



# **Bill 23, More Homes Built Faster Act, 2022**

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

**November 16, 2022**

**Right to Housing Ottawa Coalition  
(R2HOttawa)**

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 Right to Housing Ottawa (R2HOttawa), a coalition of service providers and housing advocates working together to advance the right to housing in the City of Ottawa.

The Coalition emerged in response to the housing affordability and homelessness crisis, which is acutely impacting renter households in Ottawa, in particular those living on lower incomes. Renters in Ottawa are facing pressure from all sides, with few new housing options being built that are affordable to households on lower incomes and a consistently shrinking supply of existing affordable rental housing. Research shows that for every affordable unit of housing the city gains, seven units are lost.<sup>1</sup>

For these reasons, R2HOttawa has been closely following new legislative measures enacted by the Province of Ontario to respond to the deepening housing affordability crisis. We welcome the opportunity to provide feedback on Bill 23, *More Homes Built Faster Act*. Our feedback and recommendations focus on those measures most directly impacting the supply and affordability of housing for the communities our coalition members serve – 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 municipal authority to regulate the demolition and conversion of rental housing, and initiatives that may constrain the capacity of the City of Ottawa and other

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<sup>1</sup> <https://ottawacitizen.com/news/local-news/talking-point-the-eroding-affordable-housing-stock-is-a-national-issue>

municipalities to fund vital housing projects and associated infrastructure. We urge the government to consider the impact of all initiatives proposed under Bill 23 on lower income renters. Doing so will ultimately improve the overall effectiveness of the legislation in advancing the government's objectives of responding to the housing affordability crisis and 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. As currently articulated in the bill, these amendments would give the province authority to develop regulations to restrict or prohibit municipalities from developing and implementing critical rental replacement policies – such as those in place in Toronto and Mississauga and currently being explored in Ottawa.

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. This is exemplified by the success of Toronto's rental replacement policy - the longest standing in the province. By prohibiting the demolition or conversion of rental units in buildings of six or more units unless the housing provider replaces an equal number of units at a similar size, the City of Toronto has successfully preserved over 4,000 rental units. Toronto's policy also requires that units meeting the City's affordability threshold are replaced at the same rent after redevelopment and that renters are guaranteed the right to return to live in the replacement units. As a result, over half of the protected buildings remained affordable to households on low- to moderate-incomes and effectively prevented residents from being displaced due to redevelopment.

Furthermore, experience from jurisdictions in Ontario and British Columbia demonstrates that demolition and conversion controls do not hinder urban renewal and the creation of new rental supply. In Toronto, where the policy has been in place for over a decade, thousands of condominiums have nonetheless 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 increasing construction of purpose-built rentals, triggering 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.

In the city of Ottawa, a rental replacement policy is desperately needed to keep renters housed and preserve our affordable rental housing stock. The learnings from other jurisdictions will help the City of Ottawa to adopt best practices and develop its own rental replacement policy that will meet local needs and is based on consultations with residents and stakeholders.

Adopting measures to increase provincial control to limit the regulation of demolition and conversion of rental units significantly raises the risk of displacing thousands of households living on low- to moderate-incomes. Recognizing the need for increased housing supply, which will in part come from the densification around transit hubs advanced by Bill 23, the renter protections provided through rental replacement policies will be more important than ever. Weakening these protections as Ottawa implements the densification targets set in its official plan will lead to the displacement of renters and the fracturing of communities.

Prioritize affordable housing through development charge exemptions and remove spending conditions

R2HOttawa urges the government to revise proposed changes to development charges and other municipal fees. 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. 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, recognizing that development charges are a key revenue stream for municipalities to fund community infrastructure required for growth. In effect, such exemptions would transfer costs from developers to municipalities and the communities they serve.

The Coalition further recommends that the province 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. At the same time, under the new provisions, municipalities would be required to use 60% of the revenues raised to finance infrastructure, which is an arbitrary figure that inhibits the flexibility municipalities need to finance their operations and service debts at a particularly precarious economic time.

#### Additional consideration

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. In addition to the recommendations outlined above, we call on the province to address the following additional considerations in its housing approach:

First, effective collaboration with communities in the greatest housing need is critical to better understanding and addressing potential unintended consequences of housing policies. 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 to be removed.

Second, 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, Ottawa residents 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,

A handwritten signature in cursive script that reads "Sean Keddy". The signature is written in black ink and is positioned above a horizontal line that serves as a separator.

Sean Keddy, Manager of Stakeholder Relations  
Canadian Centre for Housing Rights (CCHR)  
On behalf of the Right to Housing Ottawa coalition