**Submission to Standing Committee on**

**Ministry of Municipal Affairs and Housing**

**Regarding**

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

**CUPE/OMECC**



The Canadian Union of Public Employees (CUPE) Ontario is the largest trade union in
the province with more than 280,000 members, and 85,000 members working in the municipal sector in the province. CUPE members work in municipalities, health care, school boards, social services, and post-secondary education. Our members are experts on municipal service delivery, and they perform their work with a sense of duty and pride in communities across Ontario.

The Ontario Municipal Employees Coordinating Committee (OMECC) is a body of CUPE locals representing people who work for municipalities delivering vital public inside and outside services. We monitor collective bargaining, pension, legislation, political and social justice issues affecting municipal workers, and represent their interests as a sector.

We are deeply concerned by the proposed Bill 23, *More Homes Built Faster Act, 2022*, an omnibus bill which we believe will have disastrous consequences for municipalities and their workers, the citizens who live in them, and the environment. Furthermore, like Bill 3, the Strong Mayors Act, and Bill 39, Better Municipal Governance Act, this bill removes important public oversight and appeal mechanisms and overall, makes it easier for developers to achieve their agendas.

**More Housing: By Who for Who**

The stated goal of the government is to build 1.5 million homes in next 10 years. Yet a careful reading of the bill makes us wonder: more housing by who and for who.

It seems clear this bill lacks any real plan to solve the housing affordability crisis for middle, low-income and poor Ontarians. Nor does it have offer financially viable approaches to working with both upper and lower tier municipalities to achieving housing targets. Instead, it is a bill that is based on the Ford governments dual obsession to allow private interests (in this case developers and land speculators) to drive public policy and further erode local democracy.

OMECC agrees that affordable and attainable housing is human right, and a critical need in our municipalities. Our members work to deliver affordable housing and other ancillary services to low-income citizens, maintain aging physical infrastructure, and understand the deep frustration of citizens who face long wait times for this type of housing, or cannot obtain housing at all. Our members themselves are finding it increasingly difficult to keep up with escalating rents or to purchase homes, as years of wage suppression and inflation has eroded their standard of living. Many can no longer live in the cities where they work as rents and housing prices continue to escalate.

There seems have been little forethought in the as the setting of market rates or definitions of affordability in Bill 23.

There are no targets beyond the 1.5 million homes in 10 years (apart from non mandated regional ones), and incentives for affordability will be based on 80 per cent of the average market rent, and ownership units in which the price is no greater than 80 per cent of the average purchase price. However, these definitions are flawed and will not truly address the needs of those who need housing most.

For example, using a tool like the Housing Need analysis (Figure 1)[[1]](#footnote-1) we know that in 2016 there were huge affordable housing deficits in Ontario with 750,000 households paying more than 30% of their pre-tax income on rent, being overcrowded and/or living in substandard homes.



**In their submission on Bill 23, the University of British Columbia Housing Research Collaborative state that using an affordable housing deficit analysis, a comprehensive housing strategy should include a 20% target for social and supportive housing and an 80% target for new housing rents or mortgages (assuming a 20% down payment and carrying costs) based on the average median household income, with affordability guaranteed through rent control lasting 99 years.**

**As their submission states,**

If the goal is to provide the right supply, defining “affordable housing” by “proportion of market costs” rather than “housing costs in relation to household income” makes no sense. ***Market-based affordability programs***[***have failed to provide genuinely affordable housing***](https://assets.cmhc-schl.gc.ca/sites/place-to-call-home/pdfs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf) for low income households most at risk of homelessness.

According to the Canada Mortgage and Housing Corporation (CMHC) housing is considered to be affordable when a [household spends less than 30% of its pre-tax income on adequate shelter](http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce_021.cfm). We agree with MPP Jennifer Bell (University Bell) who has introduced an amendment to include a strong definition of affordable housing in the bill, and that this definition be made permanent. We further support the recommendation by the UBC Research Collaborative that a 20% target for social and supportive housing be included in the bill, as well as an 80% target based on average median household income. We agree a further improvement would be to also include further targets by subgroup, for instance a certain percentage of housing dedicated by income level.

**In addition to affordability and targets, many other aspects of the bill appear to work against Ontarians in need of housing rather than for them. These include**

1. **Removing the financing available through development fees for housing services. According to the Association of Municipalities (AMO), between 2015 and 2019 municipalities raised almost $150 million for supports to homeless and underhoused people and their families. Bill 23 will remove this source of funding.**
2. **Weakening Inclusionary Zoning (IZ) rules which currently allow municipalities to require a certain percentage of new developments as affordable. Bill 23 will weaken these powers by allowing only 5% of IZ units or gross floor area of new developments to be deemed affordable, to a maximum of 25 years at which time they will be returned to the market.**
3. **Rental replacement bylaws that now exist in Toronto and Mississauga will be removed by Bill 23, allowing developers to evict tenants when they demolish buildings. In Toronto, these important protections have resulted in over 4,000 replacement units since 2007**[[2]](#footnote-2)**, are an important deterrent to demolition of affordable housing, and have protected renters from becoming evicted.**

**Taken together, these measures do not support housing affordability. They erode important policy instruments that municipalities can use to protect tenants and affordable housing stock and shift the advantage toward developers and their need to maize profit. In every important way, Bill 23 will not meet the housing needs of poor, low income, and middle-income Ontarians who either rent or want to own property.**

**Who Pays**

**The most troubling aspect Bill 23 is the premise that reducing or removing development charges from affordable housing will incentivize building by the private sector. Specifically, as the bill proposes to reduce or remove the following:**

* Charges that can be used toward the cost of housing including both physical infrastructure as well as services. This could include supportive housing for a municipality’s most vulnerable groups.
* The cost of studies and land for specific services.
* Reducing development charges in rental housing based on the number of bedrooms.
* **Removing development charges for affordable housing, attainable residential housing, non profit housing, and inclusionary (IZ) residential units.**
* Reducing parkland dedication requirements and parkland dedication levies.
* Other fees and charges now currently recoverable as development fees, including ones that support community benefits such as recreation facilities and other public services that make our cities livable, especially for lower income residents.

**Development charges are a crucial component of municipal budgets** whose ability to generate revenue is already constitutionally and politically constrained. This revenue cannot be reduced or eliminated without serious – and we believe entirely foreseeable – negative consequences.

According to the Association of Municipalities of Ontario (AMO), losses due to waived or reduced development charges will potentially result ina drop in revenue **$5.1 billion – or $569 million per year in today’s dollars.[[3]](#footnote-3)** This figure is preliminary and based on early analysis, but includes:

* Ineligibility of the cost of studies: $117 million
* Ineligibility of the cost of housing services: $426 million
* Discounts for rental units: $1,189 million
* Exemptions for affordable units: $3,385 million

We agree that the principle of growth paying for growth, is established and appropriate. Removing development costs will create added pressure onto the property tax base of municipalities while developers get a free ride.

Invariably, municipal budget cuts mean program and service cuts, crumbling infrastructure, customer service delays and complaints, and general dissatisfaction with municipal services. Removing a major source of revenue from municipal funding will add pressure to municipal budgets, and increase pressure on councils to cut services, lay off staff, and contract out or privatize services. None of this will add to the quality of life in our municipalities or enhance the livability of communities where new housing is built.

Municipalities are already seriously underfunded due to decades of provincial government downloading and underfunding, aging infrastructure, demographic shifts, and most recently the COVID crisis. With few independent revenue tools available to them beyond property tax, municipalities depend on development fees to pay for the infrastructure costs associated with growth, and to ensure that our neighbourhoods remain livable. By reducing or removing these fees the province is downloading yet another cost onto already strained budgets rather than making a direct financial investment in a comprehensive provincial housing strategy.

**Livable Neighbourhoods**

CUPE members deliver the programs and services that make our cities and neighbourhoods livable, including responsibility for maintaining our green spaces both in and around our urban spaces. We know how important or parks, trails, and recreational spaces are to the well being of citizens; like adequate and affordable housing they are an important social determinant of health and must be protected for generations to come. This makes us deeply concerned about the aspects to Bill 23 that weaken environmental protection at all levels.

Like many Ontarians, we were shocked to see the governments proposal to remove 7,400 acres of land from the Ontario Greenbelt as there appears to be little justification or need for this land to made available for development. At the municipal level, we deplore the provisions in the bill that will make it easier for developers to reduce or entirely evade requirements related environmental enhancements or protection, such as:

1. Capping the amount of parkland required as part of development applications.
2. Eliminating the ability for municipalities to create Green Building Standards to ensure new developments are climate resilient.
3. Removing the need for Conservation Authorities permits to regulate or prohibit development that is environmentally harmful under the Planning Act. This will mean narrowly redefining what is considered environmentally harmful and replacing provincial planning with municipalities in favour of piecemeal approaches that will not be cost effective or rational.

Parkland is a crucial component of a livable city, especially for renters. Recent research indicates that while more than 40% of tree canopy cover may be necessary to protect urban areas against excess heats, most Canadian cities have declining amounts of green space and trees, with low income and immigrant populations disproportionately living in areas with fewer parks and higher income residents in greener spaces[[4]](#footnote-4). Parks are an important part of the physical and mental well being of residents. Reducing the amount of parkland is not in the public interest, especially in high density neighbourhoods and is certainly part of a people-centred housing strategy.

Similarly, removing the right of municipalities to impose green standards for builders is a regressive and completely out of step with progressive municipal planning around the world; in Toronto, this would mean the current Green Building Standard and building emissions targets would effectively be gutted.

The removal of Conservation Authorities powers is also deeply disturbing. The thirty-six (36) Conservation Authorities across Ontario work closely with Municipalities, who rely on their expertise to not only protect people and their property by anticipating flooding and other ecological events, but the protection of the broader natural resources and the environment. Under Bill 23, Conservation Authorities will no longer be responsible for issuing permits to develop land (or more importantly prohibit development) in ecologically sensitive areas. Instead, municipalities which lack the resources and expertise will be responsible for making critical environmental decisions, in a context where both provincial interference and local developers are eroding local democracy can exert maximum pressure.

**Loss of Public Scrutiny and Local Control**

Under the proposed Bill, the individual right to appeal approved applications, municipal official plans or amendments, or zoning by-laws or amendments to the Ontario Land Tribunal will be removed, as well as third party appeals of consents and minor variances. As a result, only applicants, municipalities, certain public bodies and the Minister of Municipal Affairs and Housing will be able to appeal decisions. This means that as applicants, only developers could appeal decisions that had been made against them without public participation or input.

As well, municipalities will no longer be required to hold public meetings or draft plans subdivisions, excluding the public from having their say on planning decisions that may have a direct impact on their neighbourhoods.

Finally, development projects with fewer than ten residential units will be exempted from site control plan requirements, excluding the public from consultation and input. This will be an issue in smaller or rural municipalities where such projects are more common.

**Conclusion**

The Ford government claims the current system of land use planning, environmental regulations and municipal planning processes are too cumbersome to facilitate private sector development and must be reformed to solve the housing crisis. And while there is no objective proof of this, it is clear to see that Bill 23 – like Bill 3, The Strong Mayors Act, and Bill 39, The Better Municipal Governance Act – are collectively aimed at eroding local democracy and public participation by creating a deregulated, and back room environment in which for-profit developers will be able to operate freely without threat of interference. We agree with AMO that,

*The nationwide housing affordability crisis is the product of Ontario’s land use planning and environmental protection framework, and municipalities slow to approve planning applications is objectively false. For decades, Ontario’s housing supply in high growth regions has been determined by developers and land speculators managing supply to optimize price, and those who view housing units as solely an investment. [[5]](#footnote-5)*

The affordability crisis is not the fault of municipalities, nor can it be solved by starving them of already scarce financial resources. The plan to scrap development charges will lead to enormous added pressure on municipalities whose ability to raise revenue is already sharply restricted, and which the province has starved by underfunding and downloading for decades. Eliminating development revenue will create unnecessary pressure on budgets that are already strained to the limit and threaten the programs and services that make cities livable, not only roads and sewers and clean water, but daycares, libraries, parks, and recreation. To deliberately remove funding that supports these essential services is reckless and short sighted.

We join with our allies in the housing, environmental, neighbourhood rights and other social justice movements who have condemned Bill 23. We call on the Ford government to scrap the existing bill and consult widely with citizens and municipalities to create a Bill that will truly address the need for an affordable housing strategy for all Ontarians.

1. https://housingresearchcollaborative.scarp.ubc.ca/2022/11/16/hart-comments-on-ontarios-bill-23-more-homes-built-faster/ [↑](#footnote-ref-1)
2. https://housingrightscanada.com/what-you-need-to-know-about-ontarios-new-housing-policy-bill-23/ [↑](#footnote-ref-2)
3. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Submissions/SC_HICP-LTR_AP_AMO_Submission_Bill%2023_More_Homes_Built_Faster_Act_20221116.pdf?_zs=9Ol6O1&_zl=mbAO2> [↑](#footnote-ref-3)
4. tps://theconversation.com/ontarios-bill-23-proposes-more-homes-built-faster-but-this-comes-at-an-environmental-cost-194494 [↑](#footnote-ref-4)
5. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Submissions/SC_HICP-LTR_AP_AMO_Submission_Bill%2023_More_Homes_Built_Faster_Act_20221116.pdf?_zs=9Ol6O1&_zl=mbAO2> [↑](#footnote-ref-5)