

# Bill 23, More Homes Built Faster Act, 2022

Submission to the Standing Committee  
on Heritage, Infrastructure and Cultural Policy

November 16, 2022

Legislative Assembly of Ontario  
Queen's Park  
111 Wellesley Street West, Toronto ON M7A 1A2

Dear Members of the Standing Committee on Heritage, Infrastructure and Cultural Policy

**Re: Bill 23, More Homes Built Faster Act, 2022**

I am writing on behalf of the Canadian Centre for Housing Rights, Canada's leading non-profit organization working to advance the right to adequate housing. For 35 years, we have worked tirelessly at the intersection of human rights and housing, providing free services to renters facing evictions and human rights violations to remain housed, providing education and training about housing rights across Canada, and advancing rights-based housing policy through research, policy development, advocacy, and litigation.

We are making this submission to voice our support for some elements of Bill 23, including proposals to:

- Promote more density along transit corridors and allow gentle density across the province.
- Adopt development charge exemptions for non-profits to create more affordable housing options.
- Incentivize more construction of purpose-built rental units.

However, we recommend:

- Scrapping proposals to create Ministerial powers to intervene over municipal decisions related to demolition and conversion control.

- Restricting proposed development charge exemptions only to support housing initiatives that will create affordable options for low- to moderate-income earners, and that the exemption will guarantee that affordable housing is created.
- Removing proposed restrictions on how municipalities can spend the proceeds of their development charges.

As general principles, we encourage the province to continue to take a collaborative approach to decision-making, continue to empower municipalities to deliver on housing, and take on a more involved role in creating more housing options that are affordable for as many Ontarians as possible. Access to affordable, secure and adequate housing is essential to advancing the right to housing for all Ontarians.

## **Introduction**

Over the last few months, we have closely followed with interest the slew of legislative measures passed by the province to address Ontario's deepening housing crisis. We welcomed the opportunity to provide our feedback during initial discussions held before the publication of the province's report on the [Housing Affordability Task Force](#). We have since [commented on](#) and engaged with our stakeholders on the implications of bills that were subsequently passed such as the *More Homes for Everyone Act, 2022* (Bill 109). While we shared the sense of urgency to build more housing, we questioned the broad approach of the bill, that relying on markets through removing real and perceived barriers would make a real difference in people's lives. Instead, we emphasized the complementary role that government must play to ensure housing is affordable and adequate in a way that meets the diverse needs of communities from low- to moderate-income households in particular.

The details of Bill 23, now being contemplated by the Standing Committee on Heritage, Infrastructure and Cultural Policy, also raise questions about the province's strategy to deliver effectively on housing. Some elements of the bill are promising. For example, creating the conditions for municipalities to have density targets along transit corridors and permitting gentle density across the province can help increase much-needed supply. Some of these measures are [already moving forward](#) in cities such as Toronto in anticipation of population growth. Development charge exemptions for non-profit housing developers can help reduce a portion of the high costs of development, and in turn produce deeply affordable housing options. Proposals to incentivize more purpose-built rentals through reducing the tax burden may also help create this much-needed type of housing, if designed well.

However, we have concerns that some of the proposed legislative changes along with accompanying regulatory provisions may be counterproductive. As the province tries to remove barriers to create more supply, it does not appear as though many of the proposals will create housing that is affordable for everyone. Instead, there is too much focus on measures to create "attainable" homes; these are proposed housing options that will likely not meet the needs of low- to moderate-income households.

Concerningly, if many of the proposals that are meant to create new supply are adopted, they risk negatively impacting existing renters as well as the ability of municipalities to effectively serve their communities. Some provisions are especially worrisome. Addressing these elements is critical to preserve existing affordable housing stock and ensure ongoing local housing programs are not jeopardized, and to strengthen the potential of this legislation in the process.

## **Remove ministerial powers to control municipal decisions on demolition and conversion control**

First, we recommend removing a provision that would empower the province to prohibit or impose limits and conditions on municipalities' ability to regulate demolition and conversion in their jurisdiction; these proposed revisions are made to the *Municipal Act, 2001* and *City of Toronto Act, 2006*. If passed as is, the province would have the authority to develop subsequent regulations that could curtail or entirely scrap replacement policies that are in place in Toronto and Mississauga and being contemplated by Ottawa. The fact that an accompanying regulation is open for consultation lends credence to concerns about the legislation being passed as is with regulations quickly following suit.

The proposal is problematic for many reasons. Demolition and conversion control is a rare lever available to municipalities to preserve a stock of affordable housing that is otherwise at risk of disappearing because of urban transformation brought on by demographic and socio-economic shifts and related policies that promote gentrification. In fact, the City of Toronto's replacement policy has preserved around 4,000 rental units by requiring that apartment buildings, with six or more rental units that are slated for demolition and conversion, be replaced with the equivalent number of units. Requirements for affordable units to be replaced with units at similar rates after redevelopment has meant that over half of the preserved buildings remained affordable for many households living on low- to moderate-incomes. Guarantees for tenants to return after they temporarily move out during redevelopment ensure they are protected from displacement.

Indeed, such policies are a cost-effective way of maintaining affordable housing stock at a time when private investments in affordable housing is negligible and public investments have failed to keep up with need. Removing the controls over demolition and conversion significantly raises the risk of displacing thousands of households primarily from low- to moderate-incomes by redeveloping old apartments into condominiums. Indeed, there is [considerable evidence](#) to

show that without protections, urban renewal programs can negatively impact communities, especially from racialized backgrounds.

Given that a complementary element of this Bill creates the conditions for more density around transit lines in particular, such protections remain critical. The incentive to redevelop these areas will be significant. While we support the need for more intensification because it is a more sustainable way to increase supply, applying demolition and conversion controls can ensure that the process is fair where everyone can benefit from the economic dynamism of a city by having access to affordable housing options. Simply creating more supply through greater density will not create more affordable housing supply because the value of land will also inflate. This is because more people will concentrate in a particular area which will increase the demand for more services and infrastructure, in turn generating more investments to support the needs of the growing population. The increase in investments will, in turn, be reflected in the value of land.

It is also important to note that while demolition and conversion control has only been deployed extensively in Toronto, its potential remains significant across Ontario as cities undergo major transformations to accommodate more people. Renters make up a significant portion of households across the province. Indeed, the proportion of renters is increasing while new [census data points](#) to this cohort being [twice as badly affected](#) by the pressures of affordability than homeowners. The disproportionate negative impacts are explained by the fact that renters tend to make less than homeowners. Our own work with partners in cities such as Ottawa, London, Brampton and Windsor reveals the precarity of many tenants' living conditions and the sense of security that a replacement policy could therefore bring.

We also question the notion that demolition and conversion controls inhibit urban renewal and the creation of new supply. In Toronto, where the policy has been in place for over a decade, thousands of condominiums have nonetheless sprung up across the city and many older

buildings have managed to stay in a state of good repair. In fact, nowhere in the province's Housing Affordability Task Force report – the document that has served as a blueprint for many of these legislative measures – was the link made between demolition and conversion policy and urban stagnation.

In fact, the province would do well to support local investments in preservation initiatives, maintenance and energy retrofits of these buildings. The costs would be significantly less than financing emergency relief initiatives if renters are displaced because of limited rental housing protections. For example, old apartment buildings in need of repair and revitalization are receiving [incentives and related supports](#) from the City of Toronto. The province could help finance programs to replicate such initiatives in other jurisdictions in Ontario such as in [York Region](#) where similar problems exist.

### **Restrict development charge exemptions to affordable housing projects and loosen spending conditions**

Second, proposed changes to rules related to development charges and other municipal fees require reconsideration. First, some exemptions from such fees, such as for non-profit housing providers, may be reasonable because they help reduce costs to construction, a barrier that typically makes it very difficult for these developers to deliver at scale.

However, many of the waivers and discounts warrant revisiting. For example, some of the exemptions are for attainable housing instead of affordable housing. In other instances, it is not clear whether the exemptions will create more affordable housing. For example, development charge exemptions are proposed for affordable units produced through an inclusionary zoning policy. As it currently stands, requirements stipulated in an inclusionary zoning policy take into account the ability of a developer and landowner to remain viable after the policy comes into

effect. The impact of development charges is factored into the design of the policy. If anything, the new exemptions would provide more relief for developers without any guarantees that new affordable housing is created in return.

Of greater concern is the discounting of development charges across the board along with proscriptions and new prescriptions for how it can and should be used. For example, new units in an infill development would be exempt from development charges while the maximum community benefits charge would be calculated based only on the new units. Such privileges do not guarantee the creation of affordable housing. For that matter, it is not entirely clear whether such giveaways will generate new supply. This is because municipalities depend significantly on such fees to finance the construction of new infrastructure which is needed to support growth. It is also important to note that investments in housing are determined, in part, by the availability of infrastructure and amenities in the area. A slowdown in infrastructure investment would therefore disincentivize investment in housing as well.

To the extent that funds would remain available under these new conditions, municipalities would no longer be allowed to use these revenues to finance “housing services.” In an environment where provincial funds for affordable housing are already restricted, this added barrier would effectively render meaningless the innumerable housing and homelessness programs that cities across the province have carefully designed to stabilize housing for lower income residents and are implementing based on assumptions that such fees would be available to them. At the same time, under the new provisions, municipalities would be required to use 60% of the revenues raised to finance infrastructure, an arbitrary figure that inhibits the flexibility municipalities need to finance their operations and service debts at a particularly precarious economic time.

Taken together, these proposed changes to taxation effectively shift the burden from developers who pay for such charges to taxpayers without any guarantee that new affordable homes will be



created. In addition, there is no clarity regarding long-term commitments from the province to make up for municipal shortfalls in revenue. This level of uncertainty is the opposite of what the proposed set of measures intend to achieve – greater standardization.

### **Additional considerations**

Finally, proposals to restrict how municipalities can apply inclusionary zoning through accompanying regulatory changes must be scrapped. This is a rare tool available to municipalities to produce more affordable housing by requiring or encouraging developers to set aside a portion of new units for affordable use. An effective inclusionary zoning policy is applied as widely as economically possible. Municipalities should therefore be given the flexibility to determine where within their jurisdiction an inclusionary zoning arrangement could work without disincentivizing private development altogether. This is precisely what cities such as [Toronto](#), [Mississauga](#) and [Brampton](#) have done and others such as [London](#) have explored. They have undergone extensive consultations and many rounds of feasibility analyses. Still in their early stages, these initiatives nonetheless hold considerable promise to produce some affordable housing options around areas where they are sorely needed.

In fact, these policies are already being developed within constraints introduced during prior rounds of regulatory revisions; a notable provision restricted the application of the policy to the boundaries of Protected Major Transit Station Areas (PMTSAs). However, the new proposed limits placed to set aside rates and periods of affordability fall well short of the requirements that many cities have currently developed. The extensive studies that helped shape those policies would now be redundant and the voices of many residents who participated in consultations to develop the policy will no longer hold any value. Indeed, restricting local autonomy over this

policy significantly reduces its potential to create the level of housing options that fit local context.

### **A rights-based approach**

When considering this bill and when upcoming housing initiatives are contemplated, we encourage the province to keep in mind some key principles and considerations.

First, collaboration is imperative to developing good legislation and housing policy. This means creating policies that more proactively incorporate the needs of renters and households who are struggling the most to make ends meet. Policies that risk displacing many people from their communities reflect a failure to uphold the right to live in affordable, secure and adequate homes. For example, a policy to promote densification across transit corridors would leave thousands of apartment dwellers in these areas deeply vulnerable if a replacement policy offering them protection was eliminated.

Second, municipalities must not be viewed as bottlenecks to housing development. Instead, they should be empowered and approached as partners when addressing the housing crisis. Currently, they are responsible for delivering on a share of housing and infrastructure responsibilities that their fiscal resources make very difficult to fulfill sustainably. Cuts to development charges and other fees will only make this situation more challenging and add to burdens introduced in prior bills that mandate tight deadlines to complete approvals without the requisite resources to realize these objectives. Restrictions to inclusionary zoning is another way in which the province is weakening the few levers available to municipalities to create affordable housing and effectively serve the housing needs of their constituents.

Finally, it is important to revisit the oversimplified premise driving much of the legislative measures over the last year; that the priority should be to remove regulatory barriers and reduce

costs to speed up construction so that more supply can be created. There also appears to be an oblique recognition that this strategy will create housing that is “attainable” for some but not affordable for those who need it the most.

Moving forward, we urge the government to give more serious attention to the question of affordability. The expectation would be to dedicate maximum available resources to the problem. This means building on exploratory efforts such as leveraging land to help non-profit housing providers to pursue more aggressive financing strategies to create affordable housing. At the same time, for all the barriers that are removed for private developers to construct housing, guardrails and conditions should be explored to ensure cost savings from these changes benefit residents as well.

We hope you will consider these suggestions to ensure the province’s path forward is productive, inclusive, and contributes to advancing the right to adequate housing.

Thank you for your consideration. We welcome the opportunity to provide our housing expertise and look forward to further discussions with the province to ensure Ontarians can live in safe, adequate and affordable homes.

Sincerely,



Bahar Shadpour  
Director of Policy and Communications  
Canadian Centre for Housing Rights (CCHR)