



# Regional Planning Commissioners of Ontario

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Please direct all correspondence to the office of the Chair

**Thom Hunt, MCIP, RPP, Chair**  
City of Windsor  
350 City Hall Square East  
Suite 320  
Windsor, ON N9A 6S1  
Tel: (519) 255-6543 ext. 6897  
Fax: (519) 255-6544

**Brian Bridgeman, MCIP, RPP, Vice-Chair**  
Regional Municipality of Durham  
605 Rossland Road East, 4<sup>th</sup> Floor  
P.O. Box 623  
Whitby, ON L1N 6A3  
Tel: (905) 668-7711 ext. 2535  
Fax: (905) 666-6208

**Steve Robichaud, MCIP, RPP, Vice-Chair**  
City of Hamilton  
71 Main Street West  
5<sup>th</sup> Floor  
Hamilton, ON L8P 4Y5  
Tel: (905) 546-2424 ext. 4281  
Fax: (905) 546-4202

[www.rpco.ca](http://www.rpco.ca)

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February 11, 2022

The Honourable Steve Clark  
Minister of Municipal Affairs and Housing  
College Park, 17th Floor  
777 Bay Street  
Toronto, Ontario  
M5G 2E5

Re: Working Together to Address Ontario's Current Housing Crisis

Dear Minister Clark:

On behalf of the Regional Planning Commissioners of Ontario (RPCO), I am writing to share some of our key insights and to offer our assistance in further addressing the housing crisis facing Ontario today. We are excited to hear about your intention to realize progressive and pragmatic change, and we support your view that now is the time to act. **Accordingly, we are requesting the opportunity to join your Provincial housing affordability and other implementation tables to help effect real change.**

RPCO is an organization whose members provide planning services and give planning advice to municipal Councils who represent over 75% of Ontario's population. As such, we are fully engaged in housing matters on a daily basis which are urban and rural; northern and southern; small town and big city. We understand the criticality of supply, as well as the many associated complexities that influence it. We feel strongly that more direct municipal involvement through RPCO can further strengthen this important work.

We respect the fact that you have been the Mayor of Brockville, President of the Association of Municipalities of Ontario and a municipal Chief Administrative Officer, and thereby have a hands-on understanding of the challenges and opportunities of municipal service delivery.

It is our intention to address the final report and recommendations of your *Housing Affordability Task Force*, but we felt it was incumbent on us to first identify (through this letter) a series of inter-related matters that highly influence housing affordability in Ontario. As you have noted, there are many levers that can greatly affect Ontario's housing stock. Accordingly, we offer some of our initial ideas below (in summary form) on making progressive actions toward greater affordability through supply, followed by four key influences on supply: process, regulatory reform, innovation and alignment. We briefly address each below.

### **Supply: A Simple Concept Influenced by Many Levers**

We understand that much of your work focuses on increasing the supply of housing. With 444 municipalities across Ontario, supply and market conditions are highly variable. Furthermore, the disaggregation of housing into categories like affordable ownership and rental, the “missing middle”, and “move-up” housing makes the conversation even more complicated. We do appreciate that adequate supply must be in the pipe. As an example, one of our RPCO member municipalities has over 50,000 new housing units in registered and draft-approved plans of subdivision (a ten year supply based on historical new unit absorption), for which the applicants can clear conditions now and proceed to construction.

Beyond a focus on increasing the supply and approval of new housing units, we encourage you to consider other factors or levers that have direct and compelling impacts on the supply of shovel-ready and affordable land. These include the controlled and gradual release of land for development (by a relatively small number of major land holders), historically low interest rates, carrying costs, shortages of skilled labour, the increasing cost of materials and labour, and product shortages. Such factors or levers can create tangible hindrances or benefits, as developers work diligently to project manage, especially to bring finance, infrastructure and construction elements together into an achievable development plan.

Housing has become a commodity fueled by investment, blind bidding wars and speculation. We are heartened by your Government's efforts to increase the supply of skilled labour, and to both create and strengthen domestic supply chains within the Province.

Rental supply possesses its own unique challenges. Keeping rental housing affordable alone is very difficult. We appreciate that landlords are faced with significant costs such as inflation, life cycle capital replacement, and tenants in rental arrears. Tenants can be faced with such realities as evictions for renovation, and condominium conversion. It is our experience, however, that landlords and tenants alike struggle with the inefficiency of the *Landlord and Tenant Board*. The ownership of rental housing has also become increasingly concentrated amongst a few large business entities in Ontario (e.g. REITs), and the long term implications of concentrated ownership need to be fully understood.

Recently, Ontario has made major investments in transit as a means of both moving people and shaping communities. Development opportunities abound to further intensify in transit corridors and evolving urban centres, and (new) employment creation is a critical factor in these areas as well. We see the development of ownership housing in small, modestly built plans of condominium and with minimal common elements as one means of helping people achieve another form of affordable home ownership. We support further intensification in built up areas (e.g. “gentle intensification” like the second units already mandated by the Province), and will provide greater detail when we submit our response to the recommendations of your *Housing Affordability Task Force*.

## **Key Influences on Supply**

### **a.) Process: Continuous Improvement By All Approval Authorities**

The 444 municipalities across Ontario are highly varied in terms of resources and expertise to process development applications. Accordingly, we appreciate the announcement of the *Streamline Development Approval Fund*, which is to be made available to the 39 largest municipalities. Many RPCO members are requesting access to the fund, but it would be worthy of consideration to extend additional support to all municipalities. While RPCO members already undertake efficiency process reviews using tools such as *Lean*, and actively engage project managers to help plan, monitor and measure progress, this is not always the case in lesser-resourced municipalities. That said, we certainly acknowledge that there is always room for improvement.

We would also encourage you to ensure that Provincial Ministries and agencies who are circulated municipal development applications for comment are also being as efficient as possible in meeting local deadlines for the completion of reports that Councils rely on to make decisions. We do acknowledge the many reforms to the *Environmental Assessment Act* process in past years that have made tangible benefits to the development and infrastructure review process.

### **b.) Regulatory Reform: Making Good Changes without Unintended Consequences**

We are in the process of reviewing the many regulatory reforms outlined in the draft report of your *Housing Affordability Task Force*. At this stage, we can see real opportunity some of these, including more as-of-right permitted uses in zoning by-laws that are in need of updating.

We would caution you around reductions or forgiveness in matters of development charges (DCs) and parkland dedication. Development charges are strictly regulated to support investment in growth-related net capital costs and are critical municipal financing tools. We have also seen, especially through the pandemic, the importance of parkland, including significant localized shortages in Toronto. We are all concerned that regulatory reform does not result in regressive unintended consequences.

RPCO remains concerned about the appeal process through the Ontario Land Tribunal (OLT). Regardless of circumstances, most people would agree that the OLT is costly, can take a great deal of time to complete, and creates uncertainty amongst all parties (let alone taking local decisions out of the hands of communities). We urge your Government to revisit this appeal process, which in many instances appears to be founded more on a variety of protracted legal arguments than on a scoped and pragmatic application of good planning principles through efficient case presentations. Further scoping to restrict the types of applications that can be appealed and by whom (e.g. to circumvent “NIMBYism”) should also form an important part of the conversation. With municipalities now fully engaged in updating Official Plans that will conform to Provincial Plans and policies, removing the right to appeal local Official Plans would provide valuable certainty for landowners and set clear expectations for growth and development in communities. Protracted Official Plan appeals add years of delay to the supply of planned growth and new housing units.

The issue of tax policy for investment housing and foreign ownership has arisen in recent years as well. These aspects should be carefully examined now, as investment housing also creates a supply of rental units. Provincial funds generated from an affordability tax or the current *Non-Resident Speculation Tax* could be earmarked to affordable housing investments in the municipality in which they are collected.

### **c.) Innovation: Thinking and Acting Beyond Outdated Norms**

The term “innovation” can be defined as “inventing anew, or as if anew”. This is an interesting perspective in that innovation may include revisiting former practices.

Members of RPCO have seen an increased polarity between regulators and developers. It occurs to us that home builders are the most prolific in building new housing in volume. Perhaps it is time to engage the industry in building affordable housing of many forms through public-private partnerships, and incorporating a fair and reasonable return on investment. This could include building on surplus municipal and provincial lands and developing on lands or building units purchased by municipalities. Municipalities and developers have previously enjoyed more collaborative working relationships.

Tiny homes and community land trusts are increasingly being explored and, in some cases, piloted. Laneway housing and garden suites need to be examined in an as-of-right zoning context (gentle intensification). Funding to kickstart public-private partnerships or community land trusts that take housing out of the speculative market would be another way to address the currently over-elevated commoditization of housing.

Incentives for housing features such as net zero heating and cooling, environmentally friendly elements, and higher quality materials that will last much longer than *Building Code* minimums need to be encouraged, or even required. Reliable wireless networks should also be considered essential infrastructure, especially as work from home becomes more of a norm across Ontario. Incentives for the use of “made in Ontario” products and services could also bolster the Province’s domestic supply chain and our economy.

#### **d.) Alignment: Creating Velocity for Change at Scale**

Success can be achieved when all levels of government are aligned. Our experience has been that the public does not expect perfection, but it does expect best efforts to improve their quality of life. Whether it is through affordable housing, stemming the costs that result from high levels of unemployment, or addressing burgeoning health care demands, it is incumbent on the public sector to work together to be its’ most efficient and effective.

We see a variety of opportunities that could be realized through Federal-Provincial-Municipal partnerships, such as matching home ownership savings plans, and tax policy reform to further incent or even fully fund the development of high demand products such as new affordable rental housing that is substantially below average market rents (i.e. more than 20% below). It is also important that governments are mindful of specific types of housing that it may need to always be directly involved in (e.g. rental housing for the lowest income households) through major subsidies or through full public and not for profit ownership, and also including the opportunity for public-private partnerships.

Finally, we remain concerned that actions taken today are sustainable. How do we keep affordable housing affordable? How do we ensure that resources are given to addressing housing challenges well into the future? How do we scale up these changes to benefit thousands of households? This may require us all to effect significant shifts in our priorities.

#### **In Closing: Our Request to Join Your Provincial Action Tables**

Members of RPCO appreciate the priority that is being given to housing matters in Ontario. Many developers also tell us that super-heated markets create as many headaches as opportunities, and that they would prefer a more consistent market over one of extremes.

In this work, context is imperative, as housing is not only about supporting the social well-being of our citizens. We appreciate that the availability of a diverse range of housing, including many forms of affordable housing, is foundational to Ontario’s economic prosperity, especially in attracting and keeping a talented and engaged work force, and supporting entrepreneurship. Supporting the health of our natural environment remains an overarching imperative.

Our members encourage your Government to look at all the factors that influence housing affordability as it relates to supply. We look forward to realizing material gains in addressing our current housing crisis. **RPCO requests the opportunity to be an active member at your implementation tables, including housing affordability and other reform initiatives to develop short term, actionable plans that will directly benefit Ontarians.**

We trust these comments are helpful, and we look forward to advancing this important work with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thom Hunt".

Thom Hunt, Chair  
Regional Planning Commissioners of Ontario

Cc

Ms. Kate Manson-Smith, Deputy Minister, MMAH  
Mr. Jake Lawrence, Chair, Ontario Housing Affordability Task Force  
Mr. Jamie McGarvey, President, AMO  
Mr. Jae Truesdell, Office of the Premier  
Mr. Ed Archer, RSTCAO Chair  
RPCO Members