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To: Municipal Finance Policy Branch, Attn: Ruchi Parkash.

Date: Friday, May 12, 2024.

Re: Review of proposed policies for a new provincial planning policy instrument. - *Ministry of Municipal Affairs and Housing*.

ERO: 019-8462.

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The Toronto Alliance to End Homelessness (TAEH) is a community-based collective impact initiative committed to ending homelessness in Toronto. Our network includes not-for–profit organisations that support those living with homelessness and those who are housed and who must spend a disproportionate amount of income on housing., as well as affordable and supportive housing developers, property managers, and landlords.

As part of our mission, TAEH works directly with the City of Toronto in its mandates surrounding homelessness and maintaining and growing affordable housing stock in the city, including engagement on client support services and funding. This includes TAEH co-chairing the Toronto Housing and Homelessness Service Planning Forum with both the City of Toronto Shelter, Supports and Housing Administration and the Housing Secretariat.

**Recommendations.**

1. Re: 2.1.4 a: - TAEH recommends that Toronto and other municipalities that require secondary plans before development can take place, but which have municipal wide zoning for multiplex zoning should be exempt from the need for secondary plans to, on aggregate, accommodate residential growth for a minimum of 15 years.
2. Re: 2.1.6 a and d: - TAEH supports the understanding that complete communities include affordable and supportive housing.
3. Re: 2.2.1 a: - TAEH supports this provision but believes such targets are meaningless without the capacity of the City of Toronto to make the inclusion of affordable and supportive housing a prerequisite to approving (re)developments.
4. Re: 2.2.1 b 1: - TAEH supports the emphasis on the inclusion of additional needs housing in the range of housing options ordinarily reviewed in relation to the projected needs of current and future residents of Toronto.
5. Re: 2.2.1 b 2: - TAEH recommends that the development and redevelopment of underutilized commercial and institutional sites be preferentially utilised in the creation of affordable and supportive housing.
6. Re: 2.2.1 d: - TAEH supports intensification in relation to major transit areas and transportation corridors.
7. Re: 2.4.2 d: - TAEH recommends deleting the reference to equitable housing from this policy.
8. Re: 2.4.3 e: - TAEH recommends that this policy be amended to require such sites to be redeveloped as affordable housing. (See policy 2.2.1 b 2).
9. Re: 2.4.2.1: - TAEH recommends that the radius for delineation should be fixed at 800 metres, and that “and that maximizes the number of potential transit users that are within walking distance of the station” be deleted.
10. Re: 2.4.2.2 b: - TAEH recommends that the minimum density for those served by light rail or bus rapid transit be increased to at least 175 residents and jobs combined per hectare.
11. Re: 2.4.3 b: - TAEH recommends that the redevelopment of such parking lots be specifically for affordable and supportive housing.
12. Re: 2.4.5: - TAEH supports this policy.
13. Re: 2.4.7: - TAEH recommends deleting this policy.
14. Re: 2.4.3: - TAEH supports this policy.
15. Re: 3.4.2 b: - TAEH recommends that this policy be deleted.
16. Re: The definition of “Affordable” – TAEH recommends amending this definition as set out in the analysis below.

**Analysis.**

1. Re: 2.1.4 a: - Toronto is a municipality that essentially is completely urban (less the national urban Rouge Valley urban park, which is off limits). Apart from building new land along the lakeshore, Toronto can only accommodate future growth through the increase in densification of its existing residential and mixed residentially zoned lands. The definition of designated and available lands, for the purpose of Toronto, means lands covered by a secondary plan. In the circumstances, this requirement is oppressive, insofar as the creation of secondary plans is an ongoing process that may or may not at any given time “accommodate residential growth for a minimum of 15 years.” Where, as in the case of Toronto, the increase in densification through municipal wide multiplex zoning, for example, exists, TAEH believes that the requirement that such ability to accommodate be contained in secondary plans is overly technical.
2. Re: 2.1 a and d: - TAEH believes that it is of the utmost importance that affordable and supportive housing be understood to be a necessary component of complete communities.
3. Re: 2.2.1 a: - TAEH believes that merely mandating municipalities to establish and implement minimum targets for the provision of housing that is affordable to low and moderate income households without giving municipalities the approval power to require the inclusion of affordable housing units in private developments places an undue burden on municipalities to satisfy such targets through municipal and non-profit (including co-op) created housing. Without this approval power, TAEH believes that achieving affordable and supportive housing goals in Toronto will not occur.
4. Re: 2.2.1 b 1: - TAEH understands that complete communities must include housing for those with additional needs. We support this policy requiring the needs of such residents to be considered in all housing options designed to satisfy projected targets for housing.
5. Re: 2.2.1 b 2: - TAEH understands that it is very difficult to create affordability stacks for affordable and supportive housing on a small or medium level scale. In order to make affordable housing possible (both the construction and the maintenance), absent ongoing financial support from government in terms of rent supports, affordable housing developments must be large enough to have a mix of affordability within the development so that those units that are at average market rent or above are able to subsidise the affordable units and thus make the development financially possible. In municipalities like Toronto, the most likely source of sites capable of accommodating a large-scale development are greyfield mall sites. Permitting Toronto and similar municipalities to preferentially utilise such sites for the creation of affordable housing, either by reserving such sites to the nonprofit and co-op housing sectors (including via municipal partnerships), or through tools allowing the municipality to require a minimum percentage of affordable housing units in such developments, would be preferable. Such tools would also vitiate the concern re: policy 2.2.1 a.
6. Re: 2.2.1 d: - TAEH understands that affordable and supportive housing should be closely tied geographically to transit areas and transportation corridors. Proximity to such transportation is a component of the needed budget for those living in such housing for two reasons. Firstly, it permits cheap connectivity between residence and place of employment (and recreation), and secondly it does so without the need for private transport, and thus makes it easier for such households to thrive and contribute to the municipal economy, while maintaining a reasonable quality of life.
7. Re: 2.4.2 d: - TAEH believes that the ordinary meaning of the term equitable adds no benefit to this policy: fairness and anti-discrimination in housing are already addressed in the *Ontario Human Rights Code*.
8. Re: 2.4.3 e: - For the reasons set out above relating to policy 2.2.1 b 2 TAEH believes that this policy should be preferentially favouring affordable housing developments.
9. Re: 2.4.2.1: - TAEH understands the importance of increasing residential density within walking distance of major transit station areas. As such, we believe that requiring the radius for delineation to be 800 metres is reasonable. The difference in area between a radius of 500 and a radius of 800 metres is the difference between 78.5 hectares and 201 hectares.
10. Re: 2.4.2.2 b: - TAEH recognises that the different densities set out in 2/4/2/2 are base on the frequency of service: light rail and even more so bus rapid transit has a much higher frequency of service than commuter or regional rail. As such, the minimum density for such areas and corridors should be nearer to that of subways than that of commuter or regional rail.
11. Re: 2.4.3 b: - TAEH, for the same reasons as set out in relation to 2.2.1 d, believes that such sites, which are owned by the municipality, be reserved for affordable and supportive housing.
12. Re: 2.4.5: - TAEH believes that providing this tool to municipalities provides planning flexibility in advance of potential major transit station areas being established. TAEH further endorse the absence of minimum densities for residents and employment in this policy in order to allow municipalities to use this tool at the macro-scale of municipal planning.
13. Re: 2.4.7: - This policy is a duplication of policy 2.4.6.
14. Re: 2.4.3: - TAEH supports this policy as it permits increased density in areas that are already well serviced by higher order transportation.
15. Re: 3.4.2 b: - TAEH recommends that this policy be delete because no-one should live in a building subject to 30NEF/NEP or greater. Not only from a general health perspective, but also because, if this policy is retained, such redevelopment housing will be only used by the poorest residents of a municipality, since no-one would volunteer to live in a building with noise, that according to Transport Canada, “speech interference and annoyance caused by aircraft noise are, on average, established and growing.’
16. Definition of “Affordable.” – TAEH incorporates the following from a previous Comment:

TAEHs in favour of the desire to achieve consistency across the sector in the terminology used to describe affordable housing. As such, in principle, we support the inclusion of the existing definition of “Affordable” in the *Provincial Policy Statement (PPS), 2020* (“the *PPS*”), in the proposed definition of “affordable residential unit” in Bill 134, the proposed *Affordable Homes and Good Jobs Act, 2023* (the “Act”). While believing that an income, as opposed to a market-based definition is preferable, since in a rising market the ceiling for affordability would rise with a market-based definition; the decision to use, in any given situation, the lower of the two values so determined should mean that an income-based valuation will ordinarily prevail. This is particularly relevant in Toronto, where rents are increasing at a much faster rate than incomes.

We do note that the term ‘affordable housing’ is ubiquitous across Canada and believe that substituting this phrase for the proposed defined term “affordable residential unit” in the Act would further the desired goal of definitional consistency. We believe that such a change in phrasing of the defined term would not affect the scope of the definition itself: the use of the terms “rental housing” and “ownership housing” in the proposed subsections providing the interpretive link between the defined term and its representative components, namely ‘rental unit’ and ‘house,’ which would replace the term “residential unit” in their respective subsections.

One concern that TAEH has, however, relates to the proposed manner of determining the 60th income percentile as the ceiling in defining affordability by income. The *PPS* defines “Affordable” in relation to rent or “annual accommodation costs” (for homeowners) not exceeding “30 percent of gross annual household income for low and moderate income households.” “Low and moderate income households” are defined in the *PPS* as renter households, or households, with “incomes in the lowest 60 percent of the income distribution for the "Regional market area”; but, unlike the reference in the definition of “Affordable”, which refers to households in general for both renters and homeowners, the definition of “Low and moderate income households” while using the general household population for determining the 60th percentile for owners, uses the restricted database of rental households in the determination of the 60th percentile for renters.

This distinction has been carried over into the proposed definition for the Act. TAEH is concerned that this may lead to a flawed outcome regarding the construction of rental residential buildings. By using the 60th percentile the proposal could allow above average incomes to determine rental housing affordability. When dealing with a range of values for property that will be eligible to be defined as affordable under the Act, it is reasonable to assume that developers will preference the construction of the highest value properties within that range, to maximise their rate of return. As such, using such a high income percentile to define the ceiling on affordability will result in those residents who are most in need of rent relief having the least likelihood of gaining access to whatever buildings are built as affordable rental housing.,

TAEH also notes that the distinction between general and rental households to determine the 60th percentile for affordable private ownership housing versus rental housing is a distinction that could lead to inequities that skew the market in favour of the construction of affordable homes for private ownership compared to renting. The larger the gap in income between these two values in favour of home ownership, the greater the likelihood that developers will build homes for private ownership, since the value of the building will be greater.

While both affordable home purchases and affordable rental units are needed in the City of Toronto, TAEH believes the need for affordable rental units far exceeds the need to make the purchase of homes for private occupancy easier. as such, TAEH believes that the proposed amendments be at the least neutral in preferencing one class of affordable residential unit over the other: indeed, based on the arguments above, a case can be made to deliberately favour making amendments to the Act that privileges the construction of affordable rental residential units. This would also be consistent with both provincial and municipal policies pertaining to mixed communities, and the need to have low wage urban employees, who typically rent, living within the cities in which they work

Thank you,

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Peter G. Martin

Housing Solutions Manager

647-913-7305

[peter@taeh.ca](mailto:peter@taeh.ca)