



**MORE NEIGHBOURS
TORONTO**

April 25, 2022

Hon. Steve Clark
Minister of Municipal Affairs and Housing
17th Floor, 777 Bay Street
Toronto, ON M7A 2J3

Dear Minister Clark,

RE: ERO 019-5286 – Opportunities to increase missing middle housing and gentle density, including supports for multigenerational housing

More Neighbours Toronto is a volunteer-only organization of housing advocates that believe in building more multi-family homes of all kinds for those who dream of building their lives in Toronto. We advocate for reforms to increase the ability to build more homes in every neighbourhood. We are a big-tent organization with members across the political spectrum who are nevertheless committed to counterbalancing the anti-housing agenda that dominates Toronto's politics, and has created increased costs and environmental burden for a new generation of aspiring residents.

More Neighbours Toronto is supportive of the province's efforts to increase missing middle housing in municipalities throughout Ontario. In Toronto, two-thirds of residential land is zoned exclusively for detached homes, one of the most inefficient forms of housing. As a result, [CMHC estimates](#) that 83% of the 85,000 residential units constructed in Toronto from 2011-2015 were condo apartments. While denser high-rise apartments allow for more efficient infrastructure use and improved walkability, taller buildings use less sustainable building materials than missing middle forms and construction becomes more complex.

These restrictions increase the environmental and financial costs. Aspiring residents who are unable to find suitable housing options in this "tall and sprawl" growth, particularly mid-career adults with children, "drive until they qualify." Meanwhile, a subset of Toronto's low-rise neighbourhoods have 220,000 fewer people than 2001, with seniors struggling to downsize near their existing support networks. Missing middle housing, along with mid-rise buildings, will provide new options for those looking to live closer to work, provide walkable neighbourhoods, and strengthen existing communities.

To answer the government's call for input on this matter, we want to highlight several recommendations from the recent Housing Affordability Task Force Report and suggest additional innovative measures that could be considered to increase gentle density.

What are the biggest barriers and delays to diversifying the types of housing built in existing neighbourhoods?

End exclusionary zoning. The Housing Affordability Task Force recommended legalizing four units and four storeys on residential lots as-of-right, as well as six to 11 storeys on public transit routes. Although missing middle is only one housing option that needs to be considered, Toronto City Planning's [Neighbourhood Change and Intensification Bulletin](#) estimates that 573,000 new residents could be accommodated if existing residential detached zones evolved to have density similar to existing low-rise residential multiplex zones in the old City of Toronto. These older areas are widely considered to be vibrant, walkable communities.

In addition, as-of-right permissions would ease pressure on planning departments and free up staff for larger projects: six times more intensification units per hectare were approved as-of-right in zones that allow multiplexes compared with residential detached zones.

Legalize multi-tenant housing province-wide. These units provide one of the most affordable housing options and fit within the building envelope of existing detached homes. Despite the similarity in built form, some cities continue to outlaw multi-tenant housing, which may violate the Ontario Human Rights Code's prohibition against people zoning.

Repeal restrictions based on "prevailing Neighbourhood character." Toronto's Official Plan Policy 4.1.5 (OPA 320) states that developments must reinforce prevailing densities and building types. This prevents gentle density in any area where it does not already exist, even when the zoning bylaw allows it. In addition, such policies conflict with Policy 3.2.1, which states that a full range of housing forms and tenures will be provided throughout the City and within neighbourhoods to meet the needs of current and future residents. These inconsistencies undermine trust in the planning process.

Enact minimum provincial built form standards. Even in cases where zoning allows multiplexes, they may be effectively prohibited by unreasonable restrictions on building dimensions and setbacks. In Toronto's R zone, the maximum building depth is 17 m for detached houses and 14 m for multiplexes and apartments. The side yard setbacks are also more restrictive. While this standard is now being reviewed by City Planning, it demonstrates the complexity of the zoning bylaw and the lack of consistent, underlying rationale for many standards beyond a deference to detached houses.

The province should set a reasonable minimum height and maximum setback requirement in multiplex zones to prevent this. Municipalities could be more permissive than these provincial standards if they wish, but a provincial backstop would decrease regulatory uncertainty for developers that operate in multiple municipalities, as well as reduce risk for small developers and homeowners interested in missing middle housing. This increases competition and reduces prices.

Eliminate floor space index, which unnecessarily complicates bylaws. Height, depth, lot coverage, and setback requirements are sufficient to define density. Additional requirements make it more challenging for homeowners and small developers to understand and find suitable properties for increasing middle housing. Edmonton eliminated separate density requirements in its RF1 zone, which allows multiple units per lot, and uses regulations around lot size, building height, setbacks and lot coverage to influence density; the City of Toronto is also studying this idea and the province should advance it in cities across Ontario.

Prohibit angular plane requirements for missing middle forms. These result in less thermally efficient buildings, higher per-unit costs, and prioritize sunlight over housing. It also

adds to government inefficiency when shadow studies are required in addition to this.

Remove parking minimums. In Toronto, multiplex applications to the Committee of Adjustment from 2010-2020 requested an average reduction of 1.5 parking spaces below the required minimum. As transportation modes shift, parking minimums quickly become outdated and requests for variances increase. This increases costs and complicates the application process. In cities and areas where buyers have cars, they will look for units with parking and builders will build them.

What further changes to the planning and development process would you suggest to make it easier to support gentle density and build missing middle housing and multigenerational housing, in Ontario?

Make multiplexes make economic sense. Require development charges to be comparable between single detached and multiplex buildings so that missing middle forms are not disincentivized. In areas of the city where municipal data show population loss and excess water, sewer and/or school capacity, waive development charges to encourage efficient use of existing infrastructure. Require municipalities to charge additional fees for applications that reduce the density of existing properties (ie. from a multiplex to a single detached house) and commit these funds to affordable housing.

One frequent concern from municipalities is that changes to development charges will affect their budgets. Although this could be addressed through property taxes using improved long-term planning to properly account for higher infrastructure maintenance and service costs in low density areas (see also the section on Land Value Taxes below), the province can help by ensuring that funding transfers to municipalities reward density. The province already does something similar for transit with the gas tax transfer, which allocates money to municipalities based partly on population in order to provide a base level of service in most regions, and then allocates the majority of funding based on ridership to reward and assist systems that are more efficient and well-used. This model also allows municipalities the flexibility to spend money on either capital or operating costs.

A similar funding formula for infrastructure transfers could allocate funds based on density to ensure that public money is supporting responsible land use that will not have long-term deferred costs. This includes environmental costs borne by future generations.

Exempt projects with fewer than 10 units from community consultations and site plan approval if city planning staff determine that only minor variances are needed. This was one of the Housing Affordability Task Force recommendations and would reduce application time.

Create pre-approved building plans at the provincial level that are usable across the province, streamlining the process to get building permits for small multifamily homes. We recommend allowing pre-approved plans for a range of building typologies and lot sizes.

Are you aware of innovative approaches to land use planning and community building from other jurisdictions that would help increase the supply of missing middle and multigenerational housing?

Existing processes to get public buy-in are not working: existing residents with concerns often

dominate the process yet still feel unheard and fear that they will be overruled at the Ontario Land Tribunal; future residents are usually unaware of meetings or dismissed by councillors when they reveal that they don't live in the area; and the vast majority of existing residents do not participate in the process and are not considered at all. Other regions are innovating with processes that make residents feel more empowered, encourage broader participation from the whole community and make the benefits of welcoming new residents to the community clearer. We highlight several of these examples here.

Allow for [Street Votes](#), an idea being implemented in the UK where small community groups can decide by broad consensus to allow more housing on their street or block. This gives a better idea of all residents' sentiments, bypasses isolated objections, provides protections for organized tenant groups, and allows existing residents to directly observe the benefits of allowing new residents, including the financial benefit of increased land values from upzoning and development fees. The province could allow this as a pilot program, if necessary.

Implement land value taxes based on postal codes or other small parcels of land that increase proportionately with time. Currently, owners who add units to their property pay higher property taxes as a result of increased assessed value; the tax system should not penalize the construction that we need. Taxing the land value means that areas that grow faster will have lower per-unit taxes in the long term, and areas that grow more slowly will pay more for the spatial privileges. [Several Pennsylvania towns](#) have replaced part of their existing tax system with land value taxes to better align tax fairness and denser growth.

Alternatively, [Edmonton is considering](#) adjusting its property tax setup to apply higher rates to single detached homes and lower rates to multi-unit residential. This idea is a natural extension of previous Progressive Conservative government policy under Mike Harris to equalize property tax rates across different residential building types and tenures, although some cities, like Toronto, still have not completed this equalization.

Allow for [dynamic zoning](#), where owners of property are allowed to build an additional increment of housing space (either storey, addition or ADU) as-of-right on their property relative to their neighbours so that adjacent growth permits further growth on one's own property, incentivizing owners to densify themselves while keeping growth gradual.

Allow for [graduated density zoning](#), where higher density is allowed on larger parcels of land, which encourages land assembly and therefore the construction of more housing.

Are there any other changes that would help support opportunities for missing middle and multigenerational housing?

Extend provincially backed credit insurance and/or long-term financing options to non-profit and co-op builders. Private construction lenders typically require a profit margin of 15% from developers of new housing to facilitate loans. This makes construction loans harder to secure for these groups. Provincial backing would increase their access to construction loans at lower rates of interest.

Implement legal structures for small-scale co-ownership. British Columbia's strata ownership regulations and bylaws provide a model for the formation, operation and dissolution of these structures.

Fund conversion of vacated Toronto Community Housing Corporation-owned residential

detached properties to multiplexes in order to increase the supply of social housing.

Closing

The cost of housing has become a major barrier for new Ontarians, young people, racial and other minorities, and the economically mobile in establishing their lives in our province.

Intensification supports our climate goals and will allow for more greenspace as well as preventing sprawl into the Greenbelt and other natural areas. It will also provide Ontarians with convenient housing options in vibrant communities.

We appreciate the opportunity to comment and look forward to the implementation of measures to increase gentle density in existing neighbourhoods. More Neighbours is available should you or your staff wish to discuss these suggestions further.

Sincerely,

Colleen Bailey
Volunteer, More Neighbours Toronto