



Ontario
Home Builders'
Association

Long-Term Affordable Housing Strategy

Update - 2015

BILD
Bluewater
Brantford
Chatham-Kent
Cornwall
Greater Dufferin
Durham Region
Grey-Bruce
Guelph & District
Haldimand-Norfolk
Haliburton County
Hamilton-Halton
Kingston-Frontenac
Lanark-Leeds
London
Niagara
North Bay & District
Greater Ottawa
Oxford County
Peterborough &
The Kawarthas
Quinte
Renfrew
Sarnia-Lambton
Saugeen County
Simcoe County
St. Thomas-Elgin
Stratford & Area
Sudbury & District
Thunder Bay
Waterloo Region
Windsor Essex



Submitted to: Hon Ted McMeekin
Minister of Municipal Affairs and Housing
July 3, 2015

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About OHBA

The Ontario Home Builders' Association (OHBA) is the voice of the land development, new housing and professional renovation industries in Ontario. OHBA represents over 4,000 member companies, organized through a network of 31 local associations across the province. Our membership is made up of all disciplines involved in land development and residential construction, including: builders, professional renovators, trade contractors, manufacturers, consultants and suppliers. Our members have built over 700,000 homes in the last ten years in over 500 Ontario communities. The residential construction industry employed over 313,000 people and contributed over \$44 billion to the province's economy in 2013.

OHBA is committed to improving new housing affordability and choice for Ontario's new home purchasers and renovation consumers by positively impacting provincial legislation, regulation and policy that affect the industry. Our comprehensive examination of issues and recommendations are guided by the recognition that choice and affordability must be balanced with broader social, economic and environmental issues.

Background

In 2009, the Province of Ontario consulted broadly with the public and stakeholders, including OHBA, on a Long-Term Affordable Housing Strategy which was launched in 2010. The strategy began a process of transforming Ontario's housing system into one that is people-centred, partnership-based and locally-driven. OHBA, and our network of local home builders' associations participated extensively in the consultation process and provided six key recommendations in a submission to the Ministry of Municipal Affairs and Housing (available at www.ohba.ca), including:

- Create a long-term portable housing allowance program to provide immediate assistance to low-income households who have housing affordability problems;
- Require municipalities to permit 'as-of-right' secondary suites across Ontario;
- Stop the regressive taxation of tenants by equalizing residential and multi-residential property tax rates across Ontario;
- Remove government-imposed cost and regulatory barriers to the supply of land and new housing which constrain housing opportunities for lower income households;
- Address homelessness by focusing on special needs housing and services for the hard-to-house and integrating enhanced support services within housing projects;
- Make strategic investments to fix Ontario's existing social housing stock;

OHBA continues to support the recommendations we made in 2009, and our 2015 submission includes both new recommendations and revisits long-standing industry positions through a prism that takes into context our current legislative, social, political and economic circumstances. OHBA was supportive of the

2010 Long-Term Affordable Housing Strategy and also supported the *Strong Communities Through Affordable Housing Act*, 2011. There is, however, more work to be done to make housing more affordable in Ontario. In this submission, OHBA offers innovative, solutions-focused recommendations to the Provincial Government as part of the review of the Long-Term Affordable Housing Strategy.

OHBA notes that the consultation to update the Long-Term Affordable Housing Strategy comes at the same time as the Provincial Government is consulting on the Co-ordinated Review of the Greenbelt Plan, Oak Ridges Moraine Conservation Plan, Niagara Escarpment Plan and Growth Plan for the Greater Golden Horseshoe as well as the proposed *Smart Growth For Our Communities Act* (Bill 73). Through our recommendations to this consultation, as well as both the Bill 73 and the Co-ordinated Review consultation, OHBA is connecting all the dots to ensure public policy is appropriately implemented and aligned. It is critical that the Provincial Government, through a multi-ministry approach, also ensure that all the dots are connected, not only between the Long-Term Affordable Housing Strategy, the Co-ordinated Reviews and the proposed Bill 73, but also many other provincial initiatives including, but not limited to: the Provincial Policy Statement, the climate change initiatives, the upcoming ten-year review of the Metrolinx *Big Move*, the consultations on the *Municipal Act* and *City of Toronto Act*, etc. It is important that we work together to get it right, as the government has the ability to make changes that will have a positive impact on affordability and choice.

Executive Summary

OHBA commends the province of Ontario for its ongoing public commitment to expand opportunities for those living in poverty, and to reduce poverty. We recognize that a comprehensive poverty reduction strategy must include a number of inter-related government policies, programs, and a long-term affordable housing strategy that will have to be multifaceted in its approach to a complex issue. There are public policy changes that the government can take action on that will have a positive impact on affordability and choice.

OHBA notes that housing affordability has continued to deteriorate over the past five years since the long-term affordable housing strategy was released. A January 2015 TD Economics Report (GTA Housing Boom Masks Growing Structural Challenges) noted that while the affordability challenge has traditionally been concentrated among low-income residents within the rental market, the problem of affordability has spilled over to residents in higher income levels and those in home ownership. In January 2015 TD stated, “higher land costs and restrictive government regulations that have stretched out development project time lines to as much as seven years have made it increasingly difficult to supply housing at an affordable cost across the GTA. What’s more, rising costs have been instrumental in driving up average debt-loads in the region, leaving households vulnerable to any unanticipated negative economic shock.” It doesn’t have to be this way, as the government, non-profit sector and private sector can work together to act and make positive changes.

The consultation to update the Long-Term Affordable Housing Strategy has an objective of continuing to make progress in meeting the housing needs of Ontarians and supporting social and economic inclusion. The province has stated additional objectives to ensure that housing policies are relevant to current

realities, reflect new research and best practices, and support the Province's goals to end homelessness. OHBA supports these provincial objectives and believes there are changes we can make to the housing system that can make housing more affordable.

To be effective, the Long-Term Affordable Housing Strategy for Ontario must focus scarce resources on the primary sources of housing affordability problems: the inadequate incomes of many core need households who already have suitable and adequate housing; government barriers to housing supply (i.e. both regulatory and financial barriers); and the unfavourable tax treatment of low-income renters. Government affordable housing policies will undoubtedly, as they have in the past, include core investments in social housing. These investments, however, should be strategic and focus on bringing the existing supply to a state of good repair and focus on strategic partnerships with the private sector to bring new housing supply to the market. Housing investments must be complemented by other policies that work to reduce government barriers and remove unnecessary costs to private sector and non-profit sector supply, unlock surplus lands as well as focus on the root causes of housing affordability problems related to increasing housing prices, poverty and income disparity.

OHBA appreciates the opportunity to present our views and recommendations to the government. We are hopeful that these positive and constructive recommendations will assist and inform the province in updating its long-term affordable housing strategy.

Key Recommendations

OHBA is pleased to submit our key recommendations towards updating the Long-Term Affordable Housing Strategy:

1. Create a long-term portable housing allowance program to provide immediate assistance to low income households who have housing affordability problems;
2. Amend the *Planning Act* to permit 'as-of-right' secondary suites across Ontario;
3. Stop the regressive taxation of tenants by equalizing residential and multi-residential property tax rates across Ontario;
4. Reduce unnecessary government imposed cost and regulatory barriers to the supply of new housing which constrain housing opportunities for lower income households;
5. Address homelessness by focusing on special needs housing and services for the hard-to-house and integrating enhanced support services within housing projects;
6. Leverage existing assets, unlock land and make strategic investments to fix Ontario's existing social housing stock as well as build new affordable housing in livable, walkable, location-efficient communities;
7. Better link transit and transportation investments with land-use planning including pre-zoning along transit corridors;
8. Streamline planning process for affordable housing projects;
9. Implement a Transportation Planning Policy Statement (TPPS) through the Ministry of Transportation that would support affordable housing and apply to higher-order transit corridors across Ontario;
10. Support Tower Renewal;
11. Do not amend *Planning Act* to permit for inclusionary zoning.

Recommendation 1: Portable Housing Allowance/Benefit

There is ample evidence that housing affordability problems in Ontario are a combined issue of rapidly increasing housing costs and income levels that have not kept pace. At the lower-end of the income spectrum, there is a sizable gap in the ability to cover monthly rent for adequate housing. An income subsidy for vulnerable households in the form of a housing allowance/benefit would immediately enable low income households to afford rental housing accommodation of their choice. It instantaneously makes housing more affordable. Given the government's commitment to set targets and measure success in tackling poverty, a portable housing allowance will have tremendous advantages.

Housing allowances/benefits are the least costly affordable housing program and can also reduce social housing waiting lists. When designed properly, housing allowances/benefits promote fairness, equity, more autonomy for low income households and have improved labour mobility characteristics. Low incomes are a significant cause of housing affordability problems, therefore increasing incomes through a broad, long-term housing allowance program should be adopted as part of Ontario's affordable housing and poverty reduction strategy.

OHBA recommends the province consider a housing benefit that will help low-income working-age renters with high shelter-to-income burdens in communities across Ontario, particularly in the Ottawa and Greater Toronto and Hamilton Areas where rents are higher. A carefully targeted, fiscally responsible housing allowance benefit would add a necessary affordable housing component to the Poverty Reduction Strategy. OHBA notes that there is currently no housing-related income program in Ontario and that only social assistance recipients get a fixed shelter allowance. OHBA further notes that existing shelter allowances don't cover rent costs, nor do they accommodate for varying rents across Ontario. The escalating costs of housing acts as a barrier to employment, making the transition from social assistance to the labour market very difficult. A housing allowance/benefit would improve labour force attachment of low-and-modest wage workers.

Many low-income workers cannot afford to live and work in the same community. They have to travel long distances across multiple transit systems to get to work. This places unnecessary strain on both our transit system and on families. Others simply cannot take available work because they cannot afford to live close enough to their job or cannot afford the cost of transportation. Ongoing welfare costs can be reduced by repurposing a poorly targeted welfare program and implementing a highly targeted housing benefit based on the affordability gap between incomes and average rents in various communities. A housing benefit would bring more working age adults into the workplace allowing communities to thrive while reducing welfare costs.

By helping to defray the high cost of housing for all low-income working age adults they would retain housing that they might otherwise lose. Many more would be able to live in the same communities in which they work. The benefit would also help provide new work incentives by paying benefits outside of the social assistance system in the same way as the successful Ontario Child Benefit. Furthermore, instead of segregating low-income households in neighbourhoods concentrated with social and subsidized housing, a portable housing allowance gives families greater opportunities to live in mixed income and more diverse

communities. Broadening the diversity of communities to include a wider range of social, economic and life experience backgrounds enhances social inclusion and fosters safer and healthier communities.

Portable housing allowances put much needed income directly in the hands of tenants while providing them with greater autonomy of choice for the community they want to live in. Therefore, OHBA recommends the province implement a broad-based portable housing allowance program.

Recommendation 2: Secondary Suites

The Ontario Home Builders' Association shares the Province's concerns regarding providing safe and affordable housing for all Ontario residents. Given the economic and fiscal challenges facing the Province of Ontario, we believe that allowing secondary suites in all communities should be a key component of a long-term affordable housing strategy. OHBA strongly supported amendments to the *Planning Act* (Schedule 2) in 2011 requiring municipalities to have policies within their Official Plans that authorize the use of a second residential unit and provide for there to be no appeal of a decision to adopt or approve the second unit policies. This was accomplished through the OHBA supported *Strong Communities Through Affordable Housing Act, 2011*. OHBA recommends that it is time to take the next logical step and allow for as-of-right secondary suites across Ontario.

Secondary suites are an important supply of rental housing in many cities, towns and rural communities across Ontario. For example, in 1998 CMHC estimated that there were about 100,000 secondary suites in the City of Toronto, forming about a fifth of the rental stock. Rents in secondary suites are often lower than in apartments in conventional rental buildings and the suites can be developed with no or minimal government assistance. Secondary suites enable low and moderate-income households to live in ground-related housing in a residential setting. Not only are secondary suites a source of affordable rental housing, they can also provide the needed extra income and security for first-time homebuyers to cover mortgage costs (thus enhancing housing affordability for home owners) or provide income for older households that no longer need a large house.

In 1994, Ontario municipalities were required by the province to permit secondary suites 'as-of-right'; however, that legislative requirement was rescinded in 1995 by the Progressive Conservative Government and it became up to individual municipalities to determine if accessory apartments were to be permitted and under what conditions. In 2011, amendments to the *Planning Act* improved access to secondary suites, but municipal policies continue to be inconsistent across Ontario, with many municipalities maintaining prohibitive barriers to secondary suites. OHBA is concerned that, primarily due to NIMBY pressures from ratepayers and intolerance towards the elderly, students, young renters and working-poor, that many municipalities have made secondary suites illegal in various areas of the municipality. It is the opinion of OHBA that this constitutes 'zoning-for-people' rather than 'zoning-for-use' and is a restrictive and discriminatory practice that limits housing affordability and choice for a significant proportion of Ontarians.

The province should consider secondary suites as a method to encourage affordability, social equity and intensification through the adaptive reuse of existing housing stock. Secondary suites also present an

opportunity to reduce the strain on the health care system when aging parents can move in with their children to provide them with security, care and privacy. While a secondary suite is usually created in a dwelling originally designed to accommodate a single family, builders can construct new houses with apartments included at the outset or houses that have the flexibility to easily be converted. Secondary suites offer a valuable avenue for the province to reach intensification goals through invisible/gentle density as well as improve home care opportunities while increasing the stock of affordable and rental housing.

This is a simple solution that will allow individual households across Ontario to take part in the Long-Term Affordable Housing Strategy by permitting as-of-right secondary suites. We believe that this is an equitable way of creating an additional supply of affordable housing, while also eliminating illegal accessory apartments that may be hidden and unsafe. Furthermore this is a broad based solution that will create more equity and choice for renter households by providing access to communities in which they were previously excluded from by discriminatory municipal by-laws.

Lastly, OHBA believes that other public policy objectives will be achieved by allowing affordable secondary suites where the elderly can age-in-place with care from their families and loved-ones rather than relying on public facilities. Furthermore, OHBA notes that a regulatory change requiring municipalities to permit 'as-of-right' secondary suites across Ontario would have virtually no cost to the provincial treasury. Therefore, OHBA recommends that the province require municipalities to permit 'as-of-right' secondary suites across Ontario as part of an updated Long-Term Affordable Housing Strategy.

Recommendation 3: Stop Regressive Taxation of Tenants

A significant factor affecting the affordability of rental housing in Ontario is the unfair and regressive municipal property tax treatment of tenants. Throughout Ontario, tenants pay property tax rates that are on average a couple of times higher than homeowners, yet, on average, they have half the incomes of homeowners. This is a significant social equity issue resulting in the lowest income people in Ontario being charged the highest property tax rates. The average multi-residential tenant in Ontario pays far more per month than they would if taxed at the same rate as owners. The inability of municipalities to deliver taxation equity to renters necessitates provincial government intervention. Numerous independent panels and commissions have stated that there is no justification for this inequity.

The effect of high property taxation on low income households is that Ontario has a massively regressive property tax system. Tenants pay the full cost of property taxes through their rent and it is important that the province take steps to ensure we have a socially equitable and progressive tax system. OHBA passed a resolution at our 2008 Annual Meeting of Members to stop the regressive taxation of tenants in Ontario. OHBA recommends the province take immediate steps to equalize residential and multi-residential property tax rates across Ontario.

Recommendation 4: Remove Unnecessary Government Imposed Costs and Barriers

Higher costs, increasing government taxation and restrictive government regulation have stretched out development project timelines and have made it increasingly difficult to supply housing at an affordable cost across Ontario. This has created an ever widening gap between the cost of housing and incomes for lower wage earners and for middle income earners. TD Economics has warned that, “rising costs have been instrumental in driving up average debt loads in the region, leaving households vulnerable to any unanticipated economic shocks”. OHBA strongly recommends the provincial government conduct a new comprehensive analysis to reduce, and potentially remove, unnecessary government-imposed costs and burdens to the supply of both market and affordable housing.

A growing body of research is finding that government-imposed barriers to housing supply can cause significant housing affordability problems. When housing supply is constrained, it stops the housing market’s natural housing/property ladder, which causes tremendous problems for both low-and-middle-income households. Currently in Ontario, taxes, charges and other government-imposed costs on new housing development discourage new supply. The planning and approval process for new ownership and rental housing development is excessively long and administratively burdensome. OHBA has previously expressed concerns that the planning approvals process is becoming a means to itself rather than a means to an end. Far too many projects take excessive amounts of time to move through the approvals process, thereby increasing both costs and risks.

Summary of Government Charges per New Home, Greater Toronto Area

Municipality	Low-Rise Development		High-Rise Development	
	Government Charges per Home	Estimated Value of Single-Detached Units ¹	Government Charges per Apartment	Estimated Value of New Condominium Apartment Units ²
Oakville / Halton Region	141,300	590,000	79,200	380,800
Brampton / Peel Region	133,500	490,000	64,500	289,500
Markham / York Region	147,700	600,000	77,800	368,900
Bradford West Gwillimbury / Simcoe County	83,000	410,000	47,600	250,600
Ajax / Durham Region	92,400	460,000	47,900	250,600
City of Toronto	101,000	540,000	66,900	406,900

¹ Value of single-detached units based on 2,000 square foot home on 36' foot lots

² Value of condominium apartments based on average price of apartment in building with 150 1-bedroom apartments 600 ft2 in size each, 125 1-bedroom + den apartments 710 ft2 in size each, 150 2-bedroom apartments 920 ft2 in size each, 50 2-bedroom + den apartments 1,180 ft2 in size each, and 25 3-bedroom apartments 1,310 ft2 in size each.

Source: Altus Group Economic Consulting

Source: Government Charges and Fees on New Homes in the GTA – Altus Group – July 2013

OHBA has a number of specific recommendations that fall under our broader recommendation to support housing affordability and choice by reducing unnecessary government-imposed costs and barriers:

Combat NIMBYism:

Local political opposition to new infill redevelopment interferes with and discourages much needed housing construction. OHBA is concerned that many affordable housing projects are often held up in the approvals process due to negative public reaction and discrimination during the community consultation process. Unfortunately, many local politicians are extremely sensitive to ratepayer criticism (NIMBYism) as it relates to affordable housing projects or market-based intensification projects that are typically more affordable than overall market averages (e.g. Toronto Star coverage of “Density Creep” where million-dollar homeowners expressed fear that proposed half-million dollar townhomes in their community would diminish property values).

The approvals process can be very problematic in terms of successfully bringing affordable product onto the market and OHBA is concerned that a number of proposed amendments to the *Planning Act* through Bill 73 will create additional uncertainty and added costs to the planning process. OHBA recommends the province undertake an ongoing public educational role to shift public attitudes in the long-term regarding affordable housing and infill development, maintaining a strong independent OMB, pre-zoning transit corridors, and streamlining the planning process.

Reduce / Eliminate Minimum Parking Standards:

Providing parking spaces isn't cheap, especially for mid-rise and high-rise developments. In denser areas, especially when underground parking is required, each space can cost in the range of \$30,000 to \$60,000. New developments are required by municipal by-laws to include a minimum number of parking spaces and the costs for accommodating parking are passed onto homebuyers or renters through higher purchase prices or rents.

Unfortunately the current parking requirements in many Ontario communities are not aligned with the characteristics of neighbourhoods nor with provincial policy. For example, in areas that are walkable or easily accessible by transit, residents are less likely to own a car and won't need parking, yet our members are still required to provide the same number of spaces as less location-efficient communities.

Mid-rise and high-rise homebuyers pay the most for their parking spaces, yet those types of housing are more likely to be more affordable than ground-oriented housing and be built in areas where a car is not a necessity. Furthermore, underground and structured parking creates significant ongoing costs — including maintenance, lighting and security — that residents have to pay even after the building is completed. The result is less affordable housing for everyone, but especially for those who choose homes in urban centres.

In a recent joint OHBA – Pembina Institute Report, “Make Way For Mid-rise”, both OHBA and Pembina Institute strongly recommended that minimum requirements for parking be removed. Our members would then be able to provide the appropriate number of parking spaces for a development given its character, location, walkability and transit access. As noted in our joint report, “providing less parking in places that don't need it reduces the costs of development — and that can shave \$50,000 off the cost of a unit. In addition to the financial savings, reducing parking requirements can also boost neighbourhood safety, walkability and connectivity.” Therefore, as

part of the Long-Term Affordable Housing Strategy, OHBA recommends that the province prohibit municipalities from requiring a minimum parking standard.

Planning and Building Permit Fee Grants:

Planning and Building Permit Fees are two of the many fees that add to the cost of housing. OHBA recommends that municipalities waive, eliminate or defer permit fees to reduce costs of bringing affordable housing projects to the market.

Maintain an independent OMB:

As commented on earlier, and in the OHBA Bill 73 submission, provincial policies and education should strive to eliminate the effect of NIMBYism as early as possible in the planning process. Unfortunately, there remain many examples where local politics trump good planning and the provision of affordable housing suffers. Therefore, OHBA continues to support a strong and independent role for the OMB in the land-use planning process.

Don't add new taxes:

OHBA is concerned by the ever increasing charges within the existing taxation regime and additional proposed taxes through amendments proposed in the *Development Charges Act* through Bill 73. OHBA is also concerned by other potential new taxes on housing through inclusionary zoning or through potential amendments to the *Municipal Act* to permit municipalities to levy local Land Transfer Taxes. OHBA is opposed to the continual **piling on of taxes on housing**.

 INDUSTRY FACT SHEET: BILD Government Charges on New Homes in Toronto	
Applicable Fees...	Since 2013...
Development Charges	DCs have increased by 52.2% for large apartments & 55.3% for small apartments
Education Development Charges	EDCs have increased by 54.6%
Planning Application Fees	Planning application fees have increased by 2.39%
Section 37	Section 37 contributions have increased by 2.4%
Building Permit Rates	Building permit rates have increased by 2.2%
CMHC Mortgage Insurance	CMHC payments have increased by 1.75 to 1.80%
Parkland Dedication	The parkland dedication formula has not changed, but contributions continue to rise alongside rising land prices
Land Transfer Tax	There has been no change in land transfer tax calculation, but amounts payable continue to rise alongside rising land prices
HST	There has been no change to the federal or provincial portion of HST, however HST payments continue to rise alongside rising land prices

Reduce Development Charges in Strategic Locations:

The province should utilize proposed authorities in the *Smart Growth For Our Communities Act* (Bill 73) to implement area-specific development charges within transit corridors and urban growth centres to establish lower development charges and support both housing affordability and intensification in strategic locations.

Support Brownfield Redevelopment:

The province should also review brownfields policies, incentives and tax policies as well as soil management policies to encourage brownfield redevelopment as a means to increase densities,

intensify in an affordable manner within existing communities, rehabilitate contaminated properties and utilize existing infrastructure in a more efficient manner.

Modernize Cash-in-Lieu of Parkland Dedication Policies

OHBA remains very concerned that some municipalities have excessive parkland dedication fees that continue to discourage affordable medium and high-density projects while curtailing housing affordability. The cash-in-lieu of parkland fees, often charged at the maximum allowable amount under the *Planning Act*, significantly adds to the cost of medium and high-density projects without drastically improving or adding park facilities within the area of the new development. As noted in the joint 2015 OHBA-Pembina Institute “Make Way For Mid-rise” report, the increased costs to builders are passed onto new home buyers which decreases the affordability of housing within Urban Growth Centres and intensification corridors.

Proposed amendments to the *Planning Act* regarding parkland dedication policies are a good first step and are supported by OHBA as they will support fairness for new residents of mid-rise and high-rise development while facilitating higher levels of intensification and more affordable transit-oriented development. The new modernized cash-in-lieu of parkland dedication policy proposed for the *Planning Act* (proposed by the *Smart Growth for Our Communities Act*, Bill 73, to shift to 1 ha per 500 dwelling units) will support intensification and density targets in the Provincial Policy Statement and the Growth Plan.

OHBA notes that municipalities have had the ability to create local parkland by-laws to support intensification and affordable housing projects, however very few have undertaken this initiative despite provincial encouragement. Municipalities should consider a ‘cap’ on the formula to put a ceiling on the maximum amount of parkland requirements obtained from a development, based on its size along a graduated threshold. Furthermore, where higher density developments provide affordable housing units, full exemptions from parkland dedication should be considered.

It is important that the proposed *Planning Act* amendment to improve housing affordability is not **undermined by the piling on of other taxes** through proposed amendments to the *Development Charges Act*, potential inclusionary zoning policies or a municipal land transfer tax. OHBA recommends a two-pronged approach to cash-in-lieu of parkland, the first being broad relief to support affordability and intensification across the housing market and, the second being, strategically targeted exemptions for affordable housing projects. As mentioned elsewhere in this submission, we should be working to ensure that transit-oriented communities be the most affordable and attractive communities for Ontario’s future residents and employers.

Modernize Infrastructure Standards:

To improve affordability, infrastructure standards and design criteria should be reviewed by the province to ensure they are modernized to acknowledge new conservation techniques and are built at appropriate capacity levels. Such a review could occur as part of the Ministry of the Environment and Climate Change’s Modernization initiative or the Ministry of Economic Development, Infrastructure and Employment’s Open for Business initiative. It is critical that proactive measures are taken by the province and municipalities to reduce the barriers to intensification and affordable housing.

Recommendation 5: Special Needs Housing

Housing market conditions are not the primary cause of housing challenges faced by the disabled, mentally ill, abused or many who are homeless. Any affordable housing strategy that hopes to assist those with the most severe housing challenges must address the issue of access to services for the disabled and lack of support programs for the mentally ill and victims of domestic abuse or drug addiction. The government must increase access to support services, and build special needs housing where support services can be integrated into the housing project. The Ontario government must provide stable accommodation and services for those with special needs, the chronically homeless and hard to house by ensuring that supportive housing is made the priority for new investments in housing supply and that special needs housing is attached to adequately funded support services

Recommendation 6: Leverage Assets, Unlock Land and Make Strategic Investments to Fix Existing Social Housing and Build New Affordable Housing

The capital shortfalls and infrastructure deficits faced by government-owned housing agencies throughout the province are well documented, with billions of dollars needed to just bring existing units in Ontario's social housing stock into a good state of repair. This is a daunting challenge, but OHBA believes that the provincial and municipal governments have significant assets that can be unlocked to leverage private sector investment.

The province should prioritize new capital investment towards rehabilitating Ontario's existing social stock to ensure that it is in a state of good repair. Any retrofits of existing stock should include investments in energy efficiency measures, as these will provide long-term operating savings and support climate change mitigation initiatives. Investments to repair Ontario's existing social housing stock will ensure more lower-income households are living in adequate, well-maintained dwellings.

Municipalities and the province should also leverage real estate holdings to spur private sector investment towards new affordable housing and for strategic investments to fix existing social housing stock. Many existing and aging social housing facilities are located on high-value real estate along transit and transportation corridors. Governments can leverage investment by selling lands or entering into public private partnerships to rebuild, retrofit or construct new social housing units that are integrated into a mixed income community with market units. For example, Metrolinx has recently issued RFQs to redevelop sites at a few Eglinton Crosstown stations and the Port Credit GO Station that could serve as a model to include affordable housing opportunities. Furthermore, working with partners in the private sector, the province should identify provincial and municipally-owned lands as well as lands owned by agencies,

boards and commissions within transportation corridors, downtowns and other strategic locations. These lands should be identified in a transparent manner through publically accessible open data system. These lands could also be leveraged through partnerships with the private sector to build affordable housing in livable, walkable, location-efficient communities.

OHBA believes that there are significant opportunities utilizing existing assets to support transit-oriented development in complete communities and to make these opportunities affordable to own or rent. Such opportunities require creative partnerships, but start with the identification of existing either surplus or under-utilized assets that could be maximized through investment in affordable housing. Government-owned land holdings are a valuable asset that can be used to leverage private sector funding and for targeted public sector affordable housing investments.

Recommendation 7: Pre-Zone Transit Corridors

OHBA is supportive of provincial policy objectives to support a diversity of housing and to support higher levels of intensification. Higher density communities typically offer better value for infrastructure investments, offer a healthier lifestyle by reducing auto dependence while promoting a broader mix of land uses and range of housing for different incomes. OHBA notes that the Provincial Policy Statement and the evolving housing market have created a paradigm shift in how communities are built today versus a decade ago. While the Provincial Policy Statement has been successful in promoting intensification and a wider range of housing types for different income levels, OHBA believes that the local Official Plans and Zoning By-Laws should be brought into better alignment with provincial policy to be much more effective in supporting urban development, while continuing to offer a variety of housing choices that people can afford.

Denser communities typically offer a wider range of transportation options, which supports affordability as individuals or families on a budget can choose to have only one car, or no car at all. Having local additional transportation options can significantly reduce household transportation costs which help to alleviate household budget pressures for housing. Properly zoning transportation corridors from the outset will create more certainty in the planning process, support intensification and enhance affordability. OHBA suggests that the review of the Long-Term Affordable Housing Strategy and the Co-ordinated Review of the Greenbelt and Growth Plans as well as the proposed *Smart Growth For Our Communities Act (Bill 73)* provides an opportunity to strengthen and better align public policies that will facilitate higher levels of intensification and a greater mix of housing in downtowns, growth centres and along transit corridors.

The challenge to increase densities and intensify development in a manner to support social equity and ensure people can afford to rent or purchase housing requires better alignment of financial and policy tools to support intensification from the province and municipalities. Transportation infrastructure investments by the province should be packaged with municipal implementation tools including pre-zoning and *Community Planning Permit Systems* to create certainty and investment-ready communities. The province should also ensure that transit-oriented, location-efficient communities remain affordable for people to purchase or rent housing and attract employers. The private sector will invest in transit-oriented

development along transit corridors, but we require better planning certainty to bring these communities forward in a more efficient and affordable manner. This requires an approach to “*take the politics out of planning*” through pre-designation and pre-zoning.

OHBA supports a land-use planning framework that is integrated with transportation infrastructure to create complete, investment-ready communities with transit supportive densities. It is critical that the province better align transportation planning and land-use planning to maximize limited resources and provide more housing and transportation options for residents. The provincial government is currently constructing the multi-billion-dollar “first wave” of Metrolinx projects, yet most municipalities have not updated and modernized **both** their Official Plans and Zoning By-Laws to support as-of-right, transit-oriented development along new/planned transit corridors, in new/planned Mobility Hubs and surrounding new/planned transit stations. OHBA believes that the “next wave” of Metrolinx’s “*Big Move*” projects including recent announcements in Mississauga/Brampton and Hamilton, as well as higher-order transit projects in Waterloo Region and the City of Ottawa, provide an opportunity to better align transit planning and land-use planning through **both** updated and modernized Official Plans and Zoning By-Laws to encourage as-of-right, transit-oriented development.

Everything that OHBA has discussed within this section speaks to align planning and planning tools to support infrastructure investment. It is critical that the province not undermine its own planning objectives through a misalignment of tax/fiscal policy. OHBA notes that location-efficient communities are already generally less affordable for people to purchase or rent housing. It is important that the province consider affordability to ensure our communities make the best use of key infrastructure and align tax/fiscal policy with planning policy. OHBA is concerned that other provincial initiatives such as *the Smart Growth For Our Communities Act* (Bill 73) or potential changes to the *Municipal Act* to allow local land transfer taxes will increase taxation in the very communities in which the province is trying to direct growth. OHBA recommends better alignment of provincial planning policy with local planning implementation tools through modernized zoning and pre-zoning transit corridors.

Recommendation 8: Streamline Planning Process For Affordable Housing

Ontario’s land-use planning framework is critical in supporting provincial goals for healthy, affordable and sustainable communities. OHBA believes that an efficient and predictable planning system will be supportive of provincial policy objectives to support a diversity of housing and to support higher levels of intensification. OHBA also believes and is supportive of strategic streamlining of planning approvals to support affordable housing projects.

OHBA has raised a number of concerns in our submission to the province with respect to the *Smart Growth For Our Communities Act*, that may result in unintended consequences that will increase planning process related costs for private development. OHBA suggests that the province must, not only, strategically target streamlining of the planning process for affordable housing projects, but also consider timing and cost implications for the entire planning system.

OHBA notes that the City of Toronto is piloting an “Open Door Initiative” as a declaration of the City’s urgent need to act to create more affordable housing. In addition to expanding financial incentives to reduce construction costs, one of the key components of the initiative is to fast-track the planning approvals process for qualifying sites/projects. OHBA and BILD will be watching this initiative closely as there may be opportunities replicate components and scale-up this initiative more broadly across other municipalities in Ontario.

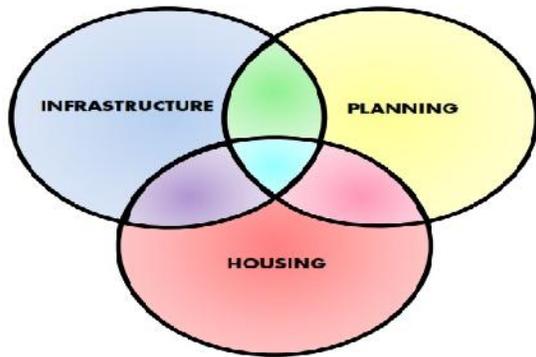
The province should work with municipalities to accelerate the land-use planning process so that the construction of affordable housing happens faster. Related to this recommendation is recommendation #7 to pre-zone appropriate lands in transit corridors which would also act as a policy adjustment to create certainty and streamline the planning process for affordable housing.

Recommendation 9: Implement Transportation Planning Policy Statement

OHBA strongly supports provincial investments to expand transit services across the Greater Golden Horseshoe, Ottawa, London and other maturing urban communities. Better linking transit and transportation investments with efficient land-use planning can help maximize the value of these investments and minimize environmental impacts. Furthermore, transit corridors are ideal locations to provide for a range and mix of housing opportunities including affordable housing.

While progress has been made over the past decade, too many existing and planned transit corridors are lined with low-density development and decades out-of-date planning permissions. There are positive examples of pre-zoning, such as the *Ion* corridor in Waterloo Region and some other half measures are being introduced in other corridors, through initiatives such as *Eglinton Connects* in the City of Toronto. However, OHBA strongly believes the province must take a far more assertive role to require pre-zoning and pre-designation of transit corridors *prior* to funds flowing to finance the construction of higher-order transit lines. That means a stronger pro-active approach to ensure intensification occurs in the right places along transit lines through the declaration of a provincial interest in achieving enhanced levels of intensification via a Transportation Planning Policy Statement (TPPS).

OHBA is very supportive of the 2015 Ontario Budget commitments to increase transit infrastructure funding over the next decade in the GTA to approximately \$16 billion including significant enhancements to GO Transit service and the construction of the Hurontario – Main LRT and the Hamilton LRT. OHBA strongly recommends that the provincial government take the next step and declare a provincial interest in achieving higher levels of intensification on these transit corridors through a TPPS, and furthermore, require pre-zoning or a *Community Planning Permit System* in corridors. Establishing land-use planning certainty to require minimum densities along future transit corridors should be a key outcome of the co-ordinated reviews and upcoming review of the Metrolinx *Big Move*.



OHBA notes that a Transportation Planning Policy Statement could be structured to support and align key provincial objectives related to infrastructure planning, land-use planning and housing in strategic transportation corridors. A Transportation Planning Policy Statement in combination with other planning and financial tools provides for the opportunity to construct a range and mix of medium and high density housing including affordable housing in these strategic transportation corridors.

OHBA notes that under Sec 31.1 of the *Metrolinx Act*, “The Minister may issue policy statements that have been approved by the Lieutenant Governor in Council on matters relating to transportation planning in the regional transportation area.” And that the Minister’s Transportation Planning Policy Statement (TPPS) must [Sec 31.1 (2) (c)], “ensure that the transportation planning policy statement is in alignment with the Growth Plans prepared and approved under the *Places to Grow Act* applicable in the regional transportation area.” And furthermore, [Sec 31.1 (4)], “A decision under the *Planning Act* or the *Condominium Act, 1998* made by a municipal council, local board, minister of the Crown or ministry, board, commission or agency of the Government of Ontario, including the Ontario Municipal Board, that applies in the regional transportation area shall be consistent with the designated policies set out in a transportation planning policy statement.” OHBA passed a resolution at our 2014 Annual Meeting of Members resolving that the Minister of Transportation commence consultations with stakeholders to implement a Transportation Planning Policy Statement (TPPS) that would apply to higher-order transit corridors across Ontario.

In a November 23, 2011 report on Metrolinx Land Use Planning Authority at Mobility Hubs and GO Stations by Metrolinx Vice President Leslie Woo, it was recommended to “exercise the authority already provided under the *Metrolinx Act*, for a Transportation Planning Policy Statement”. The report further notes that the Ministry of Transportation could develop a TPPS to support Mobility Hub objectives including policies that:

- Encourage development at Mobility Hubs (e.g. location of office development / municipal & provincial buildings);
- Encourage municipalities to provide incentive programs for development at Mobility Hubs (e.g. density bonusing, fast track reviews, development charge exemptions, remediation grants, density transfers, community improvement plans);
- Require municipalities to develop specific plans (e.g. secondary plans) for Mobility Hubs and GO Station areas using the Mobility Hub Guidelines; and
- Require municipalities to develop travel demand management measures (e.g. parking maximums) to increase attractiveness for transit supportive development.

The TPPS should be structured to require municipal Official Plans and Zoning By-Laws to be in conformity with the TPPS and allow appropriate as-of-right, transit-oriented development on transit corridors and surrounding new/planned transit stations. OHBA strongly believes that achieving higher densities on transit corridors will also support provincial objectives to achieve a range and mix of housing, including affordable housing.

Recommendation 10: Tower Renewal

There are nearly 2,000 apartment towers in the Greater Toronto Area that provide shelter to nearly one million people. These towers comprise roughly 20 per cent of Toronto's total housing supply. However, most were built between 1950 and 1970 and require significant upgrades and investment. Beyond these aging towers in the GTA, there are hundreds of similar apartment towers in Hamilton, Ottawa, London, Waterloo Region and other Ontario communities built during the same era.

OHBA is supportive of the Tower Renewal Project as an innovative venture aimed at retrofitting aging, post-war apartment tower clusters into vibrant, socially and economically viable urban communities. This is an innovative example of leveraging existing but aging private sector assets to create new housing opportunities, reduce greenhouse gas emissions and revitalize vulnerable communities. There is also a role for government to support tower renewal including, funding programs and proactive rezoning. OHBA notes that, thanks to the widespread application of single-use zoning, commercial activity in and around the majority of these towers has either been non-existent or operating illegally. Furthermore, rezoning these sites attracts investment for new housing opportunities in addition to retrofitting the aging towers themselves.

The Tower Renewal vision has three facets:

- Energy retrofits of existing buildings to reduce carbon emissions and provide greater efficiencies;
- Social investments to support local economics and enhance the liveability for residents and their communities;
- Re-urbanization and redevelopment of the neighbourhood to add density, a healthy mix of use, and better activated green space.

OHBA notes that the Tower Renewal Partnership (Evergreen CityWorks, in partnership with the Centre for Urban Growth and Renewal and DKGI) have undertaken a number of case-studies and are also working with Transolar and Finn Projects to determine the environmental sustainability and feasibility of the tower retrofit and on the social front, Graser Enterprises is working on the Community Benefits Agreement. OHBA is supportive of these efforts to unlock the vast potential of existing, aging tower communities not only in the GTA, but right across Ontario.

Recommendation 11: Inclusionary Zoning – Not the Answer

OHBA is opposed to granting municipalities the planning authority to require inclusionary zoning. The intention to create additional units of affordable housing is honourable and desirable. However, the unintended consequence of inclusionary zoning is to **pile on another tax onto new housing** and, therefore, make the rest of the housing stock less affordable for Ontarians. We strongly believe this misguided policy

would essentially shift the responsibility for housing low-income families from the larger tax base to new home buyers.

OHBA believes that there continues to be confusion as to the definition of 'inclusionary zoning'. From the perspective of the residential construction industry, inclusionary zoning refers to municipal policies that require the provision of 'subsidized housing' as part of larger residential developments. Private sector obligations towards subsidized 'affordable housing' required by such policies can take the form of land, housing units and/or cash-in-lieu depending on the design of the policy. Some stakeholder groups advocate for inclusionary zoning as a means to create "free affordable housing units"; however, these units are anything but free. The additional cost requirements would, in turn, be passed onto the rest of the purchasers or tenants in the residential development through higher rents or purchase prices. Thus inclusionary zoning is a policy that creates affordable housing units by making the rest of the housing units in a given project less affordable.

In jurisdictions where inclusionary zoning policies are implemented, some low income households would be permitted to move into new housing at below market prices. However, the remaining inventory of market units that are subsidizing the below market units would experience house price or rent increases. That reduces the overall supply of new homes and blocks the ability of individuals and families from moving up the housing ladder. This would block the ability to move on from existing dwellings and thus freeing up existing supply for another resident. Inclusionary zoning would make housing less affordable for most households.

Through the Provincial Policy Statement, the Greenbelt, the Growth Plan for the Greater Golden Horseshoe, Metrolinx' Regional Transportation Plan and numerous other initiatives and policies implemented by the provincial government over the last several years, there are clearly defined goals and objectives related to urban environmental sustainability, intensification and expectations for a more urban morphology. OHBA recognizes that density bonusing has been advanced as a fair 'trade-off' or 'compensation' for the provision of affordable housing units. However, inclusionary zoning policies based on density bonusing would suggest that in order to achieve the desired urban forms and densities outlined in provincial policy, new development should cover the costs of a 'social' subsidy and therefore may jeopardize the desired urban form.

Furthermore, rather than encouraging intensification through as-of-right zoning and/or other supportive municipal planning policies, OHBA is concerned that inclusionary zoning policies will encourage municipalities to intentionally 'under-zone' lands so as to create restrictions on densities that can only be unlocked in exchange for housing units, land or cash-in-lieu payments. OHBA has very strong reservations that such a density bonusing tool would work at cross purposes with our recommendations through the Co-ordinated Review consultation (EBR 012-3256) and the *Smart Growth For Our Communities Act* consultation (EBR 012-3651) to modernize zoning standards to encourage complete communities and to support appropriate intensification.

In cases where the municipal-base zoning is actually at an appropriate level, increasing densities as a bonus for affordable housing units beyond infrastructure capacities is also a cause for concern. Additional density, in some circumstances, may not necessarily be a benefit to the development proponent, municipality or community as it may yield negative external residual effects. This situation of underzoning is problematic as municipalities should be zoning for the appropriate density and urban form in the first place, based on sound planning practices and supporting infrastructure. Zoning restrictions should not be

utilized as a bargaining tool for municipalities to gain subsidized housing units or cash-in-lieu of housing units. While inclusionary zoning may support specific social policy objectives funded by a hidden tax on new housing, OHBA is very concerned that the sustainable land-use objectives of the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe could be compromised.

As other sources of local funding are limited or are cut back due to budgetary restraints, some housing activists are viewing inclusionary zoning policies as an untapped source of 'free money' for affordable housing. OHBA notes that someone always pays, and this planning tool is essentially a hidden tax on new housing. If municipalities and the province support subsidized housing as a societal goal, then the cost should be shared by the community at large or through creative partnerships between public and private sector actors. OHBA is therefore opposed to inclusionary zoning.

Conclusion

The Ontario Home Builders' Association shares the province's goals regarding providing safe, healthy and affordable housing for all Ontario residents. As Minister McMeekin noted at the Minister's Forum for Affordable Housing and the Private Sector in November 2014, "decent housing is more than shelter, it provides stability security and dignity. It plays a key role in reducing poverty and building strong communities." We couldn't say it better ourselves and we share in the goal to create the conditions to enhance affordability while encouraging a greater diversity of housing choices across Ontario.

There are fiscally responsible ways of addressing affordable housing problems, and creative options that encourage private sector participation rather than **creating obstacles or piling on new taxes**. In updating the long-term affordable housing strategy the Ontario Government should pursue a wide range of policies that improve housing supply, reduce construction/planning costs and alleviate poverty levels.

OHBA is concerned that instead of making transit-oriented communities more affordable to attract the necessary population and employment to support the long-term viability of transit operations, **that taxes continue to be piled on and only serve to undermine the affordability of these new transit-oriented communities**. OHBA continues to see governments and government agencies undermine affordability in their drive for short-term revenue instead of supporting long-term community-building objectives by ensuring that we are building homes and employment centres that people can afford. The current debate on the proposed *Smart Growth For Our Communities Act* continues to be focused on how municipalities can generate more new neighbour taxes (taxes, levies, fees) instead of achieving smart growth objectives. OHBA continues to advocate for fairness and transparency for new neighbours, and neither Bill 73, nor inclusionary zoning policies or potential new land transfer taxes through amendments to the *Municipal Act*, can result in a further **piling on of taxes on the backs of future renters or home purchasers**. The Government of Ontario has a responsibility to ensure that the Long-Term Affordable Housing Strategy is not undermined by more taxation and financial burdens on housing. Transit-oriented communities should be the most affordable and attractive communities for Ontario's future residents and employers.

The residential construction industry is a crucial private sector partner in the delivery of affordable housing. Our members in many cases are responsible for the construction and delivery of affordable housing



projects across the province and are responsible for market based solutions to affordable housing for the mid-to-low market. OHBA is concerned that this role is becoming increasingly difficult due to barriers in housing supply, approvals process, increased regulations and taxes, fees and charges.

We are supportive of a Long-Term Affordable Housing Strategy that reduces barriers to new housing supply, includes a portable housing allowance program, permits as-of-right secondary suites and targets strategic investments to rehabilitate existing social housing stock and unlock the potential to build new affordable housing. OHBA looks forward to continuing to work with the Ontario Government in the development and delivery of an updated Long-Term Affordable Housing Strategy.

APPENDIX

Inclusionary Zoning – Not the Answer



Ontario
Home Builders'
Association

Political Context

- The Provincial Government has conducted a *Long-Term Affordable Housing Strategy* consultation to provide a framework vision, principles and goals for affordable housing in Ontario for the next 10 years.

What is Inclusionary Zoning?

- “Inclusionary zoning” refers to municipal policies that require provision of ‘affordable housing’ as part of a larger residential development.
- Private sector obligations toward subsidized housing required by such policies can take the form of land, housing units and/or cash-in-lieu, depending on the design of the policy.

Logistical Considerations

- In most cases, it is necessary for government to provide incentives or compensation to developers to ensure that housing projects are financially feasible.
- Inclusionary zoning can cause the average price of new homes across the market in certain jurisdictions to increase, therefore reducing housing affordability and reducing the overall supply of new housing.
- Inclusionary zoning asks homebuyers (or renters) to bear the cost of a social subsidy. The policy is inequitable as a narrow segment of society would bear the cost of a social initiative which should be spread across all taxpayers. Furthermore, the housing market will be skewed to favour resales that don’t carry this extra cost burden.
- The cost of this subsidy will reduce the economic return on a new housing to the extent that it would be unlikely to proceed, unless the developer is able to:
 - Pass the cost along to the buyers of market units within the development which reduces affordability; or else
 - Receive significant compensation from government in the form of cash grants and/or other concessions such as height or density bonuses.
- Inclusionary zoning may also be problematic from a resale perspective. How will the appreciation in value be managed at the time of resale? Will the house remain as ‘affordable housing stock’?
- Some jurisdictions with inclusionary zoning policies allow (or require) developers to provide their inclusionary zoning obligations in the form of cash-in-lieu. This is an additional new development charge.
- Both publicly funded or privately funded assisted housing will have impacts on land supply and costs as well as oftentimes a difficult journey through the planning process due to neighbourhood opposition for ‘affordable housing’.

Consequences of Inclusionary Zoning

- **Housing provision** – If inclusionary zoning policies without adequate compensation are introduced, threatening the feasibility of new housing developments, then, ultimately, housing shortages will emerge.
- **Housing affordability** – When new home buyers (or renters) have to bear the cost of a subsidy, this has negative repercussions on housing affordability for market units. This is a band-aid solution that is essentially a hidden tax on new home buyers.
- **Density** – If the policy makes large higher-density projects less feasible, then shortages of higher density housing may emerge in the long term.

Alternatives to Inclusionary Zoning

- Require municipalities to permit ‘as-of-right’ secondary suites across Ontario;
- Remove government imposed cost and regulatory barriers to the supply of land and new housing which constrain housing opportunities for lower income households;
- Create a long-term portable housing allowance program to provide immediate assistance to low income households who have housing affordability problems;
- Stop the regressive taxation of tenants by equalizing residential and multi-residential property tax rates across Ontario;
- Address homelessness by focusing on special needs housing and services for the truly needy and integrating enhanced support services within housing projects;
- Make strategic investments to repair and upgrade Ontario’s existing social housing stock.

OHBA represents
4,000 member
companies organized
into a network
of 29 local
associations across
the province.

Together we build
80% of the
new housing in
Ontario.

Ontario by the Numbers:

3.2 million households

1.3 million renters

**260,000 renters in
social housing**

**33,000 receiving rent
subsidies**

**6,000 using shelters
daily**

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Ontario
Home Builders'
Association

Long-Term Affordable Housing Strategy Submission

December 2009



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EXECUTIVE SUMMARY

OHBA commends the province of Ontario for its public commitment to expand opportunities for those living in poverty, and to reduce poverty. We recognize that a comprehensive poverty reduction strategy should include a number of inter-related government policies, programs, and potential initiatives including a long-term affordable housing strategy that will have to be multifaceted in its approach to a complex issue.

To be effective, a long-term affordable housing and poverty reduction strategy for Ontario must focus its scarce resources on the primary sources of housing affordability problems: the inadequate incomes of many core need households who already have suitable and adequate housing; government barriers to housing supply (i.e. secondary suites); and the unfavourable tax treatment of low-income renters. Government affordable housing policies will undoubtedly, as they have in the past, include core investments in social housing. These investments, however, should be strategic and focus on bringing the existing supply to a state of good repair with a focus on energy efficiency, and providing suitable housing for those with special needs housing not already provided by the marketplace. Social housing investments must be complemented by other policies that work to reduce government barriers to supply and focus on the root causes of housing affordability problems related to poverty and income disparity.

OHBA appreciates the opportunity to present our views and recommendations to the government. We are hopeful that these positive and constructive recommendations will assist and inform the province in developing a long-term affordable housing strategy.

INTRODUCTION

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 member companies, organized through 29 local associations across the Province. Our membership is made up of all disciplines involved in residential construction including builders, land developers, renovators, manufacturers, suppliers, mortgage lenders, apartment owners, economists, planners, architects, engineers and lawyers. The residential construction industry employs over 325,000 people and contributed over \$36 billion to the Province's economy in 2008. From furniture and appliance manufacturers to moving companies and paint stores, the new home construction and renovation industries indirectly contribute to the economic well-being of numerous related businesses and professions.

One of OHBA primary goals is to positively affect provincial legislation, regulatory policy and tax policies that concern the industry. OHBA is a strong supporter of policies that will ensure affordability and choice in housing for the citizens of Ontario. Our comprehensive examination of issues and recommendations are guided by the recognition that choice and affordability must be balanced with broader social, economic and environmental issues.

KEY RECOMMENDATIONS

The Provincial Government has committed to a poverty reduction strategy and a Long-Term Affordable Housing Strategy consultation is near complete. OHBA is pleased to submit our key recommendations for a long-term affordable housing strategy:

- Create a long-term portable housing allowance program to provide immediate assistance to low income households who have housing affordability problems;
- Require municipalities to permit 'as-of-right' secondary suites across Ontario;
- Stop the regressive taxation of tenants by equalizing residential and multi-residential property tax rates across Ontario;
- Remove government imposed cost and regulatory barriers to the supply of land and new housing which constrain housing opportunities for lower income households;
- Address homelessness by focusing on special needs housing and services for the hard-to-house and integrating enhanced support services within housing projects;
- Make strategic investments to fix Ontario's existing social housing stock;

LONG-TERM AFFORDABLE HOUSING STRATEGY

Create a long-term portable housing allowance program

There is ample evidence that housing affordability problems in Ontario are primarily an income issue. An income subsidy for vulnerable households in the form of a housing allowance would immediately enable low income households to afford rental housing accommodation of their choice. It instantaneously makes housing more affordable. Given the government's commitment to set targets and measure success in tackling poverty, a portable housing allowance will have tremendous advantages.

Housing allowances are the least costly affordable housing program and can also reduce social housing waiting lists. When designed properly, housing allowances promote fairness, equity, more autonomy for low income households and have improved labour mobility characteristics. Low incomes are the primary cause of housing affordability problems, therefore increasing incomes through a broad, long-term housing allowance program should be adopted as part of Ontario's affordable housing and poverty reduction strategy.

OHBA recommends the province consider a housing benefit that will help low-income working-age renters with high shelter-to-income burdens in communities across Ontario, particularly in the Ottawa and Greater Toronto Areas where rents are higher. A carefully targeted, fiscally responsible housing allowance program would add a necessary affordable housing component to a Poverty Reduction Strategy. Unlike other provinces, the only permanent housing benefit provided in Ontario is paid exclusively to social assistance recipients. The *working poor* do not get any on-going help to cover the cost of their housing. This acts as a barrier to employment, making the transition from social assistance to the labour market very difficult.

Many low-income workers cannot afford to live and work in the same community. They have to travel long distances across multiple transit systems to get to work. This places unnecessary strain on both our transit system and families. Others simply cannot take available work because they cannot afford to live close enough to their job or cannot afford the cost of transportation. Ongoing welfare costs can be reduced by repurposing a poorly targeted welfare program and implementing a highly targeted housing benefit based on the affordability gap between incomes and average rents in various different communities. A housing benefit would bring more working age adults into the workplace allowing communities to thrive while reducing welfare costs.

By helping to defray the high cost of housing for all low-income working age adults they would retain housing that they might otherwise lose. Many more would be able to live in the same communities in which they work. The benefit would also help provide new work incentives by paying benefits outside of the social assistance system in the same way as the successful Ontario Child Benefit.

Instead of segregating low-income households in neighbourhoods concentrated with social and subsidized housing, a portable housing allowance gives families greater opportunities to live in mixed income and more diverse communities. Broadening the diversity of communities to include a wider range of social, economic and life experience backgrounds enhances social inclusion and fosters safer and healthier communities.

Housing allowances put much needed income directly in the hands of tenants while providing them with greater autonomy of choice for the community they want to live in. Therefore OHBA recommends the province implement a broad based portable housing allowance program.

Secondary Suites

The Ontario Home Builders' Association shares the Province's concerns regarding providing safe and affordable housing for all Ontario residents. Given the economic and fiscal challenges facing the Province of Ontario, we believe that allowing secondary suites in all communities should be a key component of a long-term affordable housing strategy.

Secondary suites are an important supply of rental housing in many cities, towns and rural communities across Ontario. For example, in 1998 it was estimated by CMHC that there were about 100,000 secondary suites in the City of Toronto, forming about a fifth of the rental stock. Rents in secondary suites are often lower than in apartments in conventional rental buildings and the suites can be developed with no or minimal government assistance. Secondary suites enable low and moderate-income households to live in ground-related housing in a residential setting. Not only are secondary suites a source of affordable rental housing, they can also provide the



needed extra income and security for first time homebuyers or for older households that no longer need a large house.

In 1994, Ontario municipalities were required by the province to permit secondary suites 'as-of-right'; however, that legislative requirement was rescinded in 1995 by the P.C. Government and it is now up to individual municipalities to determine if accessory apartments will be permitted and under what conditions. OHBA is concerned that primarily due to NIMBY pressures from ratepayers and intolerance towards the elderly, students, young renters and working-poor, that many municipalities have made secondary suites illegal. It is the opinion of OHBA that this constitutes 'zoning-for-people' rather than 'zoning-for-use' and is a restrictive and discriminatory practice that limits housing affordability and choice for a significant proportion of Ontarians.

The province should consider secondary suites as a method to encourage both affordability and intensification through the adaptive reuse of existing housing stock. Secondary suites also present an opportunity to reduce the strain on the health care system when aging parents can move in with their children to provide them with security, care and privacy. While a secondary suite is usually created in a dwelling originally designed to accommodate a single family, builders can construct new houses with apartments included at the outset or houses that have the flexibility to easily be converted. Secondary suites offer a valuable avenue for the province to reach intensification and health care goals while increasing the stock of affordable and rental housing.

This is a simple solution that will allow individual households across Ontario to take part in a long-term affordable housing strategy by permitting secondary suites. We believe that this is an equitable way of creating a new supply of affordable housing, while also eliminating illegal accessory apartments that may be hidden and unsafe. Furthermore this is a broad based solution that will create more equity and choice for renter households by providing access to communities in which they were previously excluded from by discriminatory municipal by-laws.

Lastly, OHBA believes that other public policy objectives will be achieved by allowing affordable secondary suites where the elderly can age-in-place with care from their families and loved-ones rather than relying on public facilities. A regulatory change requiring municipalities to permit 'as-of-right' secondary suites across Ontario would have virtually no cost to the provincial treasury while providing for more equity and choice for renter households and give them access to communities in which they were previously excluded from by discriminatory municipal by-laws. Therefore OHBA recommends that the province require municipalities to permit 'as-of-right' secondary suites across Ontario as part of a *Long-Term Affordable Housing Strategy*.

Stop the Regressive Taxation of Tenants

The single biggest factor affecting the affordability of rental housing in Ontario is the unfair and regressive municipal property tax treatment of tenants. Throughout Ontario, tenants pay property tax rates that are on average 2.7 times higher (Toronto has a rate 3.6 times higher) than homeowners, yet, on average, they have half the incomes of homeowners. This results in the lowest income people in Ontario being charged the highest tax rates. The average multi-residential tenant in Ontario pays \$77 more per month than they would if taxed at the same rate as owners. The inability of municipalities to deliver taxation equity to renters necessitates provincial government intervention. Numerous independent panels and commissions have stated that there is no justification for this inequity.

The effect of high property taxation on low income households is that Ontario has a massively regressive property tax system. If tenants were charged the same tax rate as homeowners they would save \$77 a month on average on rent – that is \$924 in annual property tax savings. Tenants pay the full cost of property taxes through their rent. Therefore OHBA recommends the province take immediate steps to equalize residential and multi-residential property tax rates across Ontario.

Remove government-imposed cost and regulatory barriers to the supply of land and housing

A growing body of research is finding that barriers to housing supply cause the greatest housing affordability problems – not a lack of social housing programs or other affordable housing programs. When supply is constrained, it stops the housing market's natural filtering process, which causes tremendous problems for low-income households.

Currently in Ontario, taxes, charges and other government imposed costs on new private housing development discourage new supply. The planning and approval process for new ownership and rental housing development is excessively long and administratively burdensome. OHBA is concerned that the planning approvals process is becoming a means to itself rather than a means to an end. Far too many projects take excessive amounts of time to move through the approvals process, thereby increasing both costs and risks.

Local political opposition to new infill redevelopment interferes with and discourages much needed housing construction. OHBA is concerned that many 'affordable housing' projects are often held up in the approvals process due to negative public reaction during the community consultation process. Unfortunately, many local politicians are extremely sensitive to ratepayer criticism (NIMBYism) as it relates to affordable housing projects or market based intensification projects that are typically more affordable than overall market averages. The approvals process can be very problematic in terms of successfully bringing affordable product onto the market.



Therefore the province must provide clear direction to municipalities to ensure an adequate land supply continues to be available for development along with guarding against excessive municipal taxes, fees and in particular, development charges that can impede housing affordability. The province must also reduce barriers and encourage the construction of new purpose-built rental housing. Furthermore provincial direction should strive to eliminate the effect of NIMBYism as early as possible in the planning process. The province must ensure that the OMB continues in a strong and important role in reviewing local decisions against the provincial interest. Lastly the province has an educational role to shift public attitudes in the long-term regarding affordable housing and infill development.

Address homelessness by focusing on special needs housing and services for the hard-to-house

Housing market conditions are not the primary cause of housing challenges faced by the disabled, mentally ill, abused or many who are homeless. Any affordable housing strategy that hopes to assist those with the most severe housing challenges must address the issue of access to services for the disabled and lack of support programs for the mentally ill and victims of domestic abuse or drug addiction. The government must increase access to support services, and build special needs housing where support services can be integrated into the housing project. The Ontario government must provide stable accommodation and services for those with special needs, the chronically homeless and hard to house by ensuring that supportive housing is made the priority for new investments in housing supply and that special needs housing is attached to adequately funded support services

Make strategic investments to fix Ontario's existing social housing stock

The capital shortfalls and infrastructure deficits faced by government-owned housing agencies throughout the province are well documented, with almost \$3 billion alone needed to just bring the over 200,000 plus units in Ontario's social housing stock into a good state of repair.

Before any new capital investment is made in the construction of new social housing, rehabilitating Ontario's existing social stock to ensure that it is in a state of good repair should be the priority of any new capital funding. Any retrofits should include investments in energy efficiency measures, as these will provide long-term operating savings and support the environment. Investments to repair Ontario's existing social housing stock will ensure more lower-income households are living in adequate, well-maintained dwellings.

Municipalities and the province should also leverage real estate holdings to spur private sector investment towards new affordable housing and for strategic investments to fix existing social housing stock. Many existing and aging social



housing facilities are located on high value real estate. Governments can leverage investment by selling lands or entering into public private partnerships to rebuild, retrofit or construct new social housing units that are integrated into a mixed income community with market units. Furthermore, tax incentives could encourage the renovation and rehabilitation of privately owned rental housing stock. Government owned land holdings are a valuable asset that can be used to leverage private sector funding and for targeted public sector affordable housing investments.

INCLUSIONARY ZONING - NOT THE ANSWER

There continues to be confusion as to the definition of 'inclusionary zoning'. From the perspective of the residential construction industry, inclusionary zoning refers to municipal policies that require the provision of 'affordable housing' as part of larger residential developments. Private sector obligations towards subsidized 'affordable housing' required by such policies can take the form of land, housing units and/or cash-in-lieu depending on the design of the policy. These additional cost requirements would in turn be passed onto the rest of the purchasers or tenants in the residential development through higher rents or purchase prices.

OHBA is opposed to granting municipalities the planning authority to require inclusionary zoning. The intention to create additional units of affordable housing is honourable and desirable. However, the unintended consequence of inclusionary zoning is to add another tax and therefore make the rest of the housing stock less affordable for Ontarians. We strongly believe this misguided policy would essentially shift the responsibility for housing low-income families from the larger tax base to new home buyers.

In jurisdictions where inclusionary zoning policies are implemented, some low income households would be permitted to move into new housing at below market prices. However, the remaining inventory of market units that are subsidizing the below market units would experience significant house price increases. That reduces the overall supply of new homes and blocks the filtering effects of moves from existing dwellings. Inclusionary zoning would make housing less affordable for most households.

Through the Provincial Policy Statement, the Greenbelt, the Growth Plan for the Greater Golden Horseshoe, Metrolinx' Regional Transportation Plan and numerous other initiatives and policies implemented by the provincial government over the last few years, there are clearly defined goals and objectives related to urban environmental sustainability, intensification and expectations for a more urban morphology. OHBA recognizes that density bonusing has been advanced as a fair 'trade-off' or 'compensation' for the provision of affordable housing units. However, inclusionary zoning policies based on density bonusing would suggest that in order to achieve the desired urban forms and densities, new development should cover the costs of a 'social' subsidy and therefore may jeopardize the desired urban form.



Furthermore, rather than encouraging intensification through as-of-right zoning and/or other supportive municipal planning policies, OHBA is concerned that inclusionary zoning policies will result in municipalities 'under-zoning' lands so as to create restrictions on densities that can only be unlocked in exchange for housing units, land or cash-in-lieu payments. In cases where the zoning is appropriate, increasing densities as a bonus for affordable housing units beyond infrastructure capacities is also a cause for concern. Additional density isn't necessarily beneficial to the development proponent, municipality or community. This situation is problematic as municipalities should be zoning for the appropriate density and urban form in the first place based on sound planning practices and supporting infrastructure. Zoning restrictions should not be utilized as a bargaining tool for municipalities to gain subsidized housing units or cash-in-lieu of housing units. While inclusionary zoning may support specific social policy objectives funded by a hidden tax on new housing, OHBA is very concerned that the sustainable land-use objectives of the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe could be compromised.

As other sources of local funding are limited or are cut back due to budgetary restraints, some housing activists are viewing inclusionary zoning policies as an untapped source of 'free money' for affordable housing. OHBA notes that someone always pays and this planning tool is essentially a hidden tax on new housing. If municipalities and the province support subsidized housing as a societal goal, then the cost should be shared by the community at large.

CONCLUSION

The Ontario Home Builders' Association shares the Province's concerns regarding providing safe and affordable housing for all Ontario residents. There are fiscally responsible ways of addressing affordable housing problems, and options that encourage private sector participation rather than creating obstacles. In developing a long-term affordable housing strategy the Ontario Government should pursue a wide range of policies that improve supply, assist demand and alleviate poverty levels.

The residential construction industry is a crucial private sector partner in the delivery of affordable housing. Our members in many cases are responsible for the construction and delivery of affordable housing projects across the province and are responsible for market based solutions to affordable housing for the mid-to-low market – which is becoming increasingly difficult due to barriers in land supply, approvals process, increased regulations and taxes, fees and charges.

We are supportive of a long-term affordable housing strategy that reduces barriers to new housing supply, includes a portable housing allowance program, permits as-of-right secondary suites and targets strategic investments to repair and rehabilitate existing social housing stock and for special needs housing that the private sector is unable to adequately accommodate. OHBA looks forward to continuing to work with the Ontario Government in the development and delivery of a long-term affordable housing strategy.

RESOLUTION # 1 (External)

Submitted to: Premier of Ontario
Minister of Public Energy and Infrastructure
Minister of Municipal Affairs and Housing
Hon. Deb Matthews, Chair Cabinet Committee on Poverty Reduction

Submitted by: Land Development Committee

Date: September 22, 2008

Subject: Inclusionary Zoning

Whereas: Inclusionary zoning would require any new development to sell a percentage of units at below market prices to lower-income families. The ultimate impact of this policy is that the remaining 'market' units would subsidize the below market unit resulting in much higher sales prices for the market units which creates an affordability issue; and

Whereas: Inclusionary zoning policies may support the construction of a number of below-market units, however the remaining inventory of market units that are subsidizing the below-market units would experience significant price increases; and

Whereas: The intention to create additional units of affordable housing is honourable, the unintended consequence of inclusionary zoning is to make the rest of the housing stock less affordable for Ontarians; and

Whereas: This policy would essentially shift the responsibility for housing low-income families from taxpayers to new home buyers; and

Whereas: Inclusionary zoning policies would have to include the creation of a bureaucracy to decide who gets to purchase the 'affordable home'. Inclusionary zoning policies would also create a system to determine what percentage of the increased value of a home the buyer would receive if they decided to move and once again decide who gets to buy the affordable resale unit; and

Whereas: Inclusionary zoning has similar characteristics as a development charge in that the policy will have the effect of increasing the cost of a new housing unit in a municipality for a cost that should be covered by the province; and

Whereas: Housing affordability is a complicated issue that transcends municipal boundaries and not a policy area that can be solved on a site by site basis;

Therefore be it resolved that: the province prohibits municipalities from proceeding with inclusionary zoning policies; and

Therefore be it further resolved that: The province implement the recommendations of the attached BILD-OHBA Joint Housing Industry Submission on Poverty Reduction and Affordable Housing;

- Remove government imposed cost and regulatory barriers to the supply of land and new housing which constrain housing opportunities for lower income households;
- Create a long-term portable housing allowance program to provide immediate assistance to low income households who have housing affordability problems;
- Stop the regressive taxation of tenants by equalizing residential and multi-residential property tax rates across Ontario;
- Address homelessness by focusing on special needs housing and services for the hard-to-house and integrating enhanced support services within housing projects;
- Make strategic investments to fix Ontario's existing social housing stock.

MOVED: John Westgate

SECONDED: Pete Williams

CARRIED

RESOLUTION # 3 (External)

Submitted to: Ministry of Municipal Affairs and Housing
Submitted by: OHBA Land Development Committee
Date: September 21, 2009
Subject: Poverty Reduction: Portable Housing Allowance

Whereas: The Provincial Government has committed to a poverty reduction strategy and a Long-Term Affordable Housing Consultation is currently being undertaken; and

Whereas: There is ample evidence that housing affordability problems in Ontario are primarily an income issue, due to the inability of a substantial number of Ontarians to have the income level required afford ownership or rental housing (in part due to the increased taxation and regulatory regime impacting housing); and

Whereas: An income subsidy for vulnerable households in the form of a housing allowance would enable more low income households to afford rental housing accommodation of their choice *immediately*. It instantaneously creates affordable housing; and

Whereas: Given the government's commitment to set targets and measure success in tackling poverty, a portable housing allowance will have tremendous advantages. Housing allowances are the least costly affordable housing program and can also reduce social housing waiting lists; and

Whereas: When designed properly, housing allowances promote fairness, equity, more autonomy for low income households and have improved labour mobility characteristics; and

Whereas: Low incomes are the primary cause of housing affordability problems, therefore increasing incomes through a broad, long-term housing allowance program should be adopted as part of Ontario's affordable housing and poverty reduction strategy; and

Whereas: A long-term and sustainable housing allowance program is a viable alternative to inclusionary zoning policies

Therefore be it resolved that: The province enhance and expand a long-term and sustainable portable housing allowance programs as a key component for an effective long-term affordable housing strategy.

MOVED: D. Lennon

SECONDED: O. Gomes

CARRIED

RESOLUTION # 4 (External)

Submitted to: Minister of Municipal Affairs and Housing
Minister of Energy and Infrastructure
Association of Municipalities of Ontario

Submitted by: OHBA Land Development Committee

Date: September 21, 2009

Subject: Affordable Housing

Whereas: the Provincial Government has committed to a poverty reduction strategy and a Long-Term Affordable Housing Consultation is currently being undertaken; and

Whereas: many municipalities offer a range of incentives to encourage private sector partners to participate in affordable housing programs and construction affordable housing projects; and

Whereas: there currently is not a standardized check-list of incentive programs across all municipalities in the province. This results in a disjointed set of options and programs from municipality-to-municipality ; and

Whereas: the lengthy and costly approvals process and the political/economic risks associated with affordable housing projects are a disincentive for private sector investment;

Therefore be it resolved that: the province continue to implement and expand a standardized check-list of incentive programs (i.e. development charges or planning fee deferrals, expedited approvals, parkland and alternative parkland dedications and section 37 agreements etc) that would be made available to private sector partners in all Ontario municipalities. Individual municipalities would have the option of providing additional incentives beyond a base-line standardized check-list; and

Therefore be it further resolved that: the province ensure that the municipal review process be based on a supportive policy framework. Municipalities should all engage private sector partners in a fair and reasonable application process with a timely approvals process. The process should provide certainty and municipalities must reduce barriers within the application process.

MOVED: D. Stewart

SECONDED: B. Blackmere

CARRIED

RESOLUTION # 5 (External)



Submitted to: Ministry of Municipal Affairs and Housing
Association of Municipalities of Ontario
Premier of Ontario
Canadian Home Builders' Association

Submitted by: OHBA Land Development Committee

Date: September 20, 2010

Subject: Secondary Suites

Whereas: The Provincial Government has committed to a poverty reduction strategy and a *Long-Term Affordable Housing Strategy*; and

Whereas: To be effective, a long-term affordable housing strategy must focus its scarce resources on the primary sources of housing affordability problems: the inadequate incomes of many core need households; government barriers to housing; and the unfavourable tax treatment of low-income renters; and

Whereas: Secondary suites are an important supply of rental housing in many cities, towns and rural communities across Ontario; and

Whereas: Rents in secondary suites are often lower than in apartments in conventional rental buildings and the suites can be developed with no or minimal government assistance. Secondary suites enable low and moderate-income households to live in ground-related housing in a residential setting; and

Whereas: Not only are secondary suites a source of affordable rental housing, they can also provide the needed extra income and security for first time homebuyers or for older households that no longer need a large house; and

Whereas: OHBA is concerned that primarily due to NIMBY pressures from ratepayers and intolerance towards the elderly, students, young renters and working-poor, that many municipalities have made secondary suites illegal. It is the opinion of OHBA that this constitutes 'zoning-for-people' rather than 'zoning-for-use' and is a restrictive and discriminatory practice that limits housing affordability and choice for a significant proportion of Ontarians; and

Whereas: Secondary suites offer a valuable avenue for the province to reach intensification goals while increasing the stock of affordable and rental housing; and

Whereas: Secondary suites also present an opportunity to reduce the strain on the health care system where the elderly can age-in-place with care from their families and loved-ones rather than relying on public facilities; and

Whereas: We believe that this is an equitable way of creating a new supply of affordable housing, while also eliminating illegal accessory apartments that may be hidden and unsafe. Furthermore this is a broad based solution that will create more equity and choice for renter households by providing access to communities in which they were previously excluded from by discriminatory municipal by-laws.

Therefore be it resolved that: the province require municipalities to permit 'as-of-right' secondary suites across Ontario as part of a *Long-Term Affordable Housing Strategy*.

MOVED: S. Harris

SECONDED: D. Depencier

CARRIED

RESOLUTION # 5 (External)



Submitted to: Ministry of Municipal Affairs and Housing
Ministry of Infrastructure & Transportation

Submitted by: OHBA Land Development Committee

Date: September 23, 2013

Subject: Planning Act – Section 37 (Density Bonus) / appropriate pre-zoning

Whereas: Municipal zoning by-laws are a critical component of Ontario's land-use planning system. Zoning by-laws are the implementation vehicle for the Provincial Policy Statement (PPS), the Growth Plan for the Greater Golden Horseshoe and for municipal Official Plans to create the public planning framework; and

Whereas: Section 37 of the *Planning Act* is a municipal "tool" which includes a process to allow buildings to exceed height and density of development otherwise permitted by zoning by-laws, in exchange for community benefits; and

Whereas: The process builders and developers are subject to when rezoning to increase densities is costly, time consuming and can be risky due to lack of certainty. The province should strive to eliminate the many obstacles that discourage infill development and intensification as encouraged by the public planning framework; and

Whereas: OHBA is concerned that many areas where intensification should occur are 'under-zoned'. Under-zoning creates a series of problems and roadblocks for the new housing and land development industry to increase densities in urban growth centres and along intensification corridors to support the public planning framework and municipal infrastructure; and

Whereas: Municipalities often intentionally under-zone properties in an attempt to extract section 37 agreements and other financial commitments from new home buyers in return for approvals of increased densities; and

Whereas: Under-zoning justifiably fuels NIMBYism (Not in my backyard). When municipalities under-zone a property, local residents are provided with a false impression of what type of development is appropriate for that given location. The most common opposition against infill development at public meetings is that the proposal exceeds municipal zoning by-laws, even if the proposal complies with the municipal official plan, PPS and Growth Plan;

Therefore be it resolved that: If a parcel of land is in an appropriate location for intensification then it should be properly zoned to accommodate the appropriate increased densities; and

Therefore be it further resolved that: If a land-owner proposes a development on an 'under-zoned' property that complies with the PPS, Growth Plan and Municipal Official Plan, municipalities should not be permitted to utilize section 37 of the *Planning Act* to extract concessions from future home buyers in exchange for appropriate densities that public policy encourages in that location; and

Therefore be it further resolved that: The province implement policies to require appropriate zoning that conforms to municipal official plans, the Provincial Policy Statement and the Growth Plan. As-of-right zoning should be applied within Urban Growth Centres in the Growth Plan and for Intensification Corridors on planned higher-order transit routes. The zoning by-laws should ensure that each Urban Growth Centre is positioned to achieve intensification targets and objectives outlined by the province; and

Therefore be it further resolved that: Appropriate zoning would expedite the planning process, reduce planning process cost for municipalities and proponents, reduce uncertainty with respect to density bonusing, reduce the number of appeals to the OMB, encourage intensification and reduce NIMBYism.

MOVED: Nando Decaria SECONDED: Larry Otten
CARRIED

RESOLUTION # 6 (External)



Submitted to: Ministry of Municipal Affairs and Housing
Ontario Building Officials Association
Large Municipalities Chief Building Officials

Submitted by: OHBA/EnerQuality Technical Committee

Date: September 22, 2014

Subject: Ontario Building Code – Six-Storey Wood-Frame Construction

Whereas: The *Ontario Building Code* (OBC) currently limits wood-frame construction to four storeys; and

Whereas: BILD commissioned the report, *Unlocking the Potential for Mid-Rise Buildings*, calling on the Ontario government to change the OBC to allow for six-storey wood-frame construction. The report presents strong planning and economic rationales for changing the existing Ontario Building Code to permit wood-frame buildings; and

Whereas: Changing the Ontario Building Code to allow wood-frame buildings to be constructed to a maximum of six storeys would increase the variety of living choices, realize cost savings for new home construction and new homebuyers, and would represent a major step in achieving planned intensification goals of the Provincial Policy Statement (PPS) and the Growth Plan for the Greater Golden Horseshoe; and

Whereas: Mid-rise buildings located along the urban corridors of our cities are a vital component of the vision of the Provincial *Places to Grow* Growth Plan as well as the PPS and are found in virtually all regional and municipal Official Plans; and

Whereas: British Columbia made similar changes to the British Columbia Building Code in 2009 and it had an immediate positive impact on the local economy with over 100 projects and 2000 new housing/rental units being provided to date; and

Whereas: Expected benefits to amending the OBC include job creation, increased availability of housing and rental units, increased tax-base for municipalities and a minimized carbon footprint of building construction; and

Whereas: On March 20, 2014, MMAH posted a policy document on the Ontario Regulatory Registry regarding potential amendments to the Building Code to allow mid-rise wood-frame construction; and

Whereas: The 2014 Liberal Platform promoted wood construction, through changing the building code to allow six-storey wood-frame buildings to encourage the construction of mid-rise, mixed-use buildings; and

Therefore be it resolved that: The provincial government amend the *Ontario Building Code* in 2014 so that Ontario home builders can begin constructing six-storey wood-frame buildings on January 1, 2015.

MOVED: R. Luciani

SECONDED: B. Garrard

CARRIED