OHBA HOUSING SUPPLY ACTION PLAN SUBMISSION

29 LOCAL ASSOCIATIONS

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

JANUARY 2019
MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

101-20 Upjohn Road
North York, Ontario M3B 2V9
416.443.1545/ 800.387.0109
Fax: 416.443.9982
info@ohba.ca
www.ohba.ca
@OntarioHBA

Ontario Home Builders' Association

Ontario
Home Builders'
Association

Ontario Home Builders' are #homebelievers and believe that everyone should be able to realize the great Canadian dream of home ownership.

Learn more and sign the pledge at www.homebeliever.ca

Are you a #homebeliever?

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info@ohba.ca
20 Upjohn Rd., Suite 101, North York, ON M3B 2V9
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1- 800-387-0109 or 416-443-1545
www.ohba.ca

I am a #homebeliever

I believe in the great Canadian dream of home ownership.
I believe that we should be able to find homes we can afford, and in communities where we can live, work and play.
I believe that the dream of home ownership is slipping out of reach for many Ontarians.
As a #homebeliever I will support more housing choice and supply across Ontario to help all of us achieve the great Canadian dream of home ownership.

Name	Signature	Email

◯ Yes, I consent to receiving updates about #homebeliever from OHBA, which I can opt-out of at any time.

79,123
Housing Starts

513,000
New Industry Jobs Created

$62 Billion
Value Added to Economy

$30.5 Billion
Wages

** 2017 FIGURES*

ABOUT OHBA

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 29 local associations across the province. Our membership is made up of all disciplines involved in land development and residential construction, including: builders, developers, professional renovators, trade contractors, manufacturers, consultants and suppliers. The residential construction industry employed over 513,000 people and contributed over $62.3 billion to the province's economy in 2017.

ABOUT THE CONSULTATION

The Ontario Home Builders' Association (OHBA) is pleased to have the opportunity to present recommendations to increase housing supply in Ontario. In November the Hon. Steve Clark, Minister of Municipal Affairs and Housing (MMAH) announced a Housing Supply Action Plan consultation that solidified the Ontario government's commitment to provide more housing supply and choice to Ontarians.

The final plan, set to be released in Spring 2019 will include measures that the province can take to increase the supply of new ownership and rental housing and will support the government's commitment to reduce red tape and make it easier to live and do business in Ontario. OHBA is supportive of the consultation and has consulted broadly with our members and local home builders' associations across Ontario to develop the recommendations contained in this submission.

OHBA EXECUTIVE SUMMARY

Our industry faces a variety of inter-related challenges that affect our ability to build the necessary supply of new housing to meet growing demand for the people. Ninety-five per cent of Ontario's new housing supply is built by the private sector, and new home prices reflect both market conditions and the legislative framework set by government policy through municipal approvals, provincial legislation and regulatory frameworks as well as the federal rules on mortgage qualifications. Government sets the rules on where, what type and when housing supply comes to the market and the market prices homes accordingly.

In an environment where housing of all types and tenures is becoming more expensive, and pricing more people out of the market. OHBA believes that the government has an important opportunity to consider the impacts of planning, fiscal and labour policy decisions on housing supply and ultimately prices. The government has many levers it can push and pull that influence housing supply. Over the past several years, OHBA warned the previous government that prices would escalate as a result of specific policy decisions it made. Undermining new housing supply. This consultation represents an important opportunity to make better public policy decisions and for OHBA to share with the new government our solutions for addressing the barriers getting in the way of new housing supply.

OHBA strongly believes that a healthy housing system exists when a city or region has the right mix of housing choices and supply that are able to address all residents' shelter needs through their full life cycle. A properly functioning housing system should provide stability to both renters and owners, at prices people can afford and in the choice that meets their needs. High home prices and rents have affected all parts of Ontario, from big cities, to northern and rural communities, where a lack of supply has made ownership more difficult and quality rental housing hard to find. Transformative action by the province is required to address the complex issues impacting the housing system and our members ability to deliver new supply.

OHBA applauds the provincial government for recognizing constraints on housing supply and for their determination to reduce red tape in order to make it easier to live and do business in Ontario. OHBA would like to acknowledge and note our support for many changes and recent announcements already made by the government to address housing supply and support Ontario's economic competitiveness including, but not limited to: eliminating rent control from new units, proposed amendments to the *Growth Plan*, apprenticeship reforms including a modernized 1-to-1 apprentice-to-journeyperson ratio and significant reductions in WSIB premiums.

Speed: It takes too long for development projects to get approved.

Q1. How can we streamline development approval processes, while balancing competing interests and the broader public interest?

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING (MMAH)

LPAT/OMB/Bill 139

- **Repeal Bill 139 and bring back the OMB:** OHBA strongly supported the essential role of the OMB as an impartial, evidence-based, administrative tribunal that is responsible for handling appeals of land use planning disputes. For decades, the OMB has served to ensure that provincial land use policies and objectives were achieved, and that municipalities employed consistency in the application and implementation of the *Planning Act*, the *Development Charges Act*, the *Provincial Policy Statement* and other related land use legislation. OHBA does not believe that the stated goals of the previous provincial government will be achieved through Bill 139 and the Local Planning Appeal Tribunal (LPAT). The new appeals system has already proven to be longer, more expensive, more political, less certain and, ultimately, will deliver less new housing supply to the people.

  There needs to be a greater emphasis on the scoping of the issues of an appeal and clear and concise demonstration that the appeal has merit in consideration of the approved public planning policies. The LPAT process is heavily administrative and results in significant staff resources and duplication between all parties to address the processing requirements. OHBA is concerned that the LPAT is already putting local politics ahead of smart growth planning and will only serve to empower NIMBY councils to make planning decisions to get re-elected. The OMB took the politics out of planning and ensured decisions were based on evidence, 'good planning,' and conformity to provincial policy. There is no value in proposing legislative changes to Bill 139 and the LPAT system as it is considered largely unworkable and overly cumbersome. Quite simply, the new provincial government should **repeal Bill 139 and bring back the OMB** to ensure greater certainty in the planning system and to provide stability in the delivery of new housing supply in Ontario. There is also a significant opportunity to improve the former OMB system through clarified rules on mediation and procedural matters.

- **Properly resource the LPAT/OMB:** OHBA understands that there are over 200 appeals sheltered under the previous OMB standard and process that represent and influence over 100,000 new housing units across Ontario. These appeals will be heard under the established OMB standard, rules and procedures, and the government – through the Attorney General - should commit to clearing the backlog in next year by assigning retired OMB adjudicators to focus on clearing this backlog. These retired OMB adjudicators already have the expertise, experience and training to deal with these appeals and write decisions that will immediately support new housing supply and choice. Furthermore, applying the existing resources of the Provincial Development Facilitator can only help clear the OMB backlog. It continues to be unacceptable that appeals filed under the OMB in December of 2017 are being scheduled for hearing dates in mid-2020 and beyond. This reality is leaving thousands of new units of housing stuck in process and red tape.

THE PLANNING ACT

- **Reduce *Planning Act* Timelines:** MMAH should expedite the supply chain by amending the *Planning Act* to:
  - Reduce municipal review timelines for an Official Plan (OP) amendment in the *Planning Act* by 30 days from 210 days to 180 days (pre-Bill139 timeline).
  - Reduce municipal review timelines for a Zoning bylaw amendment in the *Planning Act* by 30 days from 150 days to 120 days (pre-Bill 139 timeline).
  - Municipalities should be encouraged to delegate the approval authority responsibility to municipal staff for applications that conform with their OP.
  - The province must ensure strict adherence to commenting periods and timelines.

- **Development Permit System (DPS):** Otherwise known as the **Community Planning Permit System**. Simply put, there are too many layers in the current planning system. The current process can result in a duplication of processes (multiple public meetings) and is often confusing to the public. Essentially, a DPS contains three components: a policy basis in the OP; implementing a development permit bylaw; and, a development permit that can be issued as a planning approval. This system rolls multiple approvals (zoning, minor variance & site plan control) into one up-front package. It is a tool that has been made available to municipalities with virtually no uptake for a number of years. The province should experiment and implement a pilot DPS as a "pre-zoning" package in Major Transit Station Areas where provincial transit assets are owned to facilitate faster and more streamlined approvals for transit-oriented development. Such an approach would bring more certainty and a faster process, thus reducing risk and costs and motivating new supply onto the market.

- **Eliminate Planning Act OPA/ZBL/MV two-year freeze:** The previous government implemented restrictions for two years for proponents to request OP amendments, Zoning bylaw amendments and Minor Variances in an effort to provide greater certainty to the process (changes to the *Planning Act* made through Bill 139). The result has been an inability of proponents to be able to respond to rapidly changing market conditions and preventing more housing supply from getting to the market.

- **Streamline Site Plan Control:** The rules governing Site Plan Control are set out in Section 41 of the *Planning Act*, which allows municipalities to implement site plan control through OP policies and site plan control bylaws. Site Plan Control is meant to be a technical process that deals with matters such as: building massing and conceptual design; the relationship of the proposed building adjacent to other buildings, streets and exterior areas; building access to building layout; disabled access; and exterior design including building appearance, character and deign; grading, landscaping and parking. The intent is to ensure that development is safe, efficient, and aesthetically pleasing.
  - MMAH should review all aspects of Site Plan Control with the objective of streamlining the process. A review should reduce the emphasis on architectural design in the site plan approval process, as restrictive urban design guidelines slow down the process and make it more difficult to bring affordable housing supply to the market. Furthermore, Section 41(12) of the *Planning Act* also sets out a 30-day approval time for site plan applications, however in many cases Site Plan applications take upwards of two years.
  - There needs to be "tension" in the system to ensure that municipalities and their agencies meet these timeline requirements. Incentives to the applicant should be provided if these timelines are not met. These incentives should include the municipality setting a decision date one-business-day after the expiry of the review date.

Site Plan Control

Municipalities should confirm a completeness review within two business days of receipt of the application and that their compliance review (approval or all reasons for refusal) should be amended as follows:

Complex Building; Three Months

Medium Complexity: Two Months

Simple Complexity: One Month

- **Urban Boundary Expansion:** The *Planning Act* provisions to permit landowners to submit private OP amendment applications for Urban Boundary Expansions should be reinstated (end current restrictions). The *Planning Act* provisions to permit landowners to appeal MCR OPAs for Urban Boundary Expansions should be reinstated (end current restrictions). These changes to public policy would enhance the ability of the private sector to bring new housing supply to the market faster. OP policies should provide clear direction as to what would be required for a private initiated boundary expansion, especially given OP Reviews are now at a 10-year interval.

- **Holding Bylaws / Provisions:** Section 36 of the *Planning Act* allows municipalities to place holding provisions, in conjunction with a land use designation, on certain lands, buildings, or structures as part of a municipal Zoning bylaw. OHBA notes that some municipalities use Holding Provisions to enforce conditions that could be addressed at the site plan approval stage and waiting for municipal council approval to remove a holding provision causes unnecessary delays (such a power could be delegated to staff). The province should also set criteria for the use of holding bylaws and require longer notice periods and require public consultation to ensure that holding bylaws are only utilized to serve a public interest with planning merit and not abused for political (NIMBY) purposes that serve to delay the supply of housing.

- **Complete Applications:** To ensure greater transparency and accountability and to limit unwarranted or unnecessary paperwork that is not relevant to the application, the province should provide some standardization (with limited local flexibility) with respect to a complete application check-list. OHBA is concerned that some municipalities are reviewing and commenting on reports and then adding requirements as a result to the complete application checklist.

PROVINCIAL POLICY STATEMENT (PPS)

- **Review the Provincial Policy Statement (PPS):** In OHBA's submission to the previous government during consultations to update the PPS, OHBA called the (at the time) new PPS a "no growth document". In a February 2014 press release, OHBA stated that the PPS would place additional constraints on development and that the province must place a greater focus on improving the business environment.

  In short, the new government should undertake a comprehensive review of the PPS with a view of substantially narrowing its focus to matters of true provincial interest. The PPS has become too prescriptive and detailed for what should be a foundational document setting broad strategic priorities. MMAH must restore a balanced approach to the PPS. OHBA has a number of specific streamlining recommendations for the PPS to enable more housing supply. OHBA notes that these are only highlighted key recommendations as we recommend that a focused consultation of the PPS with the *Planning Act* should be undertaken by the Ministry:

  - A new PPS should clearly state that growth is the priority in Settlement Areas.
  - Amend Sec 1.1.2 to 'require' municipalities to plan for infrastructure beyond 20 years.
  - The definition of *Regional Market Area* should be revised so a Market Area or sub-markets can be measured at a local municipal level.
  - Remove "and shall have compact form" from Sec 1.1.3.6 to ensure a better balance between infill, intensification, redevelopment and expansion to provide for greater housing choice in the marketplace.
  - Amend Sec 1.2.6.1 to replace "prevent adverse effects" with "minimize externalities".

- Sec 1.1.3.7 (a) brings *Growth Plan* principles to the PPS and suggests intensification targets must be met prior to settlement area expansion. The policy is redundant in the GGH and not appropriate for most Ontario communities. It should be removed from the PPS.
- There is too much red tape in terms of study requirements in Sec 1.1.3.8. OHBA recomends streamlining the study requirements.
- OHBA supports greater flexibility for employment conversions outside of an MCR process which is currently required in Sec 1.3.2.2. Ontario's planning framework must be more flexible to recognize a rapidly evolving economy and disruptive changes
- OHBA supports maintaining 1.4.1 "to provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents of the regional market area".
- Amend Sec 1.4.1 (a) to ensure there is a 10-year supply of "designated and available greenfield land for development" over and above residential intensification and redevelopment.
- Amend Sec 1.4.1 (b) to include a three-year supply of "draft approved greenfield residential building lots/blocks" over and above residential intensification and redevelopment. This is a critical change required to ensure an appropriate supply of housing.
- The province should be helping to ensure that policies 1.4.1 and 1.4.2 are implemented in a manner that supports the new government's objective of ensuring that all municipalities maintain sufficient supply of the types of housing that Ontario residents want and need – including ground-related housing types such as singles, semis and townhouses.
- OHBA is concerned by additional layers of SWM policies added to the 2014 PPS under Sec 1.6.6.7 that are already covered by other legislative and regulatory mechanisms within the PPS. This entire section should be simplified.
- Additional language inserted into Sec 1.6.10.1 (Waste Management) should be removed.
- Amend Sec 1.6.11.1 (Energy Supply) so that "should provide" is replaced with "should encourage".
- General concern throughout Section 2 that insignificant or local/regional natural heritage features can be interpreted to have provincial significance. This requires clarification.
- The language in Sec 2.1.1 stating that natural features and areas shall be protected for the long-term is vague and inclusive – it requires new clarity with respect to what features and areas that are intended to be protected.
- Sec 2.1.3 (new policy in 2014) elevates insignificant features for protection and should be removed.
- Sec 2.1.7 is redundant with the *Endangered Species Act* (ESA) and should be removed.
- Amend Sec 2.1.8 to allow for mitigation measures being implemented on adjacent lands in order to demonstrate that there will be no negative impacts on the natural features or ecological functions of the identified areas.
- The MDS policy is too prescriptive in Sec 2.3.3.3 and has a significant impact on settlement boundary expansion opportunities. The policy should be revised so as not to constrain economic development opportunities.
- Amend Sec 2.6 with respect to Cultural Heritage which is currently too restrictive and sterilizes economic opportunities. OHBA is concerned by the interpretation of significant cultural heritage landscapes since the PPS was last updated.
- The inclusion of language in Sec 3.1.3 (climate change) is poorly defined and requires immediate clarity.
- Add a policy to the PPS similar to proposed *Growth Plan* amendments (2019) policy 2.2.2 subsection 3C ("General Intensification") that was removed from the 2017 *Growth Plan* to "encourage intensification generally throughout the delineated built-up area".
- Many terms and definitions in the PPS are nebulous at best, undefined at worst, and have caused significant interpretation issues. The definitions (Sec 6.0) need to be clarified in the PPS and other items removed entirely.
- A number of policies within the PPS have a south-central Ontario focus and are problematic in terms of stifling economic opportunities or housing supply in Northern Ontario. The province should consider, through a northern and rural lens, of either exempting the North from some policies or, alternatively, having a Northern specific set of policies to set provincial policy priorities.

MINISTRY OF ENVIRONMENT, CONSERVATION AND PARKS (MECP)

CONSERVATION AUTHORITY ACT

- **Streamline Conservation Authority Approvals:** OHBA continues to be very concerned that many Conservation Authorities are operating beyond their core mandates regarding natural hazards and their authority under Sec 28 of the *Conservation Authorities Act*. OHBA recommends the MECP:
  - Increase clarity and consistency of the provincially mandated roles and responsibilities of CAs through regulation. The province should clearly define the CA core mandate to be prioritized around the achievement of the Natural Hazard policies of the Provincial Policy Statement (PPS) and watershed management. By focusing on core responsibilities (and clarifying activities beyond their scope of power), CAs should be able to more efficiently deliver services to municipalities and the development industry within perscribed timelines.
  - There is a lack of oversight in the system that allows some CAs to operate under unreasonably long timelines and without an appropriate appeal mechanism. OHBA is supportive of passing a new regulation under a modernized *Conservation Authorities Act* that includes reasonable permit approval and review timelines that require CAs to be accountable for the services they deliver.

- Conservation Authorities (CAs) must efficiently and effectively deliver on their core responsibilities related to natural hazards and watershed management without variance.
- CA permitting functions should be better integrated with municipal approvals (aligned with *Planning Act* timelines).
- Appeals to CA permitting decisions are currently heard by the **Mining and Lands Commissioner** and not integrated with other *Planning Act* appeals that are heard by the LPAT/OMB, thereby causing disjointed and often competing land use decisions. All land use related appeals should be heard by the LPAT/OMB, thereby creating more integrated and timely decisions.
- Enhance accountability through the implementation of an independent third-party appeal to the OMB/LPAT for CA permitting.
- Too often the CA justify their delays due to insufficient staffing resources. CAs should ensure that adequate staffing resources are provided or reduce the scope of activities they are engaged in to ensure adequate customer service for their core mandate. Within municipal OPs the policies must be clear as to when the CA is to be consulted and when they are not (i.e. screening
- system) to avoid burdening their system with applications not within their mandate.
  With respect to MOUs between CAs and municipalities, municipalities should not be contracting out services for which there will be any duplication or overlap. Furthermore, any services being contracted out must include timelines and service standards.
- Fees must be comparable to the services being provided and be appealable to the OMB/LPAT.

- **Environmental Compliance Approvals (ECAs):** OHBA notes that the current process is time consuming, expensive and frustrating that there is so much duplication with up to four levels (Local / Regional / CA / Ministry) of government involved in the review and approvals process after an application is prepared and stamped by a professional engineer. The MECP should:
  - Reduce the Ministry's review time for the Transfer of Review process, as well as incenting the intent to expand the number of municipalities that are participating, while updating the program (subject to municipal consent).
  - Reduce Environmental Compliance Approval (ECA) review timelines, in particular the approvals process for stormwater management works (i.e. ponds, low impact development measures, etc.) and develop service standards.
  - Eliminate the duplicative Ministry review process for SWM work that can add months to timelines for no added value.
  - Respect professional designation for the purpose of certified approvals by professional engineers (as used in many US jurisdictions).
  - As a specific example regarding duplication that provides no additional value to either the project or to the public interest: when the City of Ottawa was granted transfer of review authority over SWM they compiled data and found that for the previous 103 SWM pond applications made under direct submission, only a few were returned, and only for reasons such as, not filling out the applications correctly and incorrect orientation of north arrows on plans, etc. Of the 103 applications there were never any technical or environmental changes required. OHBA believes that there is no value in having the MECP involved at all after master plans are approved.

ENDANGERED SPECIES ACT

- **Species at Risk:** OHBA supports the protection of endangered species. The *Endangered Species Act* was enacted in 2008, and since that time, the approvals required under the Act (LOA, permits, etc.) have become exceptionally burdensome, overly complicated, extremely time consuming, adding months if not years to the approvals of some projects. As was the stated objective at the time of enactment, the MECP should undertake a 10-year review of the Act to:
  - Continue to support species at risk.
  - Include strict permit review timelines and service standards.
  - Support proponent-led assessments of species at risk requirements early in the Environmental Assessment (EA) process to facilitate timely approvals.
  - Enhance Ministry resources to handle permiting functions.
  - Enhance the tools available for species at risk by developing guidance materials on best management practices and habitat identification on an ongoing basis.
  - Enhance the use of the "Safe Harbour" tool, enabled under the *Endangered Species Act*, and encourages property owners to create, or enhance species, at risk habitat for a set period of time. In addition they should have legal assurance that they can alter the land use at a later date by appropriately eliminating risks for adjacent property owners and for new species listings.
  - Continue to identify additional opportunities for using a risk-based approach to the implementation of the *Endangered Species Act*.
  - Allow for the use of tools successfully used in other jurisdictions such as conservation land banking. Market-based tools, such as conservation land banking can offset and mitgate adverse effects of developmentand provide benefits to species at risk.
  - Review the role and mandate of Committee on the Status of Species at Risk in Ontario (COSSARO) for the identification and automatic protection of endangered and threatened Species at Risk in Ontario.

- Develop practical and implementable "transition" policies for existing work completed in support of development applications when new species are identified to avoid going through an additional review for additional species which results in time delays and creates greater uncertainty. Respect Planning approvals that have been obtained.
- Recognize that policy addressing issues in Southern Ontario can be detrimental to northern communities. For example, the species at risk legislation can stagnate development on private land in Northern communities like Sudbury where 94 per cent of land is crown, undeveloped or undevelopable (swamp or rock). There are already few opportunities for development in many northern communities.

- **Modernization of Approvals:** Modernize approvals processes by taking a risk-based approach, getting rid of duplication, improving customer service, eliminating regulations or taking a rules-in-regulation approach to low-risk activities. A modernized risk-based approvals process will make it easier and more affordable to live and conduct business in Ontario while protecting its people and resources. OHBA believes we can maintain the integrity of the approvals process, while finding efficiencies in process.

- **Environmental Assessment Act and Municipal Class EAs:** Undertake a comprehensive review of all Environmental Assessment (EA) processes including the Municipal Class EA process, to streamline, reduce red tape and eliminate duplication. There is currently significant duplication between infrastructure approvals granting under the *Planning Act* (Master Plans) and additional approvals required under the EA Act. The Part II Order process for municipal class EA schedules can also be streamlined using a risk-based approach for requirements. Increase the mandatory threshold for which an EA is required and adopt a risk-based approach,

- **Environmental Activity Sector Registry (EASR):** Add more environmental compliance processes to the EASR (e.g. permits by rule) to make Ontario "open for business" by speeding up the environmental approval process.

- **Record of Site Condition:** Presently a Record of Site Condition (RSC) is required for any building permit issued for a residential building on a previously commercial property. OHBA believes more staffing resources are required, or that a new approach is established to respect professional designation for the purpose of certified approvals. This requirement is "Applicable Law". Therefore, if the site requires environmental remediation, a shoring and excavation permit cannot be issued if an RSC has not been completed and shoring and excavation permits are considered a "building permit for a residential building". OHBA proposes a solution to change the policy framework to eliminate the requirement for an RSC, since the soil is being removed prior to the issuance of a shoring and excavation permit and ensure the **Excess Soil Management Framework** is adhered to for the safe removal and reuse or appropriate disposal of excess soil.

- **Excess Soils:** OHBA recommends that MECP:
  - Recognize that the current fractured legislative environment concerning excess soil management contributes to significant and increasing costs of residential construction and thus MECP should proceed with the implementation of regulations to facilitate outcomes acceptable to all stakeholders.
  - Continue to provide province-wide leadership regarding excess soil management and curtail the ability of Municipalities to refuse accepting excess soil from beyond their boundaries, provided that strict measures ensuring the soil's quality and provenance are in place and that the receiving site is properly licensed and bylawed to accept such soil.
  - Foster the growth of innovative, industry-driven solutions to excess soil management and partner, as the regulator, with private sector service providers to achieve improved environmental, community and industry outcomes.
  - Better address the need for innovation through industry-driven solutions and private sector service delivery options in the **Excess Soil Management Framework**.
  - Address the transfer of liability as excess soils move through the chain of custody.
  - Set a higher threshold for the minimum cubic metersite size for compliances with a new **Excess Soil Management Framework** to ensure that smaller infill housing sites are not captured by a new complex and potentially expensive regulatory regime.

- **Low-Impact Development:** Better facilitate Low-Impact Development (LID) through industry-driven innovations with a focus to reduce municipal redundancy and financing of hard infrastructure (DC Credits). OHBA notes that the LIDS initiative has been advocacy-based and the draft manuals, that are being implemented in municipal approvals, are not based on data or science. For that reason, redundancies (and land and costs) are being imposed without the benefit of reducing any infrastructure requirements as was the original intent. Examples are requirements for amended soils, infiltration trenches, perforated drainage pipes and catch-basins, more trees, water reuse cisterns, permeable driveways, rain gardens, etc. without any corresponding reduction in storm sewer or SWM pond sizes. Currently MECP manuals don't include LIDs as approriate SWM pond alternatives, thus expensive redundencies are built into the system and it hinders municipalities ability to sign off when not in compliance. The LIDS manuals should include data of benefits so that offsets in terms of hard infrastructure costs can be achieved before being imposed on the industry, which in turn increases costs that are passed onto consumers in the form of higher homes prices and rents.

MINISTRY OF TOURISM, CULTURE AND SPORT

- **Cultural Heritage:** A significant barrier to the timely delivery of new housing in the province is the current regime associated with designating and conserving cultural heritage resources, including various processes under the *Ontario Heritage Act* (OHA), especially if improperly used by municipalities. The province should ensure that various provincial statutes and policies regarding cultural heritage are used as intended and not as vehicles to stall projects and or reduce new housing supply. Among other things, the **Ministry of Tourism, Culture and Sport (MTCS)** should produce guidance on the identification, evaluation and management of cultural heritage landscapes that clearly prohibits misuse of this designation. OHBA further recommends that the Province take action with legislative and regulatory changes to the OHA:
  - Revise sec. 33 of the OHA to permit binding appeals to LPAT/OMB from applications to "alter" a designated property, just like the existing appeal process for applications under sec. 34 to "remove" or "demolish" a building or structure;
  - Establish time limits and a process for determining the completeness of a heritage permit application under sections 33, 34 and 42 of the OHA, similar to the "complete application" requirements and processes for *Planning Act* applications.
  - Given the extremely broad definition of a "cultural heritage landscape" in the PPS, virtually any property, or even an entire neighbourhood or the whole municipality, could potentially qualify as a cultural heritage landscape. Thus, direction is required with respect to cultural heritage landscape designations or they should be eliminated entirely.
  - Regulation 9/06 be revised to reflect a more objective and rigorous process for determining cultural heritage value or interest.
  - Likewise, section 29 of the OHA should be amended to clarify that simply meeting the criteria in Regulation 9/06 is not sufficient justification to warrant designation. Rather, the physical attributes of the heritage resource must be of a condition and to a level of significance to justify designation.
  - A time limit should be placed on a municipality's ability to proceed with a proposed designation under Part IV of the OHA after the submission of a development application under the *Planning Act* in respect of the same property following the submission of a development application under the *Planning Act*. We suggest that a municipality must issue a notice of intention to designate under section 29 of the OHA within 90 days of receiving a "complete application" under the Planning Act, failing which the municipality will not be permitted to proceed with a proposed Part IV heritage designation in respect of the property in conjunction with that development proposal.
  - Part IV should be amended to provide for a binding right of appeal to the LPAT from the proposal by a municipality to designate a property
  - The OHA should be amended to require municipalities to identify in an official plan the potential submission requirements for applications under sections 33, 34 and 42 of the OHA.
  - There should be a consistent appeal process to the LPAT for applications to alter any designated heritage property – whether the property is designated under Part IV or Part V.
- **Streamline Archeological Assessments:** Sec 2.6.2 of the PPS (and the OHA) requires that "development and site alternation shall not be permitted on lands containing archaeological resources or areas of archaeological potential unless significant archaeological resources have been conserved". OHBA notes that since archaeological assessments are expensive, time consuming and provide little value for either researchers or the general public, Stage One and Stage Two archaeological assessments should be sufficient for non-Indigenous sites. Furthermore, MTCS can take up to a year to review archaeological assessment reports. The new government should simplify archeological assessment requirements for non-Indigenous sites (specifically by not requiring either Stage Three or Four assessments); ensure archaeological assessments are not required for sites in "built up areas"; and, accelerate the review of archeological assessments to minimize construction delays. OHBA notes that, under the current policy regime, it can add significant delay to a project where municipalities require the completion of archaeology evaluations as part of the initial application submission, and not as a condition of draft approval to be addressed prior to earth grading and/or registration. Should timelines not be adhered to, an automatic approval should be the result.
- **Duty to Consult:** This is a government responsiblity. Private applicants require the federal/provincial/municipal governments to provide a clear framework to resolve this issue, including, timelines and prohibiting compensation for consultation and engagement.

MINISTRY OF TRANSPORTATION

- **MTO Transportation Corridor Planning:** Following the success of the *Highway Access Management Plan* QEW Prosperity Corridor pilot project involving Burlington, Halton Region and other development stakeholders, OHBA recommends MTO dialogue with other municipalities on undertaking similar "pilot" projects elsewhere across the Greater Golden Horseshoe (GGH). OHBA further recommends that MTO develop a rural and urban lens to highway access issues to ensure that varying contexts and priorities are considered. OHBA also recommends the MTO develop an electronic permitting system to include a planning component allowing municipalities to submit, track and access ministry comments. This would improve customer service for businesses, speed up the approvals process, and reduce compliance costs.

- **MTO Building and Land Use Permits (BLUPS):** The need for MTO to issue BLUPs for every lot/home within close proximity to highway on-ramps and adjacent to highway corridors is outdated and needs to be overhauled.

OTHER

- **Respect Professional Designations:** Stamped drawings by licensed professionals for specific items should be accepted and not subject to further municipal review or have an expedited review process. This should include professional engineers and licensed archeologists.

- **Transition and Preventing Municipalities from Retroactively Implementing New Policy:** One factor impacting both speed and costs of approvals is the fact that some municipalities bring in new policies that do not have appropriate transition and thus retroactively apply to developments already in the planning (sometimes construction) process. Such an approach to local policy implementation leads to frustration, negotiation, delays and escalating costs. A recent example is the City of Toronto implemented changes to de-watering policies which impacted buildings already into their construction program. The province should provide clear direction with respect to planning and building policy that municipalities must apply appropriate transition and not change rules mid-stream or implement policy retroactively.

Mix: There are too many restrictions on what can be built to get the right mix of housing where it is needed.

OHBA strongly agrees with the perspective in the *Housing Supply Action Plan* consultation document that there are too many restrictions on what can be, built and where, in order to get the right mix of housing to meet the needs of Ontarians.

Transformational change is required to ensure a more permissive planning system that allows a better mix of housing choice and supply in both new and existing communities.

High-rise buildings are necessary in many locations, such as downtown cores and near busy transit stations, to accommodate the appropriate level of population density. Mid-rise buildings are more suitable for neighbourhood avenues and main streets, as well as along rapid transit corridors. Furthermore, "Missing Middle" housing options, suitable for main streets and within neighbourhoods outside of downtowns provide the "gentle density" needed to support transit and businesses while creating a more human-scaled village feel. Lastly, the sheer cost of single-detached and low-rise housing in the GTA is contributing to a spill-over effect in surrounding communities where GTA buyers are seeking out more affordable options in Niagara, Guelph, Woodstock, Collingwood and Belleville. Market distortions are contributing to diminishing supply and rising home prices in these communities, threatening to displace local residents who can no longer afford housing in their own communities. We need a policy framework that supports more housing supply in communities across Ontario.

Q1. How can we make the planning and development system more effective to build the kind of housing people want, and can afford, in the right places with the right supports (e.g., schools, transit and other amenities)?

- **More Supply:** OHBA strongly believes that creating more housing of a greater diversity, in locations people need, will help make home ownership and renting more affordable and give people more choice. In 2015, OHBA and the **Pembina Institute** released the **Make Way for Midrise** report, which outlined recommendations for building up within existing communities. More compact development is crucial in creating vibrant and healthy neighbourhoods that are walkable and transit-connected. OHBA followed up on this report with a joint **Make Way for Laneway** report and a joint report with the **Ryerson City Building Institute** in 2016, **Suburbs on Track**. OHBA also contributed in late 2018 to **What is the Missing Middle** report by the **Canadian Urban Institute** and **Evergreen** which specifically noted that, "a central tenant of provincial and municipal planning policy in Ontario is the need for municipalities to provide an appropriate range and mix of housing types, tenures, and densities to meet the current and future needs of residents. This is reiterated in the PPS, the provincial *Growth Plan*." OHBA is concerned, that despite provincial policy direction to support missing middle housing supply, it is simply not happening at a scale that is both appropriate and necessary.

- **Pre-zone for mid-rise height and density:** Mid-rise buildings are more human-scaled in terms of fitting into the character of neighbourhoods and often animating sidewalk culture, by providing street-level retail. They can also offer family-sized units. Mid-rise, mixed-use development is a valuable tool when creating neighbourhoods that support healthy lifestyles and local economies, since it can help increase walkability and put more people close to transit. Unfortunately, for all their benefits, mid-rise can often be the most difficult type of buildings to get built as they go through the same long and uncertain approvals process. The province must enforce Section 26(9) of the ***Planning Act*** so that Zoning bylaws are updated to truly conform to OPs. The province should require pre-zoning for mid-rise height and density within transit corridors and Major Transit Station Areas (MTSA).

- **Pre-zone for high-rise height and density:** High-rise and higher density are not appropriate in all locations, however in certain downtown locations or in locations with direct higher order transit accessibility that would benefit from more intensification, it is entirely appropriate to pre-zone for high-rises and high-density housing supply (and mixed-use / employment). The province must enforce Section 26(9) of the Planning Act so that zoning bylaws are updated to truly conform to Official Plans. OHBA recommends that where there is a provincial interest (higher order transit or established Urban Growth Centres) that municipalities be mandated to pre-zone to achieve density targets. The municipality should be required to process in coordination the OP and zoning bylaws at the same time related to areas supported for high-rise height and density.

- **Pre-zone for gentle density:** There is no such thing as "stable neighbourhood". Within many older neighbourhoods in communities across Ontario they are actually shrinking in population as residents age and their children move out. The fact is, our communities and neighbourhoods are constantly evolving. Introducing small-scale housing options in these established neighbourhoods would keep the population stable, and provide the customers needed for local businesses to thrive. Allowing more small-scale housing units in established neighbourhoods would increase the supply of housing in location-efficient neighbourhoods. We have solutions available to create more small-scale affordable housing, but those housing options can't be built under current zoning rules in many neighbourhoods. By clearly communicating design guidelines and adjusting zoning restrictions, we can make more infill development possible.

- **Government-Owned Surplus Lands:** The province should assess and identify surplus lands adjacent or near schools, transit and other amenities for potential partnerships with the private sector to deliver new housing supply (including below market affordable housing).

- **Transition Zones:** The province should require municipalities to implement "transition zones" (sometimes termed "enhancement zones") in areas just outside of transit corridors, MTSAs and UGCs. These transition zones should allow new as-of-right options, to increase housing choice through gentle density as a transition between higher density corridors into neighbourhoods. Transition zones generally consist of a widened laneway and additional parcels of land just beyond the avenue fronting parcels or just beyond an UGC or MTSA. The zones function as buffer areas between the rear of an avenue property and adjacent residential properties. Transition zones grant mid-rise development permission to existing lots that would otherwise be unable to accommodate this type of growth due to the inability to meet setback and other requirements. Such policies would allow developments along avenues to meet maximum allowable heights while meeting requirements for the transition from avenues to neighbourhoods. Such policies could also enhance housing supply and choice by allowing as-of-right forms of gentle density housing within transition zones.

- **Mixed-Use Neighbourhoods:** The province should provide greater flexibility for employment land conversions to allow transit-oriented mixed-use development in employment areas. OHBA has the following recommendations:
  - Employment conversions through private OPAs should be permitted at any time (not pursuant to an MCR) to give municipalities, and the industry, the ability to address local market needs and allow for more immediate and efficient use of infrastructure and services.
  - OHBA is supportive of recently proposed amendments to the *Growth Plan* that allow for greater flexibility on employment land conversions to allow for mixed-use. These types of forward-thinking policies should be applied more broadly across Ontario.

- **Enforce a transit quid pro quo:** Despite the high costs to build, operate and maintain rapid transit, local governments have never been required to achieve minimum densities or land-use priorities along transit corridors or around stations until the *Growth Plan* MTSA targets. This has resulted in decades of low-density development around transit infrastructure and low ridership. In addition to policies that require pre-zoning, the MTO and MMAH should enforce a "transit quid-pro-quo" exchange to ensure that municipalities update their zoning to ensure that intensification commences along transit infrastructure *prior* to receiving provincial funding for the construction of higher-order transit projects.

- **Intensification Throughout Built Up Area:** Add a policy to the PPS similar to proposed *Growth Plan* amendments (2019) policy 2.2.2 subsection 3c to "encourage intensification generally throughout the delineated built-up area".

Q2. How can we bring new types of housing to existing neighbourhoods while maintaining the qualities that make these communities desirable places to live?

- **Allow as-of-right secondary suites across Ontario:** Secondary suites (such as basement apartments and other ancillary suites) are an important ingredient in a healthy housing system and can make better use of existing homes. As well, some types of secondary units, such as secondary suites, can provide extra income, improving the affordability of home-ownership, particularly for new homebuyers. Yet creating new legal second units is difficult because of government requirements, such as the parking minimums and local zoning bylaws/restrictions. The province should therefore allow as-of-right secondary suites to create one set of rules across the province.

- **Laneway Housing:** Build on laneway suites policy introduced in central Toronto and allow laneway suites in communities throughout Ontario.

- **Exclusionary Zoning:** Move away from single-family-only zoning in existing communities to allow them to evolve organically over time with small scale infill (i.e. semi-detached and townhomes).

Q3. How can we balance the need for more housing with the need for employment and industrial lands?

- **Allow Mixed-Use:** Allow mixed-use and residential development through the introduction of new housing supply in some employment areas. In many circumstances there is no public benefit gained by prohibiting residential redevelopment of underutilized industrial or commercial properties.

Ontario Home Builders' Association

PEMBINA institute

Make Way for Mid-Rise

How to build more homes in walkable, transit-connected neighbourhoods

Cost: Development costs are too high because of high land prices and government-imposed fees and charges.

The provincial government's treasury has greatly benefited from the hot housing market across the province as rising prices and high sales volumes have brought in billions of dollars in additional HST and Land Transfer Tax revenues. Municipalities also collect billions of dollars annually from Development Charges (approximately $2.4 billion on 2016), but also through an assortment for other taxes, fees and charges (and in Toronto's case specifically, a Municipal Land Transfer Tax). Government-imposed costs make it more difficult and expensive to develop new housing and these costs are all passed onto the consumer through higher prices/rents. Through the *Housing Supply Action Plan* consultation, the province has an opportunity to re-calibrate what new neighbours and new employers should pay in taxes, fees and charges to various levels of government.

Home builders and land developers are proud to support the financing of infrastructure directly tied to the communities they build. New communities also bring important new property assessment to municipalities across the province and provide an important residential population base to support job growth. The residential construction industry, and our new home buyers, pay the capital costs of growth while also contributing significantly towards upstream capital costs related to growth. Additionally, the home building and land development industry supports the economy directly and indirectly through jobs and the additional tax revenue generated for all three levels of government. OHBA notes that various taxes, fees and charges on new housing can account for 20 per cent to 25 per cents of the cost of a new home in different Ontario jurisdictions.

Q1. How can we lower the cost of developing new housing while ensuring that funds are available for growth-related infrastructure (e.g., water and sewer systems, fire and police services, schools, roads and transit)?

- **Development Charges (DCs) – Re-calibrate who pays for what:** MMAH should open the *Development Charges Act* for legislative review. Our members are concerned that many municipal politicians continue to view new neighbours (new home buyers and new employers) as an easy target for additional taxes, levies and fees while artificially suppressing property taxes to appease existing municipal voters. OHBA continues to advocate for fairness and transparency for new neighbours, and is concerned that charges and fees derived from housing developments in many municipalities have escalated beyond a reasonable direct cost recovery level. We recommend changing the name of the act to the ***New Neighbours Tax***.

- **DC "Rate Shopping":** The integrity of Municipal DCs continue to be undermined when DC reports, bylaws and rates are defended at council by comparing to neighbouring municipalities. The DC is to be determined as an an extension of a captial plan to connnect to the future development in the community. The DC rate is connected to this work which is community-specific to the infrastructure needed to service new growth. This is how growth pays for growth. When municipalities justify their DC rates in comparison to a neighbouring municipality- "our rate is still 15 per cent lower than their rate"- they clearly undermine the integrity of their DC and are now engaged, in what can only be characterized as "rate shopping". This entire political theatre and justification continues to undermine the integirty of the DC Act and the important work being done to support new housing supply and choice in their communities.

- **Adopt utilities model for water and wastewater infrastructure:** The single largest component of development charges in most municipalities is for water, and waste water construction. As part of a legislative review of the *Development Charges Act,* the province should consult on the potential adoption of a utilities model used in other jurisdictions for the financing and delivery of critical water and wastewater infrastructure. Such a shift to a utilities model for the financing and delivery of water and wastewater construction could remove the cost of infrastructure built to last generations from development charges on a new home or condo. A recent **CD Howe** brief **Hosing Homebuyers: Why cities should not pay for water and wastewater infrastructure with Development Charges** notes that cities would be better to charge for water and wastewater services based on actual use as is common in electricity and natural gas, instead of through up-front fees. OHBA notes that the current model places the cost of infrastructure designed to last upwards of 75-years, into the embedded cost of the amortization of 25-year mortgages of new home buyers. Municipalities should create region-wide utilities that can take advantage of the scale economies available in the sector.

- Lock in DCs to date of Complete Application: The province should amend the *Development Charges Act* to create greater certainty for housing providers and encourage faster approvals by locking in the DC payable rate on the date an application is deemed complete rather then when permits are pulled (with the DC still paid in full when permits are pulled). OHBA believes this will motivate faster approvals, or mediation, while establishing cost certainty at the front end of the process. Such a change in policy will improve affordability and reduce the risk of consumers having to pay for a DC increase as an adjustment on closing when municipal DCs increase after a purchase is made, but before construction starts (a fairly common occurrence with pre-construction condos).

- **Cap Cash-in-Lieu (CIL) of Parkland Dedication:** The provincial government recently updated the maximum calculation of CIL for parkland dedication (Bill 73 in 2015). However OHBA recommends that municipalities still need to adjust the CIL formula or put a cap on payments to support greater fairness for higher density developments, which would help facilitate more housing choice and supply through transit-oriented development. CIL payments are calculated based on the value of the area being developed. Unfortunately, in some municipalities, as land values increase, that formula is skewed against high-rise and mid-rise developments. While CIL of parkland dedication fees have significantly impacted affordability and project feasibility in a number of intensifying municipalities, Toronto has mitigated this perverse financial disincentive through the introduction of a residential-alternative parkland dedication formula for high-density developments and by placing a cap on CIL payments that are based on the size of the development site.

  The province should amend the *Planning Act* to establish a cap on CIL of parkland dedication to not exceed the value of a portion of the size of the development site. The current model penalizes higher density projects (outside of Toronto which has established their own cap) and makes projects financially unfeasible or significantly escalates the cost. Furthermore, to provide cost certainty, the parkland rates should be set and established, based on a transparent formula, as early in the process as possible (at the time of application). OHBA recommends that:

  - Sec. 42 of the *Planning Act* be amended to:
    - Allow rights of appeal to LPAT from a municipality's passage of a parkland dedication bylaw;
    - Clarify that, on appeal, the LPAT has the authority to modify the parkland policy by directly affecting the alternative rate including imposing a cap on the rate;
    - Allow for an appeal of the application of a parkland dedication bylaw where the municipality is requiring land instead of CIL – to permit LPAT to determine if land or CIL should be required, and in the case of land, to determine how much land should be provided.

- **Overhaul Section 37 "Density Bonusing":** The province should overhaul and consider repealing Section 37 of the *Planning Act*. If a land-owner proposes a development on an 'under-zoned' property that complies with the PPS, Growth Plan and Municipal OP, municipalities should not be permitted to utilize section 37 of the *Planning Act* to extract substantial concessions from future home buyers in exchange for appropriate densities that public policy encourages in that location. Section 37 of the *Planning Act* is a counter-productive incentive for municipalities to intentionally under-zone properties or leave them under-zoned to extract financial benefits for the exact type of development our planning framework is attempting to achieve. Section 37 also erodes public confidence in our planning system as there is a public perception that developers are simply paying municipalities for higher density planning approvals. This "let's make a deal" planning process is opaque, lacks certainty, erodes confidence in the planning system and increases the cost of housing units through unnecessary taxes.

  In short, Sec 37 as it exists today is a perverse incentive that discourages proper zoning. The province should either:

  A) Repeal Sec 37 entirely from the *Planning Act;* or

  B) Overhaul Sec 37 so that it is only available to municipalities that have modernized zoning that allow as-of-right densities in conformity with the *Growth Plan* and PPS including densities prescribed in MTSAs and UGCs. It would only be utilized as a true density bonus to offset localized impacts of additional density over-and-above these minimum targets. Sec 37 would be the exception to the rule for projects that significantly exceed densities prescribed in provincial policy.

- **Amendments to the Ontario Building Code:** OHBA notes that the **Made-in-Ontario Environment Plan** correctly acknowledges that, "Ontario is currently a leading jurisdiction in Canada when it comes to energy efficiency standards in its Building Code." The Ministry of Municipal Affairs and Housing regularly reviews and amends the Ontario Building Code (OBC) to reflect changes in technology, address emerging public safety issues and to achieve government priorities. The provincial government should amend the OBC:

  - To include affordability as an overarching objective statement;
  - Put a hold on recent changes to the OBC for further technical consultation; and
  - Establish that "Code is King" by ensuring that the OBC is the provincial standard and prohibiting municipalities from implementing local building standards bylaws or applying alternative building code standards through the planning process.

- **Inclusionary Zoning:** In an effort to work collaboratively with the previous provincial government, OHBA took a proactive public policy approach towards achieving a "partnership model" for inclusionary zoning when legislation was initially proposed that would work effectively for government, the private sector and most importantly for those in need to safe, secure and affordable housing. OHBA supported a partnership framework with a 50/50 split in costs between municipalities and the private to ensure that private sector market projects would remain economically viable for our members to effectively deliver units through an inclusionary zoning framework. Such an inclusionary zoning framework would have leveraged municipal planning and financial tools to support the creation of government mandated affordable housing units without significantly compromising the health and affordability of the broader housing market.

Despite nearly three years of consultation and work towards a partnership model that has been successful in other jurisdictions, the previous provincial government passed a politically motivated inclusionary zoning regulation weeks before the provincial election that thrust the entire costs of delivering affordable units onto the private sector, which will result in cross subsidization between units. The province should therefore repeal the politically motivated inclusionary zoning regulation that was passed a few weeks prior to the election and does not reflect years of consultation between the previous government and the industry.

- **Accountability and Transparency for Conservation Authorities:** The MECP should enhance accountability by mandating that CAs establish fair and reasonable rules with respect to development application review fees and that they be appealable to the LPAT/ OMB.

- **Review HST Threshold for New Housing:** Since it was implemented, the introduction of the HST has had significant sector-specific implications for new housing. As a result of the implementation of the HST, the Altus Group calculated that the provincial government has collected $3.4 billion from new homebuyers over and above 2009 PST tax structure (revenue neutral level). OHBA is concerned that even with the progressive tax structure, the HST threshold for the rebate ($400,000), has become too low. A lot has changed since the HST threshold was established in 2009 and Ontario housing prices have appreciated substantially. The optimal solution to mitigate the negative effects and avoid further erosion in housing affordability in the coming years, is for the government to regularly review the housing rebate threshold. OHBA recognizes the current deficit situation of the provincial government and is not requesting the government resort to drastic measures. As we approach the 10-year anniversary of the HST in Ontario, this is the time to review the threshold and structure.

- **Utility companies can arbitrarily set their development-related connection fees:** The province should establish stronger guidance to rationally determine these utility connection fees to ensure fair cost recovery and ensure more cost certainty for project proponents.

- **Medium-to-high density projects result in a condominium ownership structure with common elements and municipal services paid as operational costs through condo fees:** Such a condominium model results in many developments for which services such as garbage collection being contracted out privately, yet the residents of these condominiums often pay the same tax rates as those in free-hold developments. There should be an incentive or reduction in property taxes for those residents that are paying their own services.

- **Construction Act:** The cost impact of this new experimental framework will find its way into DCs and into the cost of new homes. Along with mandatory adjudication for payment and extended construction lien rights, there is also a requirement for municipal infrastructure projects to be bonded. OHBA recommends that the new provincial government reengage stakeholders and resolve outstanding issues they have inherited as a result of this legislation.

Q2. How can we make sure that serviced land is available in the right places for housing?

- **Supply of Serviced Land:** MMAH should amend the PPS to require a 10-year supply of designated and available greenfeild land for development and that there be a three-year supply of draft approval greenfied building lots/blocks. Better coordination is required between a municipality's OP and its Capital Budget (supported by its DC bylaw) to ensure municipal infrastructure is readily available to support land use designations and their implementation.

- **Growth Plan Density and Intensification Targets:** OHBA is generally supportive of the new density and intensification targets as proposed in the amendment to the *Growth Plan 2019*. These new targets represent a more practical approach to growth planning to ensure the right type of housing in the right places. OHBA will provide MMAH with more detailed comments and recommendations in a seperate submission responding to the 013-4504 regulatory posting.

- **Growth Plan Schedule #3:** Update *Growth Plan* Schedule #3 population and employment forecasts to 2051. This policy update would commence necessary long-term planning across the Greater Golden Horseshoe for long-term housing supply, employment and infrastructure.

- **Growth Plan Land Needs Methodology:** Withdraw the **2018 Land Needs Methodology** and the draft Application of Intensification and Density Targets and Municipal Comprehensive Review Process guidance documents.

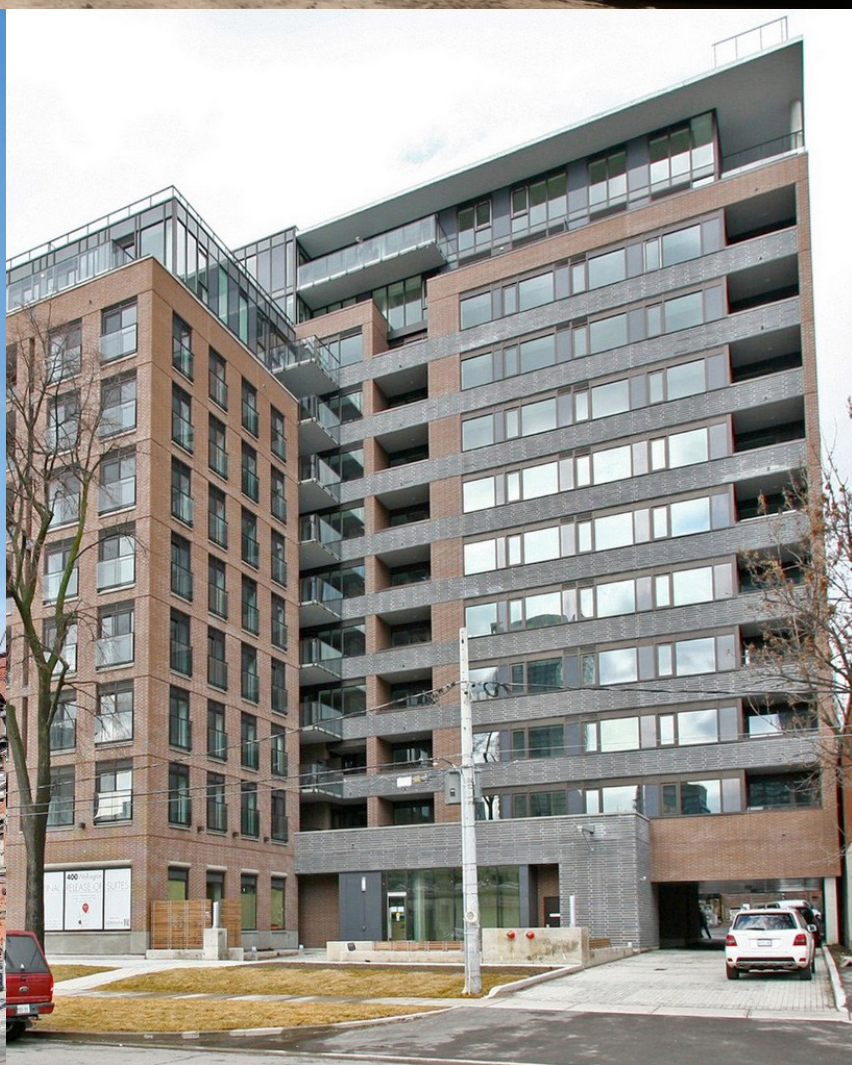
- **Employment Land Conversion:** Remove the need for a Municipal Comprehensive Review (MCR) to allow for the conversion of employment Lands. Employment conversions through private OPAs should be permitted at any time (not pursuant to an MCR) to give municipalities and the industry the ability to address local market needs, allowing for immediate and efficient use of infrastructure and services. The province should allowing for greater flexibility for mixed-use (residential) by focusing on criteria for conversions allowing mixed-use. OHBA is supportive of the approach the province has taken with the proposed amendments to the *Growth Plan* and recommends that this approach be extrapolated more broadly across the province. Furthermore, the adjacent **Land Use Compatibility Guidelines** is an antiquated document that follows 1970's land planning paradigms and discourages appropriate mixed-use employment/residential development while ignoring the rapidly changing nature of employment.

- **Whitebelt:** The whitebelt should be designated as a long-term urban reserve designed to accommodate the future growth of the region, and this principle should be reflected in Regional OPs and Long-Term Urban Structure Plans.

- **Infrastructure Alignment with Land Use Planning:** The **Ministry of Infrastructure (MOI)** should work with MMAH through a long-term infrastructure plan alignment process to strengthen the connection between provincial infrastructure investments and provincial and municipal land use planning. This will help provide broader public service facilities, such as hospitals, long-term care facilities, libraries and schools, located to support complete communities and appropriate housing supply. The province should also allow municipalities to plan for longer-term urban structure and infrastructure.

- **Infrastructure and MOE Approvals:** The province should prioritize a number of infrastructure projects and coordinate the necessary MOE approvals so that we can get shovels in the ground and manage costs:
  - Expedite environmental approval for the Upper York Sewage Solutions project.
  - Continue to invest in GO Transit towards Regional Express Rail (RER).
  - GTA West Corridor – the EA should be reactivated immediately to deliver this vital piece of highway infrastructure for Ontario and to allow the relevant municipalities to move on with their long-term planning.
  - OHBA supports the provincial government's commitment to invest $5 billion towards new subways, but cautions that the current EA process must be expedited to ensure shovels are in the ground for multiple vitally required projects as soon as possible.
  - Deliver on commitments to build the Hamilton LRT and Hurontario LRT.
  - Deliver on commitment to buildng Phase 2 of the Ottawa LRT.


WOOD
ONLY
TRIB-H5
BLK-H
LVL-1
TRIB-H4
BLK-H
LVL-1
H13
H12



Rent: It is too hard to be a landlord in Ontario, and tenants need to be protected.

Over the past decade, the health of the many urban rental market's across Ontario have eroded. Housing advocates consider a vacancy rate below 3.0 per cent to be unhealthy. Over the past decade, many urban centres across Ontario have consistently been below that level, making it difficult for renters to find suitable and affordable housing. Building new, purpose-built rental units will help take the pressure off the rental market, provide more options for those who cannot afford home-ownership to find appropriate and affordable housing.

In both 2015 and 2016 the Toronto Area saw shovels in the ground for more than 2,500 rental units in new purposed-built rental buildings according to a study by the **Ryerson City Building Institute** and **Evergreen**. Similar renewed interest in purpose-built rental is occurring in other Ontario urban centres. These levels of purpose-built rental housing supply have not been seen in a couple of decades. Though this signifies a renewed interest in rental development; it is not enough. Measures the previous government introduced in the **Fair Housing Plan**, including the extension of rent control, put this positive trend at risk and the initial steps the new government has already undertaken have been encouraging.

Q1. How can we make the current system work better for landlords?

- **Rent Control:** Rent control acts as a disincentive to building new rental housing supply. It is a barrier to new rental development and the new provincial government has struck an appropriate to balance by protecting existing tenants while stimulating new rental construction. OHBA is supportive of the provincial government's vacancy decontrol approach and understands through Bill 57 that they will continue to provide rent control to every single tenant in a rental unit in an existing building today. Not one person in a rental unit or any existing building in Ontario was impacted by the government decision to encourage new supply by lifting rent control from new buildings going forward.

- **Zoning and streamlining planning process:** A key cost with any development is the cost of land. In order to minimize the cost of land, many rental property owners are considering adding additional rental buildings/units on the same property as existing rental buildings. By removing or reducing the cost of land, projects such as these will make more financial sense. The province, working with municipal partners, should consider opportunities to "up-zone" or streamline the planning process for new purpose-built rental projects that take advantage of existing rental apartment neighbourhoods. There are many opportunities to intensify existing rental apartment communities with much needed new purpose-build rental supply through bypassing the need to purchase land and thus adding new supply through a streamlined process to an existing portfolio. There are examples all over Ontario of the old "tower in the park" model of apartment buildings where new townhomes or new apartments could quickly be built on existing sites. Municipalities under provincial policy direction should be mandate to modernize their OPs and zoning bylaws to allow a streamlined process to add more mid-rise and high-rise development "as-of-right" within apartment neighbourhoods, at key growth nodes and along transit corridors and avenues.

  OHBA notes that many commercial property owners are also considering the development of purpose built rental apartment units on surplus lands or underutilized lands through redevelopment and/or intensification. Many of these properties have good access to transit, employment (including on-site) and retail. Intensification on commercial properties typically has limited or no impact on existing residential areas. This type of intensification should be encouraged.

- **Municipal Incentive Programs:** Similar to incentives provided to encourage affordable housing development, municipalities should expand incentive programs that reduce or waive planning and permit fees to all purpose-built rental projects. This includes reducing application fees, eliminating minimum parking requirements, Section 37 contributions, parkland dedication and reduced DCs. Planning applications for purpose-built rental, including rezoning or OP amendments should be fast-tracked.

- **Demolition and Rental Replacement:** Vacancy decontrol protects tenants rather than a specific unit, meaning a landlord can rent an apartment that is vacant for market rent and thereafter the new tenant's rent cannot be increased beyond the guideline. When a rental apartment is demolished and is being replaced, some municipalities require the developer to enter into an agreement that the rents will be at a specific fixed amount into perpetuity and, if the tenant moves out, the rent for the apartment cannot be increased beyond the guideline. OHBA agrees with allowing tenants who have been displaced to have the right to return after either substantial renovation or construction of a new apartment. However, fixing the rent for replacement apartments discourages the demolition of obsolete buildings and their replacement with new apartment buildings. The prohibition of demolishing rental units without replacing them with new units is reasonable, but the enforcement of below-market rents in the new buildings (set at the rate of the rents is in the old buildings) makes it uneconomic to replace outdated and obsolete buildings. The province should encourage new construction by prohibiting municipalities to regulate rents in replacement residential rental buildings except in the specific circumstance where a displaced tenant has decided to re-occupy a unit from which they were displaced. With the unit rent could then be reset back to market value rent once that tenant evenutally vacates the unit. Such a policy would protect displaced, and returning tenants, while encouraging new and upgraded supply.

- **Landlords require more options to collect late rent from tenants and be able to levy penalties for late rent to encourage tenants to pay their rent on time:** Current regulations only permit sending letter of notices ,besides applying for eviction. A middle-ground option should be permitted to ensure a better balance between tenant and landlord rights.

Q3. How do we encourage homeowners to create legal second units and new rental supply?

In 2015, OHBA and the **Pembina Institute** released a joint report, **Make Way for Laneway**, which addresses the short supply of affordable homes in walkable, amenity-rich urban neighbourhoods that are close to rapid transit. These desirable residential streets are comprised mostly of detached and semi-detached houses, with purchase prices and rental rates well beyond the reach of most residents. OHBA and the **Pembina Institute** noted there are other ways to provide more homes in these established neighbourhoods without changing the look, feel and character of these low-rise residential streets. Laneway houses, garden suites and infill townhouses are examples of small-scale housing options that can help address housing supply and choice in existing so called "stable" neighbourhoods.

- **As-of-Right Secondary Suites:** Secondary (such as basement apartments and other) are an important ingredient in a healthy housing system and can make better use of existing homes. Additionally, some types of secondary units can provide extra income, improving the affordability of home-ownership, particularly for new homebuyers. Yet creating new, legal second units is difficult because of government requirements, such as the parking requirements and local Zoning bylaws/restrictions. The province should allow as-of-right secondary suites and create one set of rules across the province.

- **Development Charges Act:** The province should amend the *Development Charges Act* to prohibit municipalities from levying a DC on a secondary unit and even a third ancillary unit. This would stimulate more small-scale investment in secondary suites and significantly reduce costs (which are passed on to consumers through higher rent). This simple legislative amendment would stimulate new supply for affordable housing.

- **Development Charges Act:** The province should amend the *Development Charges Act* to prohibit municipalities from levying a Development Charge on a laneway unit. Similar to the previous recommendation to prohibit DCs on secondary or even third ancillary units, this simple legislative amendment could stimulate new supply for more affordable units.

- **Laneway and other secondary housing opportunities:** Zoning bylaws should also be adjusted to allow for a more comprehensive suite of secondary unit (or even third ancillary unit) options throughout all low-rise residential neighbourhoods. Specifically, laneway suites and granny suites should also be allowed as-of-right across Ontario.

- **Minimum Parking Requirements:** A major benefit of small scale and infill housing is the potential to create more homes near transit. Most municipalities already limit the number of parking permits available in each neighbourhood to ensure residents are able to find a place to park in their designated zone. If the permit supply is maintained then there should be no concern about more vehicles in the neighbourhood. Municipalities can provide different tiers of permits, limiting where and when residents can park on the street. Off-street parking requirements — such as creating driveways or expensive underground parking — should be relaxed (or eliminated – let the market decide!) for infill housing and secondary suites near transit, to encourage residents to use transit instead of owning a car. OHBA recommends the province prohibit municipalities from requiring minimum parking standards for secondary (or even third ancillary) units.

Innovation: Other concerns, opportunities and innovations to increase housing supply.

Q1. Are there any innovative forms of homeownership (e.g., shared ownership or rent-to-own models) that you feel could help make housing more attainable?

- **Single Lot Strata:** OHBA notes that while second units are one tool for creating more rental supply, zoning changes could also support the division of houses into condominium units. This could promote access to more affordable ownership options beyond typical medium-to-high density multi-unit projects. Such an approach would allow homeowners to access their home equity and help to gently increase density in residential neighbourhoods. This innovative approach would also make use of existing social infrastructure, allowing people to continue to age-in-place while breathing new life into existing neighbourhoods.

Q2. Do you have any creative ideas to make better use of existing homes, buildings and neighbourhoods to increase the supply of housing?

- **Secondary Suites:** Creating new legal second units is difficult because of government requirements, such as the parking and local bylaws/restrictions. The province should allow as-of-right secondary suites to create one set of rules across the province.
- **Gentle Density:** Previously recommended in the "mix" section, the province should mandate more flexible zoning in existing neighbourhoods to support a greater diversity of housing choice and encourage investment in new supply.

Q3. What other creative solutions could help increase the supply of housing?

- **Surplus Provincial Lands:** Identify excess provincial lands (including all provincial agencies, boards and commissions) and leverage private sector investment through partnerships to delivery new housing supply (including below market affordable housing).
- **Partner with Private Sector:** Identify opportunities for partnerships with the private sector to redevelop existing, or build new, transit stations that include both housing and employment.
- **Tall Wood / Mass Timber:** Recognize that Ontario is falling behind leading jurisdictions in Europe, the provincial government should support innovation in construction by:
  - Amending the OBC to allow 14-storey tall wood buildings once the National Code is updated;
  - MMAH should initiate the creation of a European building and fire code exiting standard consistent with a single-stair for small buildings under six-storeys. This would unlock significant opportunities to increase the supply of mid-rise buildings on tight urban infill sites.
- **Mid-rise specific OBC:** MMAH should consult on mid-rise specific building code options to facilitate more smaller scale infill housing opportunities. Building Code requirements should stop trying to squeeze larger building typology requirements into midscale infill sites and building sizes. Implementing more flexible design options could facilitate more of this missing middle housing supply.
- **Minimum Parking Requirements:** Most municipalities require developers to provide a minimum number of parking spaces per residential unit built – a significant cost that gets passed onto homebuyers (or renters). Providing parking spaces isn't cheap, especially for mid-rise and high-rise developments. In denser areas, creating an above ground parking structure costs about $30,000 per space, whereas underground parking costs even more, at up to $60,000 per space. Requiring minimum parking standards (which often exceed market demand and achievable revenues associated with parking spaces, especially in rental buildings) makes no sense for developments near transit, or in a society that increasingly utilizes "car sharing" apps, or for a province seeking to reduce GHG emissions. The province should prohibit municipalities from requiring minimum parking standards (which add to the cost of housing) – let the market decide!
- **E-Permitting:** OHBA supports the Development Approvals Roundtable recommendation (fall 2017) that the province will establish a Task Force, with appropriate representation from stakeholders and experts, to undertake an assessment and examine the feasibility of developing an e-permitting and tracking system for municipal and provincial land use and development approvals, including the identification of potential municipal pilot opportunities. The work of the task force would build on existing work done by provincial ministries and municipalities to move towards e-permitting systems, and link with the federal government.

Q4. What type of protections would help new home buyers?

- **New Home Warranty Program:** OHBA will continue to support a mandatory legislative new home warranty program in Ontario that provides accountability and transparency to all stakeholders – consumers, builder, and government.

CONSUMER DISCLOSURE

- **OHBA believes that an informed home buyer is important** in order for them to make the right decision on what home they want to live in. Transparency about a home's energy efficiency provides home buyers the ability to understand the true costs of maintaining a home well after they take possession. Ontario's new home buyers can have the confidence that they will be moving into a safe and energy efficient home. In fact, Ontario new homes built in Ontario are among the most energy efficient in North America. As the province recognized in their **Made-in-Ontario Environmental Plan**, "Ontario is currently a leading jurisdiction in Canada when it comes to energy efficiency standards in its Building Code. Today, Ontario's Building Code ensures new homes built after 2017 use 50 per cent less energy to heat and cool than houses built before 2005, resulting in a much lower carbon footprint than older homes."

- **Consumer rights and safety are also an important component when purchasing a new home.** Ontario new condo buyers also have a legislated 10-day cooling off period once they sign their agreement of purchase and sale, allow them to back out of the contract without any consequences; a consumer right that is not provided to those that purchase a re-sale condominium. New home buyers also take possession of their home with a number of fire safety measures; including visual signalling components to ensure safety for those that are hearing impaired. This is a mandatory Ontario Building Code safety requirement that buyers do not have when they purchase a resale home.

- **Purchasers of new homes are walking into a contractual environment** that is different from that of a resale agreement of purchase and sale. New homebuyers currently have the ability to purchase a new home directly from a full-time salaried employee of the builder when they walk into a sales office. The presentations, agreements and negotiations are all governed under the *Ontario New Home Warranty Program Act* and bind the builder to the full-time salaried employee's sales commitments. That new home purchaser now has a seven-year mandatory new home warranty protection. Issues arising from sales-related interactions can be brought to the attention of the new home warranty regulator and resolved accordingly.

- **In a resale environment**, where a licensed real estate agent is serving to facilitate a transaction between two private parties. Once the transaction is completed, the obligations of the real estate agent are limited, and the ability of the purchasers to resolve any sales related concerns are also limited. OHBA would suggest that under the current new home buyer sales structure, purchasers have more protections and options to resolve issues than under the existing resale framework.

PRE-SALE CONDOMINIUMS

- **OHBA continues to support improvements to the pre-sale condominium market**. Improving disclosure of the conditional nature of pre-construction sales agreements, regular updates on the approval and building status of the project and clarity on the notice of cancellation of the project will provide consumers with more confidence when purchasing a pre-sale condominium unit.

#homebeliever

High-density

Mixed use

Low-rise

Mid-rise

Missing middle

Laneway home

Transit-oriented

Expanding community

Existing community

Secondary suite

Single detached

Townhome

Condominium

High-rise

Established community

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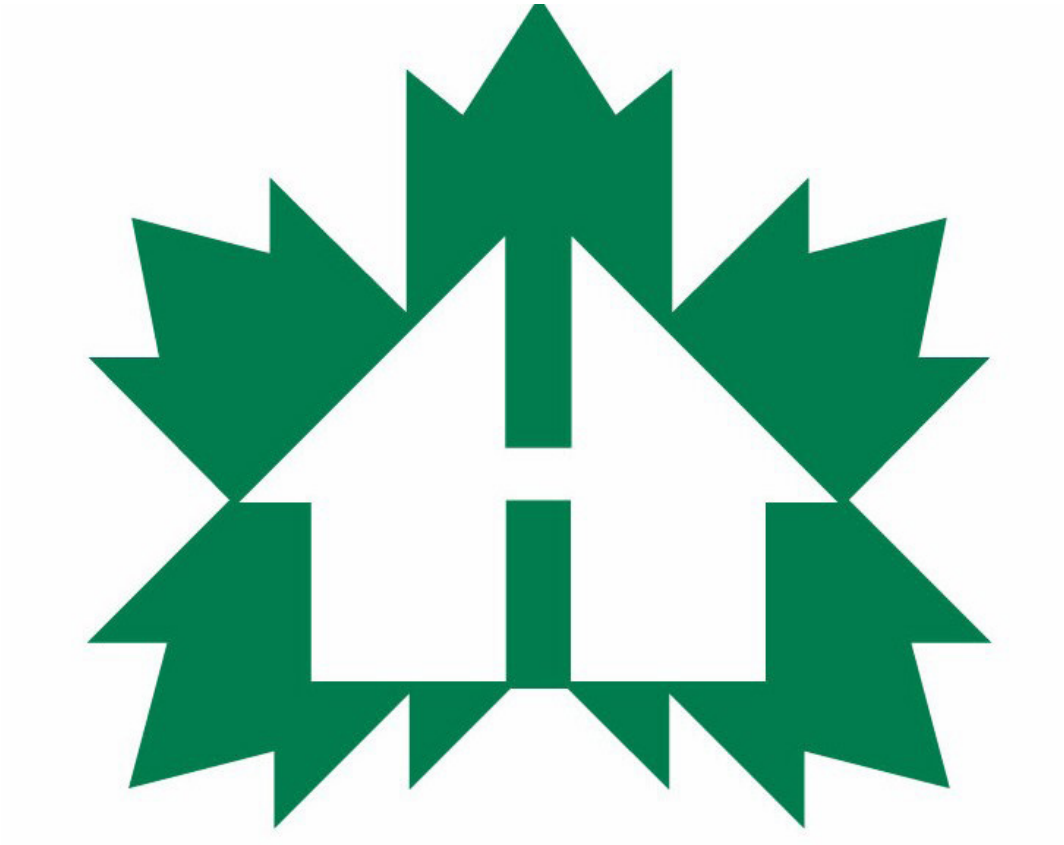

Ontario Home Builders' Association
20 Upjohn Rd., Suite 101, North York, ON M3B 2V9
1- 800-387-0109 or 416-443-1545
info@ohba.ca
@OntarioHBA
www.ohba.ca