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Honourable members of the Standing Committee for Bill 23:

Bill 23, the proposed Provincial “[More Homes Built Faster](#)” act aims to increase housing supply, and by consequence housing affordability, through major changes to planning and conservation legislation.

On the positive side, it addresses “exclusionary zoning” by requiring municipalities to allow more units on residential parcels and increases some incentives for rental and “attainable” housing supply.

However, **this bill is unlikely to increase housing supply and affordability**. Committee members, **you must be the ones to ask for real evidence**, using [state-of-the-art analysis methods](#), as to how and whether this bill will work. Your legacy is at stake. Do not squander the opportunity to make real contributions to housing supply and affordability, in ways that spur economic competitiveness and keep our high-skilled workers in the province.

I argue that the act may fail to meet its primary objectives as it creates **misaligned incentives and unintended consequences**. Its approach rests several assumptions: 1) housing supply is the main cause of housing unaffordability 2) removing planning-based barriers to developer profitability and development approvals will increase supply and 3) the resulting housing supply will contribute to livable cities. I challenge these assumptions and then present pragmatic alternatives.

1. Its policies will not increase housing affordability:

- Its provisions to require high-rise zoning to increase development profitability will contribute to “land-value uplift,” or rising land prices, which makes affordable and/or “missing middle” housing impossible due to high land costs.
- The incentivized high-rise builds provide expensive housing—2 ½ times as costly to construct per square foot as low-rise builds.
- Further provisions directly contradict affordability; for instance, placing limits on the required percentage of affordable units and the affordability time frame for inclusionary zoning.
- Decreases in required development charges may cause municipalities to raise property taxes (a regressive tax) to fund the required infrastructure.

- **Inclusionary zoning (requiring a percentage of “affordable” units) is limited only to small areas around transit stations**, limiting its positive impact, and **creating an incentive for developers to build farther away from transit**.
 - Finally, there is little evidence that an increased non-resident buyers’ tax will substantively impact [the investor market](#), an acknowledged driver of housing unaffordability.
2. It may not increase **housing supply**.
- With a cascade of current construction project cancellations due to rising construction costs and interest rates, increasing financing costs, and decreased demand for units from investors, small increases to development profitability may have minimal impact on housing supply.
 - The legislation does not unleash the uncertain potential of vacant unit supply. With our current falling condo prices, investors have an incentive to keep units vacant to enable quick liquidation. We don’t know how many units are vacant, or how those vacant units are impacting housing prices.
 - There is wide consensus, including from the Province’s affordable housing task force, that land supply is not a constraint to housing supply. Statutes to allow builds in conservation areas are unlikely to increase housing supply when land already approved for development is not being built on.
3. While the bill helpfully opens the door for low-rise intensification, without landscaping, parklands, and design requirements, the ensuing housing will [not attract potential residents](#) to live and work in our cities, nor support resident well-being.
- The act creates a race to the bottom for developers, disadvantaging who prioritize environmental quality and affordability
 - It similarly pits cities in two-tier governments against each other, as Regional authorities no longer review and approve development applications. Such approval was Regions’ leverage to evenly enforce the visions set forth in Regional Official Plans.
 - Through limits on public hearings and resident appeals of developments, the Act’s premise is that residents’ desire for green, aesthetically pleasing, and livable cities are barriers to successful cities. By disenfranchising residents, **this command-and-control approach will not create the vibrant, green, pleasant cities that attract highly skilled and highly mobile global labor. It will hurt our economic competitiveness.**

What’s a better approach to making housing more affordable in Ontario?

1. **Affordability:**
- Allow (or even require) municipalities to **implement inclusionary zoning across the municipality**, creating a level playing field and de-incentivizing leapfrog development.
 - Provide or facilitate **additional non-profit finance** for affordable and “missing middle” housing provision.
 - Allow municipalities to **create height-limited “missing” housing zones 500-800 metres from transit**, to limit land-value uplift and incentivize affordable housing near transit, allowing developer contributions to affordable housing in these zones.

- Empower provincial, regional, and municipal governments to **directly build affordable housing**—on municipal or regional land, on their own or in partnership with non-profit financiers and builders.

2. Supply:

- **Allow at least 4 units on residential parcels** (with appropriate setback and height limits), facilitating small apartments or stacked townhomes with **3-bedroom units** in each corner.
- **Incentivize re-purposing of parking lots for housing** through subsidizing multi-level parking, reducing or eliminating parking requirements, and regulating on-street parking.
- **Implement non-principal-residence vacant-unit taxes** (identified through utility usage), via additional property or land transfer taxes.

3. Livability:

- Ensure that **new higher-density builds have sufficient open space and parks** to be attractive alternatives to single-family residences.
- Maintain regional approval authority—potentially **consolidating approvals to the Regional level** as a means of streamlining the approvals process.

Bill 23 is the Ford administration's fourth effort to improve housing supply and affordability—and it is unlikely to work anymore than the previous efforts, because **the legislation is not evidence based and is not carefully vetted by qualified economists, game theorists, statisticians, and demographers**. Many researchers, including myself and others in the UW School of Planning, are passionate about [finding real solutions to housing supply and affordability](#). This could be your legacy. But without scrapping Bill 23 and starting over, it will not be.

Please feel to reach out to me directly at any point for further discussions. Let's not lose this opportunity to accomplish something positive together.

Dawn Parker