

Bill 23, More Homes Built Faster Act, 2022

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

Right to Housing Peel Coalition (R2HPeel)

NOVEMBER 17, 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 Right to Housing Peel (R2HPeel), a coalition of service providers and housing advocates working together to advance the right to housing in the Region of Peel. The coalition emerged in response to the worsening housing affordability crisis, with low- to moderate-income renters facing significant economic pressure from rising rents and an inflated cost of living. Across our work, we support renters living on lower incomes to access housing that is affordable and adequate and prevent the displacement of renters from their communities across the region.

The Coalition 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.

We commend the province's efforts to incentivize the construction of new and diverse housing types through the measures proposed in Bill 23. However, we are deeply concerned by several proposed measures which will threaten the existing affordable housing stock that many lower income tenants call home and constrain investments in new affordable housing and associated services. We strongly urge the province to adopt the following recommendations:

- Remove proposed measures to constrain municipal powers to regulate the demolition and conversion of rental housing.

- Limit development charge exemptions to non-profit and co-operative housing developments guaranteeing affordable housing and remove proposed restrictions on the use of development charges for municipal housing services.
- Remove the 25-year maximum affordability period from proposed changes to Inclusionary Zoning rules and maintain municipal authority to determine localized Inclusionary Zoning frameworks.
- Adopt a standardized definition for affordable housing across policy initiatives that is tied to household income and the Provincial Policy Statement.
- Consider the impacts, including unintended impacts, of all proposed policy measures on renter households living on lower incomes.

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 an effective tool for municipalities to control the demolition or conversion of existing rental housing in order to preserve this important affordable housing stock and prevent the displacement of renters. Experience from Toronto and Mississauga shows that these policies work.

In Mississauga, limiting or removing its rental replacement policy will jeopardize the housing security of renter households living in the city's existing affordable rental housing stock. They will risk displacement and worse yet, eviction into homelessness. Moreover, other municipalities in the region are also experiencing growth and densification, a context where existing affordable rental housing will be increasingly at risk of demolition and conversion. By removing the proposed measures to allow the province to limit rental replacement policies, other lower-tier

municipalities in the Region of Peel will also retain the ability to enact their own rental replacement policies in the future based on local housing needs.

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. The experience of other municipal governments in Canada, mainly in Vancouver also suggests that, even with a strict one-to-one rental replacement policy, the City has seen significant growth in rental supply. Toronto and Vancouver are not considerably different from municipalities in the Region of Peel. We have seen skyrocketing rents, limited affordable housing options for renters, and population increases across the region – all of which are elements that require municipalities in Peel Region to preserve their existing supply of rental housing while increasing the supply of new affordable housing.

Curtailling municipalities' authority to regulate the demolition and conversion of rental housing would greatly weaken the province's approach to effectively respond 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

While we welcome the proposal to exempt non-profit and affordable housing providers from development charges, we caution against broadly applying exemptions and reductions on development charges to developments covered by inclusionary zoning, and "attainable" housing and market rental housing. 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 very concerning in the current economic climate where government supports are essential to helping households make ends meet.

Furthermore, we urge the government to remove proposed measures that would restrict municipalities from using development charges to finance “housing services.” If adopted, this would challenge the realization of affordable housing strategies by cutting the revenues available for housing supports and services. Again, it will be lower income renters, including renters from already marginalized groups in Peel Region, who will suffer in the immediate term due to potential disruptions or cuts in services.

Maintain municipal authority to develop localized Inclusionary Zoning policies

Inclusionary Zoning (IZ) is another key policy tool available to municipalities to increase the supply of new affordable housing through the private market. An effective IZ policy will ensure that units created under the policy are affordable to households in housing need and remain affordable for as long as possible.

The definition for affordable housing, proposed by the government under Bill 23 and the proposed IZ measures, is tied to average market rent rather than household income. Based on the current market conditions in Peel Region, where the cost of rent is rising at a rate far faster than incomes, this definition will not create housing that is affordable to those living on low incomes, or even moderate incomes. We recommend the government adopt a definition that is tied to its own definition of affordable housing as outlined in the Provincial Policy Statement.

Moreover, the proposal to limit the affordability period under IZ to 25 years is deeply concerning. It will mean that IZ policies will not create housing that is affordable for future generations, and at the same time constrain the ability of housing providers to plan long-term. It will require a

significant investment by 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 localized evidence developed by municipal governments and in consultation with local stakeholders, to ensure the development of IZ policies meet local needs.

Additional Considerations

In conclusion, while we support the government's efforts to increase the supply and diversity of housing options, we urge them to prioritize the construction of new affordable housing supply and the protection of existing affordable housing to meet the housing needs of lower income renters. This will advance the right to housing of Peel Region's residents to live in affordable and adequate homes.

We call on the government to ensure effective collaboration with communities in the greatest housing need. Communities closest to the problem can offer innovative ideas and approaches to our affordable housing crisis and are important stakeholders in developing long-term housing solutions. It is important that the government adopts a rights-based housing approach that prioritizes the needs of those most impacted by the housing crisis and to meaningfully engage with residents in the decision-making process.

Similarly, a rights-based approach advances collaborative efforts between all levels of government to adopt sound housing policies. Therefore, we call on the government to work constructively with municipalities to advance effective policy solutions to the affordability crisis. They are best placed to allocate resources and develop policy tools, including rental replacement and IZ 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 Peel 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,

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

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