



Bill 23, More Homes Built Faster Act, 2022

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

November 17, 2022

The Affordable Housing Coalition of York Region

A Project of the Social Planning Council of York Region

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Dear Members of the Standing Committee on Heritage, Infrastructure and Cultural Policy Nov 17, 2022

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

I am writing on behalf of the Affordable Housing Coalition of York Region (AHCYR), a coalition of service providers and housing advocates working together to advance the right to housing in York Region. The Coalition emerged in early 2020 in response to the lack of affordable housing in the region, which is acutely impacting renter households, particularly those living on lower incomes. This lack of affordable housing options, coupled with the increasing cost of living, has left low-to moderate-income renters facing economic pressure from all sides. In recent years, both the Region and the lower-tier municipalities have recognized housing affordability as one of the most pressing concerns for residents and have begun to implement the tools and policies that they have at their discretion to assist in alleviating this crisis.

AHCYR has been closely following new legislative measures enacted by the Province of Ontario to respond to the deepening affordable housing crisis. We welcome the opportunity to provide feedback on Bill 23, *More Homes Built Faster Act*. Our feedback and recommendations focus on the measures most directly impacting the supply of affordable housing and the increasing housing costs for renters living on lower incomes.

While we recognize the province's efforts to incentivize the construction of new and diverse housing types through the measures proposed in Bill 23, we are deeply concerned about the proposals to limit authority and initiatives at the local level, and may constrain the capacity of the Region and the lower tier municipalities to fund vital affordable housing projects and associated infrastructure. We urge the government to consider the impact of all

initiatives proposed under Bill 23 on lower income renters who are most impacted by the affordable housing crisis. Doing so will strengthen the legislation and the government's response to the housing affordability crisis by increasing access to housing that is adequate and affordable for the province's diverse residents.

Maintain municipal powers over the demolition and conversion of rental housing

First, we recommend removing, in full, proposed changes to the *Municipal Act, 2001* and the *City of Toronto Act, 2006* that would empower the province to prohibit or impose limits and conditions on municipalities' ability to regulate the demolition and conversion of rental housing through rental replacement policies. Rental replacement policies provide a rare mechanism for municipalities to control the demolition or conversion of rental housing in order to preserve the existing stock of affordable rental housing and prevent the displacement of renters. While such policies are only currently in place in Toronto and Mississauga, we urge the province to maintain municipal authority to enact rental replacement policies in the future as other municipalities are increasingly looking to preserve the stock of affordable housing that they already have.

The experience of the City of Toronto has been an important learning experience for other municipalities, where it has demonstrated that rental replacement policies are an essential tool to protect the stock of affordable rental housing. Through their rental replacement policy, the City has successfully preserved over 4,000 rental units. Reporting shows that over half the units replaced under the policy remained affordable to households on low- to moderate-incomes, meaning that renters in these units were protected from displacement.

As communities around Ontario, including York Region, grow and densify in line with the objectives of Bill 23, existing affordable rental housing will be increasingly at risk of demolition and conversion. Without a rental replacement policy, the households who live in these rental units – many of whom are seniors and lone-parent families – will risk displacement and worse yet, eviction into homelessness. This is a threat to both housing stability of individual households and to the cohesion of our communities.

While we acknowledge the province's commitment to increasing the supply of housing across the province, enacting rental replacement policies will not necessarily be contrary to this objective. In Toronto, where the policy

has been in place for over a decade, thousands of condominiums have been built across the city and many older buildings have managed to stay in a state of good repair. Data from Vancouver suggests that, even with a strict one-to-one rental replacement policy, the City has seen a significant growth in rental supply. In 2021, rental housing starts in Vancouver comprised 50% of all housing starts, the same year the City's most stringent rental replacement policy came into effect. Toronto and Vancouver are not considerably different than municipalities in York region. York region has seen the skyrocketing of rents, limited affordable housing options for renters, and population increases across the region – all of which are elements that require municipalities in York region to preserve their existing supply of rental housing while also increasing the supply of new affordable housing.

Curtailing municipalities' authority to regulate the demolition and conversion of rental housing would greatly weaken the province's approach to responding to the housing affordability crisis. Doing so would increase the risk of displacing thousands of households living on low- to moderate-incomes who have limited rental housing options they can afford.

Prioritize affordable housing through development charge exemptions and remove spending conditions

AHCYR is concerned by proposed changes to development charges, which will disrupt municipalities' planning and capacity to finance affordable housing and other community services and infrastructure, without a clear plan for how municipalities will make up funding gaps going forward.

First, we urge the government to remove proposed measures to restrict municipalities from using development charges to finance "housing services." If adopted, this would effectively limit municipalities' ability to fund vital affordable housing supports and services in their communities. Again, it will be lower income renters, including renters from already marginalized groups in York Region, who will suffer in the immediate term due to potential disruptions or cuts in services.

Second, we welcome the proposal to extend exemptions from development charges for non-profit and affordable housing, in order to reduce costs associated with development and increase the viability of projects that guarantee the creation of new affordable rental housing supply. However, we caution against applying a broad spectrum of

exemptions and reductions to development charges, such as developments covered by inclusionary zoning and rental housing more broadly. Development charges are a key revenue stream for municipalities to fund community infrastructure required for growth. Ultimately, it may fall to homeowners and renters, through property tax hikes, to make up funding gaps, further increasing the cost of living for residents while decreasing costs for developers. This is especially worrisome in the current economic climate where government supports will be vital in helping households make ends meet.

Maintain municipal autonomy in setting Inclusionary Zoning policies

Inclusionary Zoning (IZ) is another key policy tool available to municipalities to increase the supply of new affordable housing by requiring or encouraging developers to set aside a portion of new units for affordable use. An effective inclusionary zoning policy will ensure that units created under the policy are affordable to households in housing need and remain affordable for as long as possible. AHCYR is concerned that the proposal to adopt a universal definition for affordability – at 80% of average market rent – will not create units that are affordable to households with even moderate incomes. The York Region Housing Affordability Taskforce reported that in 2020, average market rent in the region was \$2,200, meaning that a rental unit costing \$1,760 a month would be deemed affordable under this framework– an amount far out of reach for many renter households.

Moreover, the proposal to cap affordability duration at 25 years will mean that IZ policies will do little to create housing that is affordable for current and future generations. Imposing this timeframe on municipalities will constrain the capacity of housing providers to plan long-term and will likely require a significant investment in housing for future governments in order to maintain affordable housing that has come to term under the proposed IZ framework. We urge the province to encourage IZ policies that are based on feasibility studies and evidence to ensure flexibility in the development of IZ policies that meet local needs.

Additional Considerations

In conclusion, while increasing the supply and diversity of housing options is an important component of a comprehensive response to the housing affordability crisis, Bill 23 must prioritize the construction of new affordable housing supply and the protection of existing affordable housing to meet the housing needs of lower

income renters.

Effective collaboration with communities in the greatest housing need is critical to better understanding and addressing potential unintended consequences of housing policies. Communities closest to the problem can offer innovative ideas and approaches to our affordable housing crisis and are an important stakeholder in developing long-term solutions.

Moreover, municipalities are essential partners in an effective approach to addressing the housing crisis. They are best placed to allocate resources and develop policy tools, including rental replacement and Inclusionary Zoning policies, that reflect and respond to local conditions in order to maximize the construction and the preservation of housing that is affordable for renters.

We hope the province seriously considers these recommendations in its review of the proposed Bill 23 and subsequent regulatory amendments. It is vital that during these uncertain times, residents of York Region have the protections in place to remain in their homes and the affordable housing stock is preserved for current and future residents.

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,

Yvonne Kelly

Yvonne Kelly
Chair, Social Planning Council of York Region
Co-Chair, Affordable Housing Coalition of York Region