picture view of housing dynamics. The report also identifies big implementation gaps in addressing key growth pressures across Ontario.

You will find that many of these gaps pertain to housing affordability, arguably the Province's biggest housing challenge.

We have concluded that the gaps identified in this report need to be addressed right now, and in conjunction with constructive changes to the Province's Bill 23, *More Homes Built Faster Act, 2022*. Some of these gaps specifically pertain to municipal service delivery.

There are six foundational themes in this report:

1. Shaping Growth and Creating Opportunities for Affordability at a Macro Scale;
2. Housing Affordability at a Deeper Level: Understanding and Addressing Both Supply and Demand Dynamics;
3. Addressing Housing Affordability Issues Outside of Open Market Dynamics;
4. Building and Financing : The Right Infrastructure at the Right Time, Fees and Charges;
5. Creating Velocity and Avoiding Unintended Consequences through Meaningful Collaboration; and
6. Supporting Innovation, Continuous Improvement and Nimbleness.

Based on these six foundational themes above, our 21 Big Gaps (summarized below) need to be addressed using well-conceived and practical implementation tools, identifying responsible parties and deadlines for completion:

Gap 1: It is unclear how the allocation of 1.5 million new homes across Ontario by the end of 2031 can occur in light of big mitigating factors like labour shortages, rising interest rates, and substantially reduced municipal development-related fees and charges. It is also unclear how the delivery of different housing affordability types will be guaranteed to be built.

Gap 2: Regional governments play essential roles in planning, financing, and delivering big infrastructure to support growth management for millions of people. It is unclear why, at a minimum, Regions are not given status in Bill 23 as “Regional Infrastructure Delivery Agencies” or Authorities. Furthermore, a big gap exists in the definition of infrastructure, which should include natural infrastructure like groundwater recharge and discharge features. The protection of such natural systems that extend beyond local boundaries does not appear to have been addressed in Bill 23.

Gap 3: In introducing more intensification as-of-right in all Ontario municipalities, all forms of development must reflect design excellence (in terms of form, function and performance) and intensifying in built up areas must be especially sensitive to (existing) built and natural environments. However, Bill 23 would reduce site plan requirements and would limit the ability of municipalities to require sustainable design performance measures like the City of Toronto *Green Standard*. More work-from-home rights may also be needed.

Gap 4: Some municipalities have already been creating public green or recreational spaces on privately owned property and have looked to other solutions like public spaces on roof tops, both arguably less than optimal solutions to having adequate and accessible ground-level, publicly owned recreational or passive natural areas. However, the reduction of the ability of municipalities to shape the amount, location and type of green space under Bill 23 would seem to contradict these compelling and growing community needs.

Gap 5: There is a compelling need for a more fulsome analysis to examine all material supply and demand side factors in Ontario that affect housing availability and affordability, measures to address them, responsible parties and timing.

Gap 6: Many municipalities maintain that substantial inventories of developable lands for housing exist that can proceed to construction now, but are not being built. There is an urgent need to review municipal land inventories to understand existing

developable land availability to builders (e.g. draft approved plans of subdivision that can proceed to development today, larger parcels of pre-zoned land available for intensification) and the reason(s) for which development has not proceeded.

Gap 7: It is unclear why Bill 23 does not enable area municipalities to contract with Regional governments to provide growth-related services, particularly for small rural municipalities with minimal planning resources.

Gap 8: There appears to be a lack of Provincial-municipal- development industry engagement tables that meet regularly to address both occasional and systemic bottlenecks in the development review process.

Gap 9: It is unclear whether anyone is leading in the actual measurement of outcomes for “in the ground” prototype developments that keep a range of housing types or arrangements (at various levels of affordability) truly affordable.

Gap 10: Bigger pilot projects are not occurring through partnerships between the Province, municipalities and the home building industry to construct a range of units targeting different levels of housing affordability at much larger scales.

Gap 11: There remains an urgent need to create a tangible, workable, on the ground strategy for building “hard to get” housing affordability types on publicly owned lands.

Gap 12: As a result of Bill 23, there is an urgent need to revisit the process for determining the right infrastructure to be built, sustainable financing approaches and accelerated construction timelines for a variety of communities across Ontario.

Gap 13: Should the Province ultimately choose to proceed to reduce or waive municipal rights to collect development charges and/or other municipal fees and charges, municipalities must be fully compensated for the gap created by such financial losses to be able to support growth.

Gap 14: Collaborate, collaborate, collaborate. There are many critical issues of the day. All parties must be mindful and responsive to related challenges.

Gap 15: Issues of greater risk, liability and litigation are real and expected outcomes of Bill 23. Upper Tier Official Plans will ultimately be eliminated, and those same Upper Tier Municipalities will no longer be able to appeal planning decisions, removing critical tools in protecting vital public interests.

Gap 16: There is a compelling need to better plan for student enrollment levels with major post-secondary institutions that can negatively and materially impact available local housing supply, especially housing that is affordable to lower income households.

Gap 17: There is an urgent need to review the process, content and turnaround times for Ministries and other Provincial bodies that receive development applications for comment and planning frameworks for approval.

Gap 18: Likewise, there is an urgent need to review the process, content and turnaround times for Provincial responses to development applications on more complex contaminated sites (i.e. properties requiring some form of environmental remediation), and revisit remediation options.

Gap 19: There is a long-standing need to consider major changes to the Ontario Land Tribunal in terms of both hearing resources and the appeal process itself.

Gap 20: The development industry should explore more contemporary ways of approaching home building.

Gap 21: Under Bill 23, there appears to be no explicit connection made between Ontarians having good housing choices and support for both preventive and reactive health care needs. This disconnect is apparent despite health care remaining one of the Province's greatest cost centres, which also continue to rise rapidly. Recognize, accommodate, and support housing arrangements that also create health care solutions.

The draft legislation supporting the Province's Bill 23, the *More Homes Built Faster Act*, seeks to support building more homes, helping home buyers, reducing construction costs and fees, and streamlining development approvals. In fact, the legislation is seriously misaligned with these goals, and does little to address the Big Gaps described in this report.

However, municipalities also share the same concerns, and are willing to work with the Province to create legislation that is better-aligned with these goals.

Major unintended consequences are also expected to result from the misalignment of the legislation with the main themes of Bill 23. These unintended consequences include increasing the financial burden for municipal taxpayers by making them pay more for growth, reducing the ability to create new parks and other open spaces, limiting citizen rights, making it impossible for some municipalities to build supporting infrastructure on time to support growth, and removing effective regional growth management,

especially in ensuring the efficient use of infrastructure and protecting vital natural systems that cross municipal boundaries.

All parties involved in the creation of new homes should make working to increase the velocity of housing production their highest shared priority. This must include the many different housing affordability types and tenures.

Introduction

The Regional Planning Commissioners of Ontario (RPCO) is an organization whose upper and single-tier municipal members provide planning services and give planning advice to municipal Councils that represent approximately 80% of Ontario's population. As such, we are fully engaged on a daily basis in matters which are urban and rural; northern and southern; small town and big city. We also understand the importance of having a healthy development industry to support community vitality across Ontario.

This report, entitled *Making Room: Shaping Big Housing Growth and Affordability in Ontario*, seeks to address the current state of Ontario in the face of today's growth pressures by providing a big picture view of housing dynamics. The report also identifies big implementation gaps that pertain to or affect the ability to address key growth pressures across Ontario.

You will find that many of these gaps pertain to housing affordability, arguably the Province's biggest housing challenge.

We have concluded that the gaps identified in this report need to be addressed now, and in conjunction with constructive changes to the Province's Bill 23, *More Homes Built Faster Act, 2022*. Some of these gaps specifically pertain to municipal service delivery.

Why do we need to more actively plan for and shape growth now?

Over the past few years, especially during earlier days of the Covid-19 pandemic, Ontarians experienced an abrupt shift in their daily living and working environments. This was followed by many major economic events, including material (supply chain) shortages, record inflation (especially for energy and groceries) and a torrid real estate market, with buyers taking advantage of record low borrowing rates and high equity positions. Growth pressures were seen across Ontario communities, especially as remote work became an accepted norm, and people were able to live at much greater distances from their traditional places of work.

In the face of these changes and growth pressures, this report has been prepared, recognizing that municipalities and the Province of Ontario have some common contemporary goals. As municipal planning leaders and community builders, foremost to us today are the following issues:

- **Addressing big growth demands and affordability pressures in communities across Ontario using comprehensive Growth Management Strategies and Tactics that reflect regional geographies and economies. Ontario is a “community of communities”, with widely differing contexts;**
- **Protecting and where possible enhancing the quality of life of all Ontarians**, and always through the application of design excellence (both in form and function). The development of complete communities should also be enhanced with a broader suite of housing affordability opportunities and more community-benefitting features (e.g. more public services and green space);
- **Aggressively supporting economic vitality**. This includes aspects that the pandemic has shone a light on, such as remote work, place-making, the evolution of retailing, the need to strengthen domestic supply chains, and the economic opportunities accruing to Provinces that are nimble and responsive in doing so;
- **Adding more people to most sectors of the work force**, and addressing the sustained critical shortage of skilled trades;
- **Protecting and maintaining a healthy natural environment** to support all of our activities, and the need to avoid artificially separating economic from environmental considerations;
- **Recognizing that we are experiencing climate change impacts and that people are making greener energy shifts**, both of which have big planning and financial implications;
- **Designing better health and wellness systems in Ontario**, including the protection and expansion of parks and other natural areas, the ability of neighbours to help neighbours through more flexible housing arrangements, and placing greater emphasis on preventive and in-home health care solutions;
- **Recognizing that roles and levers exist at all levels of government that must be active, coordinated and nimble**; and
- **Supporting Ontario’s desire to achieve nationally and globally shared objectives.**

The Big Picture and Big Implementation Gaps

To address today's challenges and opportunities, RPCO has developed the following six foundational themes, and has identified a series of implementation gaps that need to be addressed now. We see all levels of government and the development industry collaborating to fully address these gaps, using well-conceived and practical implementation tools, with defined timelines and responsible parties.

1. *Shaping Growth and Creating Opportunities for Affordability at a Macro Scale*

The Smart Prosperity Institute, under demographer Dr. Mike Moffatt, has undertaken some analysis on the prospect of adding 1.5 million new housing units in Ontario by the end of 2031. This work was funded by the Ontario Home Builders Association. Through its publication entitled "*Baby Needs a New Home: Projecting Ontario's Growing Number of Families and Their Housing Needs*" (October 2021), Dr. Moffatt and his team examined some supply side factors affecting growth, and RPCO has had the opportunity to discuss this work and other related issues with Dr. Moffatt.

At this point, it is unclear how this proxy of 1.5 million new homes across Ontario by the end of 2031 relates to the Province's *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the Growth Plan). The Growth Plan has now been used for well over a decade to define areas for development, coordinate infrastructure, and define areas requiring protection (e.g. the Green Belt). The Growth Plan has formalized good planning requirements in tangible ways, including mandates for transit, higher orders of development density and the protection of employment lands.

There are several points of clarification that need to accompany any review of this work. First and foremost, Dr. Moffatt openly notes that 1.5 million new homes does not have to be 1.5 million newly built units. In fact, Dr. Moffatt acknowledges that better, more fulsome use of Ontario's existing housing stock can create a large proportion of these units, including ownership, rental and secondary suites. In discussion with RPCO, Dr. Moffatt also indicated that he does not advocate for allowing more development to occur in the Green Belt (which includes the Oak Ridges Moraine). Members of RPCO also remain committed to the protection of natural environmental systems across Ontario (including the Niagara Escarpment), as well as the protection of prime agricultural land, whose importance has been highlighted through many ongoing discussions regarding the need to bolster domestic supply chains.

Secondly, the Smart Prosperity Institute report acknowledges that its work focused on what Ontarians want, and that the study does not offer predictions or forecasts. In fact, the results are noted as representing “a projection of one of many possible futures”.

On the methodological side, RPCO discussed several issues with Dr. Moffatt and has identified other questions through its own review. This includes the study’s approach of “a unit being a unit” (i.e. not differentiating unit types), headship rates in Ontario, average household sizes (in relation to “rest of Canada”), and the accuracy of disaggregated Ministry of Finance growth estimates.

One of the most important aspects of the approach used in *Baby Needs a New Home* is what supply side issues were considered and how other influences, including demand side factors, were not accounted for. As an example, Dr. Moffatt noted his interest in examining the labour side of growth management and the bottleneck that labour shortages create. In fact, Canada Mortgage and Housing Corporation noted the same concerns in its October 2022 report on labour capacity constraints. These supply and demand-side factors are described in greater detail in Section 2 below.

Gap 1: It is unclear how the allocation of 1.5 million new homes across Ontario by the end of 2031 can occur in light of big mitigating factors like labour shortages, rising interest rates, and substantially reduced municipal development-related fees and charges. It is also unclear how the delivery of different housing affordability types will be guaranteed to be built.

Gap 2: Regional governments play essential roles in planning, financing and delivering big infrastructure to support growth management for millions of people. It is unclear why, at a minimum, Regions are not given status in Bill 23 as “Regional Infrastructure Delivery Agencies” or Authorities. Furthermore, a big gap exists in the definition of infrastructure, which should include natural infrastructure like groundwater recharge and discharge features. The protection of such natural systems that extend beyond local boundaries does not appear to have been addressed in Bill 23.

Gap 3: In introducing more intensification as-of-right in all Ontario municipalities, all forms of development must reflect design excellence (in terms of form, function and performance), and intensifying in built up areas must be especially sensitive to (existing) built and natural environments. However, Bill 23 would reduce site plan requirements and would limit the ability of municipalities to require sustainable design performance measures like the City of Toronto *Green Standard*. More work-from-home rights may also be needed.

Gap 4: Some municipalities have already been creating public green or recreational spaces on privately owned property and have looked to other solutions like public spaces on roof tops, both arguably less than optimal solutions to having adequate and accessible ground-level, publicly owned recreational or passive natural areas. However, the reduction of the ability of municipalities to shape the amount, location and type of green space under Bill 23 would seem to contradict these compelling and growing community needs.

2. *Housing Affordability at a Deeper Level: Understanding and Addressing Both Supply and Demand Dynamics*

The availability of housing is affected by both supply-side and demand-side factors. What does this mean?

In the case of housing, supply-side issues include the following key factors:

- Availability of raw land for development, especially where demand is greatest;
- Pace of development by builders, especially their ability to bring land to market even sooner than occurs today. Builders are very challenged in hyper-demand housing markets by a variety of issues;
- Approvals in place for development to proceed, including decisions made through appeals;
- Availability of supporting infrastructure;
- Building material availability (including dealing with domestic supply chain constraints);
- New material uses (e.g. more engineered wood products).
- A ready supply of workers, including skilled trades; and
- Ways to be more efficient (e.g. using more pre-sized material to reduce time and waste).

Demand-side Issues affecting housing include the following key factors:

- Household Income, which largely determines the ability to be lending-eligible and to cash flow a home. It is important to note that income levels have not kept pace with the rapidly increasing price of housing in Ontario. Extensive work on this and related housing issues has been published by RBC, as well as by many other housing researchers;
- Lending (Interest) rates, which are now rising significantly but were at record lows in the past few years, allowing more households to be eligible for much larger borrowing levels, and driving the ability to pay more;

- Household equity, which grew at record levels during the most recent real estate market surge, fueling buying power;
- Household formation preferences, like multi-generational families who may choose to always live together;
- Historical and emerging unevenness of demand (e.g. there are real signs of the market cooling, especially in the face of significant increases in lending rates); and
- Immigration and foreign investment demand, exemplified by enrollment decisions made by post-secondary institutions that can drive up local housing demand, especially in “town and gown” communities.

The Smart Prosperity Institute openly and transparently acknowledges that its work was focused on specific matters on the supply side of the housing equation. Some supply factors that create bottle necks were not thoroughly examined. As previously noted, for example, the Smart Prosperity Institute remains interested in examining in greater detail how and to what extent labour and skills shortages affect housing production. These shortages have been prominently raised in media coverage as well, including the *Globe and Mail's* John Lorinc noting “A bad mixture of an aging workforce, stalled immigration and slow training has many worried”.

Ontario's Big City Mayors (OBCM) noted early in 2022 that there are thousands of units approved for development in Ontario's largest municipalities but are not built. Why is this the case? It is an important issue that needs to be addressed.

Finally, the challenges of getting infrastructure in place to support this level of growth (e.g. financed, built and operational in a timely manner) is also a concern shared by both RPCO and Dr. Moffatt. Infrastructure is more fully addressed in Section 4 below (Building and Financing).

Gap 5: There is a compelling need for a more fulsome analysis to examine all material supply and demand side factors in Ontario that affect housing availability and affordability, measures to address them, responsible parties and timing.

Gap 6: Many municipalities maintain that substantial inventories of developable lands for housing exist that can proceed to construction now, but are not being built. There is an urgent need to review municipal land inventories to understand existing developable land availability to builders (e.g. draft approved plans of subdivision that can proceed to development today, larger parcels of pre-zoned land available for intensification) and the reason(s) for which development has not proceeded. This can assist in better understanding comments made by Ontario's Big City Mayors (OBCM) in 2022 that more approved development lands and buildings are available in larger

Ontario communities than are being built for new housing. RPCO understands that the Province has committed to review the existing development land supply noted by the OBCM.

Gap 7: It is unclear why Bill 23 does not enable area municipalities to contract with Regional governments to provide growth-related services, particularly for small rural municipalities with minimal planning resources. Local municipalities may not want to possess new skilled staff, and limited development potential may not warrant the creation of a new business unit in any event.

Gap 8: There appears to be a lack of Provincial-municipal development industry engagement tables that meet regularly to address both occasional and systemic bottlenecks in the development review process. These tables should be led by independent facilitators. Municipalities continue to review their municipal service delivery processes and are grateful for more recent Provincial support under the *Streamlining Development Approval Fund*.

3. Addressing Affordability Issues Outside of Open Market Housing Dynamics

For some Ontarians, there are housing needs that cannot be met through healthy open market (supply and demand) dynamics. This can include lower wage-earning households, the elderly, and people with other special needs and vulnerabilities. In these cases, housing solutions must somehow be subsidized or otherwise provided outright by government, not for profit and philanthropic sources. These “out of market” housing needs can vary across Ontario communities. In major employment areas, lower paid employees may have little opportunity to find and afford suitable housing, creating long daily commutes and sometimes ultimately leaving their places of employment. This has tangible impacts on our provincial economy.

Ontario also possesses a population of people who require additional supports for daily living. For example, they may be recipients of the Ontario Disability Support Program who live with their aging parents. They also do not possess the economic means to sustainably support themselves, especially when their parents become no longer able to provide daily care. Ontario and Canada have always supported people in need through our “social safety nets”. Bill 23 does not appear to address compelling “outside of open market” needs, like those provided in supportive housing communities.

Gap 9: It is unclear whether anyone is leading in the actual measurement of outcomes for “in the ground” prototype developments that keep a range of housing types or arrangements (at various levels of affordability) truly affordable, especially in the medium to longer terms. Furthermore, there are no accompanying targets for subgroups like rental housing and supportive living communities. Even the ability of municipalities to maintain existing rental housing is unaddressed.

Gap 10: Bigger pilot projects are not occurring through partnerships between the Province, municipalities and the home building industry to construct a range of units targeting different levels of housing affordability at much larger scales, and in communities across Ontario (e.g. rural, urban, north, south). A fair and reasonable return on investment should also be included in such contractual arrangements. Members of RPCO are gratefully aware of a handful of developers that have already entered this market space, but there appears to be sizable room for more developers to begin to build a broader range of housing affordability types as well.

Gap 11: There remains an urgent need to create a tangible, workable, on the ground strategy for building “hard to get” housing affordability types on publicly owned lands. While all three levels of government (Federal, Provincial and Municipal) have surplus property disposition protocols, by-laws and other disposal mechanisms, there appears to be little in the way of an integrated implementation strategy that actually creates housing at larger scales, especially housing that is affordable to households in the greatest need. This housing should also be integrated into larger housing developments that reflect a diversity of community needs and choices, and tangibly support equity, diversity and inclusion.

4. Building and Financing: The Right Infrastructure at the Right Time, Fees and Charges

The infrastructure needed to support new development comes in many forms and at significant cost. Water and sewer mains, roads, parks, emergency services, sewage treatment plants, schools and hospitals are only a few examples. Energy supply and supporting infrastructure have also emerged as urgent issues to be addressed by the responsible entities, especially as Ontario moves toward much greater consumer-based electrification in the short term.

As development is planned, there are three basic questions that need to be answered. First, “What is the right infrastructure to be built?” This step includes matters like determining the size of the necessary infrastructure and the area that it will serve, often as part of a larger system or service area. Whether the development is in a greenfield or in an existing built up area will also influence the answer to this question.

The second question is “How will it be paid for?” Municipalities are entitled to collect fees through provincial legislation, including the collection of development charges for growth-related net capital costs. Municipalities need to also have adequate funds to pay for eligible infrastructure, or be willing to borrow funds, as long as their debt limits are not exceeded.

The third question is “How quickly can infrastructure be built?”. Municipalities participate in tendering projects every day for a variety of products and services. The development industry also has its own procurement process or agreements in place as well for things like labour, materials and infrastructure that it is responsible for.

The overarching question is whether the infrastructure required to support growth in Ontario can be defined, financed and built more efficiently. Absent key infrastructure being in place, construction and occupancy cannot occur. Furthermore, the infrastructure challenge may differ in communities across Ontario.

The reduction or “waiving” (forgiveness) of fees and charges is a decision that is particularly susceptible to unintended consequences. There are two main reasons for this susceptibility.

First, there will be a shift from “development paying for development”, to the municipal property taxpayer funding the cost of development (through the municipal tax levy). This means that the industrial and commercial sectors, as property owners, are also expected to be asked to pay in perpetuity for growth-related costs. Economically, this decision would be expected to affect the cost of doing business in Ontario and erode the province's economic competitiveness. Ontario (and all provinces) must be mindful of not creating higher tax jurisdictions, and imposing even greater pressure on consumers, especially at a time when there is very little capacity to absorb any further cost increases.

Secondly, municipalities themselves have a limited capacity to absorb additional costs. Any revenue shortfalls as a result of changes in the ability of municipalities to collect development charges will require municipalities (and more specifically property taxpayers) to pay for these costs. Given the tight state of municipal finances to even maintain existing service levels, the unintended consequence of fee and charge reductions or waivers may well be a delay in the funding and delivery of growth-related infrastructure. If municipalities are not able or willing (e.g. in the face of other compelling community pressures and their own debt limits) to absorb the additional financial burden related to growth, necessary infrastructure may not be built in a timely manner, or at all.

Gap 12: As a result of Bill 23, there is an urgent need to revisit the process for determining the right infrastructure to be built, sustainable financing approaches and accelerated construction timelines for a variety of communities across Ontario. This work should include collaboration with the Regional Public Works Commissioners of Ontario (RPWCO) and the Ontario Regional and Single Tier Treasurers (ORSTT).

Gap 13: Should the Province ultimately choose to proceed to reduce or waive municipal rights to collect development charges and/or other municipal fees and charges, municipalities must be fully compensated for the gap created by such financial losses to be able to support growth. Development charges pay only for growth related net capital costs and that ultimately, this infrastructure is assumed by the municipal taxpayer to maintain and replace in perpetuity (typically through multi-year municipal capital asset programs). Direct involvement of RPWCO and ORSTT representatives should again occur in undertaking this fiscal impact analysis and compensation.

5. Creating Velocity and Avoiding Unintended Consequences through Meaningful Collaboration

There are two key types of active collaboration that are foundational to accommodating and shaping affordable growth in Ontario today. Both need to be strengthened.

The first collaboration is active, meaningful interaction amongst Municipal, Provincial and Federal government levels. As a starting point, all government levels should be well aligned in identifying shared priorities and their commitment to nimbly act on them. More traditional approaches to problem solving have involved protracted periods of time to reach consensus, marginal time spent on project strategy and management, and sub-optimal implementation.

The second collaboration that requires strengthening is between government and the private sector. Members of RPCO acknowledge that the development industry is the most adept at building housing at scale. Constructing a small number of new affordable housing units is important, but it will not address the large-scale need for many types of housing affordability across Ontario.

Gap 14: Collaborate, collaborate, collaborate. There are many critical issues of the day. All parties must be mindful and responsive to related challenges, like better advanced planning to effectively address impending employee shortages. It is essential

that unintended consequences be avoided, like those described in this report that can result from the reduction or forgiveness of municipal fees and charges.

Gap 15: Issues of greater risk, liability and litigation are real and expected outcomes of Bill 23. Upper Tier Official Plans will ultimately be eliminated, and those same Upper Tier Municipalities will no longer be able to appeal planning decisions, removing critical tools in protecting vital public interests. One of our biggest worries is the greater potential for catastrophic events to occur, like widespread groundwater contamination and permanent groundwater table draw-down. In the absence of any government level (including Conservation Authorities) being responsible for the planning-related protection of watershed-scale natural systems, there is a big gap. We need only remind ourselves of past catastrophic events like Hurricane Hazel to drive home the need for comprehensive planning and implementation measures. Furthermore, in the absence of well-coordinated and financed infrastructure, a great deal of litigation involving the Province, municipalities and the development industry should be anticipated. The outcome could well be longer periods required for infrastructure to be built, and even the deferral of projects.

Gap 16: There is a compelling need to better plan for student enrollment levels with major post-secondary institutions that can negatively and materially impact available local housing supply, especially housing that is affordable to lower income households.

6. Supporting Innovation, Continuous Improvement and Nimbleness

Innovation can be looked at as inventing anew or as if anew. This opens the door to approaches like revisiting former best practices and applying those practices to different problems.

As Ontarians begin to see more “consistent normalcy” since the Covid-19 pandemic began in 2020, there have been many experiences and lessons learned. First, the public did not expect perfection, but it did expect best efforts and adjustments as necessary in delivering programs and services. Employers also discovered that remote working is a viable way of doing business, and that there are less traditional working arrangements that could or should stay in place. Furthermore, government, business and not-for-profits have worked hard to ensure that their business units work well together and remain focused on their visions and strategies. So what does this mean when it comes to planning for growth?

It is imperative that opportunities for innovation be kept in mind, and three situational examples are offered below:

- Work from home may be a permanent full or part time arrangement for thousands of working households. This is very different from the minimal home occupations that were a much more incidental part of the work force pre-pandemic;
- Travel and infrastructure needs and patterns may also change significantly. This may have impacts on Provincial highways and major arterials (e.g. less peak hour commuting). In neighbourhoods, much heavier reliance on fast and reliable high speed internet services have already emerged as requiring major improvement; and
- Growth may be much more spread out across Ontario, creating large growth pressures on smaller and more distant communities and areas. As commuting daily to the workplace may no longer be necessary, impacts on major employment regions like the GTHA may also be both problematic and opportunistic.

Gap 17: There is an urgent need to review the process, contents and turnaround times for Ministries and other Provincial bodies that receive development applications for comment and planning frameworks for approval. Members of RPCO possess many examples of process inefficiencies that affect the timing of reports to Municipal Councils to make timely development approval decisions.

Gap 18: Likewise, there is an urgent need to review the process, content and turnaround times for Provincial responses to development applications on more complex contaminated sites (i.e. properties requiring some form of environmental remediation) and revisit remediation options. This measure could significantly improve intensification opportunities in many Ontario communities.

Gap 19: There is a long-standing need to consider major changes to the Ontario Land Tribunal in terms of both hearing resources and the appeal process itself. While it is essential that natural justice mechanisms exist (i.e. the right to an unbiased, fair hearing), cases must be strictly land use focused and more time-limited (for both hearings and decisions). The process and outcomes continue to be long, uncertain and expensive for all parties. Limiting public participation under Bill 23 is not the solution.

Gap 20: The development industry should explore more contemporary ways of approaching home building. This could include new strategies around developing people for skilled trades (e.g. implementing more aggressive diversity, equity and inclusion recruitment practices, including greater opportunities for Indigenous Peoples),

exploring new material and construction approaches, and scaling up niche markets, like smaller condominium buildings with modest features and minimal common elements (i.e. more gentle intensification).

Gap 21: Under Bill 23, there appears to be no explicit connection made between Ontarians having good housing choices and support for both preventive and reactive health care needs. This disconnect is apparent despite health care remaining one of the Province's greatest cost centres, which also continue to rise rapidly. Recognize, accommodate, and support housing arrangements that also create health care solutions. The Province should consider new forms of tax credits or deductions for housing arrangements where tenants or co-inhabitants also provide basic home support for other occupants of the home. The Province should also ensure that the Federal government understands and fully implements similar provisions, which can materially take financial and other resource pressures off of overwhelmed health care institutions and programs (e.g. hospitals, retirement, assisted living and long term care homes, outpatient programs, home support services) and all of the front line workers who support them.

A Closing Note

The Regional Planning Commissioners of Ontario recognize and appreciate the need to address today's emerging growth pressures now. Its upper and single tier members work to support growth through good planning every day, and have also been tasked by their municipal Councils in finding better ways of delivering municipal services.

Members of RPCO also recognize that conditions across Ontario and Canada have dramatically changed in a relatively short period of time, prompting a renewed call to also assess our collective effectiveness in supporting Ontario's vitality. In this respect, we look forward to more active collaboration that results in positive, measurable outcomes, beginning in the short term.

The draft legislation supporting the Province's Bill 23, the *More Homes Built Faster Act*, seeks to support building more homes, helping home buyers, reducing construction costs and fees, and streamlining development approvals. In fact, the legislation is seriously misaligned with these goals, and does little to address the Big Gaps described in this report.

However, municipalities also share the same concerns, and are willing to work with the Province to create legislation that is better aligned with these goals.

Major unintended consequences are also expected to result from the misalignment of the legislation with the main themes of Bill 23. These unintended consequences include increasing the financial burden for municipal taxpayers by making them pay more for growth, reducing the ability to create new parks and other open spaces, limiting citizen rights, making it impossible for some municipalities to build supporting infrastructure on time to support growth, and removing effective regional growth management, especially in ensuring the efficient use of infrastructure and protecting vital natural systems that cross municipal boundaries.

All parties involved in the creation of new homes should make working to increase the velocity of housing production their highest shared priority. This must include the many different housing affordability types and tenures.

We trust that understanding the big picture and addressing the big gaps will help to advance our shared cause of protecting and enhancing Ontario's environmental, economic, social, and cultural vitality.

Thank you for allowing us to share *Making Room* with you, and to identify the many ways we need to work together now.

Sincerely,

Thom Hunt, Chair
Regional Planning Commissioners of Ontario
thunt@citywindsor.ca

Brian Bridgeman, Vice Chair
Regional Planning Commissioners of Ontario
brian.bridgeman@Durham.ca

Steve Robichaud, Vice Chair
Regional Planning Commissioners of Ontario
steve.robichaud@Hamilton.ca

Paul Freeman, Chair, GGH Caucus
Regional Planning Commissioners of Ontario
paul.freeman@York.ca

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