



Ontario
Home Builders'
Association

#homebeliever

ONTARIO JOBS AND RECOVERY COMMITTEE SUBMISSION

2020 | JUNE



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ABOUT OHBA

“ *In the last year our members have built nearly seventy-thousand homes in different communities across Ontario.* ”

The Ontario Home Builders' Association is the voice of home building, land development and professional renovation industry in Ontario. OHBA represents over 4,000 member companies, organized into a network of 27 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, and consultants and suppliers. The residential construction industry employs over 532,000 and has contributed over \$66.6 billion to the province's economy in 2018.



27 LOCAL ASSOCIATIONS

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



ONTARIO JOBS AND RECOVERY COMMITTEE SUBMISSION

June 29th, 2020

Dear Ontario Jobs and Recovery Committee members,

On behalf our entire association, we hope you and your families are doing well and staying healthy during these challenging times.

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario, representing 4,000 member companies organized into a network of 27 local associations across the province. OHBA members are very pleased and supportive of Premier Ford's strong commitment to a post-pandemic economic plan and the establishment of the Ontario Jobs and Recovery Committee (OJRC).

Our members recognize that the provincial government continues to take a cautious, and careful approach to re-opening construction activity across the province with direction from Public Health Ontario. This sector is supportive of this approach as it will help to reduce the spread of COVID-19 in our communities. OHBA commends the government on the steps taken so far to ensure worker safety during this challenging time with new Ministry of Labour guidelines and increased jobsite inspections. OHBA members know this is "not business as usual" and will continue to enhance Health, Safety and Sanitation COVID-19 protocols on job sites to protect workers, contractors, clients, and their families. We all want safe jobsites.

OHBA is supportive of the OJRC approach of resuming economic activity in a phased manner that is guided by the very best public health input and with the prime consideration being the safety and well-being of Ontarians. It is also important to recognize that as we reopen the economy, we will need to continue delivering housing supply, jobs and economic activity to Ontarians. Based on historic averages, there are approximately 70,000 – 75,000 new housing starts in Ontario on an annual basis representing a roof over the head of Ontario families. Following the 2007-2008 economic recession, the residential construction sector in played a key role in helping our province rebound economically by delivering flexible housing and renovations, spurring



ONTARIO JOBS AND RECOVERY COMMITTEE SUBMISSION

economic activity and creating jobs across Ontario. Our sector is ready and able to help Ontario rebound from the economic disruption caused by COVID-19, as we did back in 2008.

Always with the support of Public Health Ontario, and with the need to ensure COVID-19 enhanced health, safety and sanitation protocols are in place, there are several types of construction activities that should be considered by the OJRC. The submission attached to this letter details these proposals which will help to kickstart housing supply and provide jobs, economic opportunity and home buying supports for Ontario families. We hope the committee will give these proposals due consideration as they aim to not only support the home and renovation sector but also provide attainable housing options for Ontario **#homebelievers** at all stages of life.

We wish to thank all OJRC members for their focus and commitment to Ontario's economic recovery. We know that a collaborative approach between the construction sector and government is essential to keeping job sites safe and healthy, delivering needed housing supply, spurring economic growth, and creating good jobs in our province, because that is the #OntarioSpirit.

Sincerely,



Joe Vaccaro
Chief Executive Officer
Ontario Home Builders' Association



I am a #homebeliever



ONTARIO JOBS AND RECOVERY COMMITTEE SUBMISSION

CC:

- Hon. Rod Phillips, Chair, Minister of Finance
- Hon. Vic Fedeli, Minister of Economic Development, Job Creation and Trade
- Hon. Peter Bethlenfalvy, President of the Treasury Board
- Hon. Steve Clark, Minister of Municipal Affairs and Housing
- Hon. Caroline Mulroney, Minister of Transportation
- Hon. Christine Elliott, Deputy Premier and Minister of Health
- Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs
- Hon. Greg Rickford, Minister of Energy, Northern Development and Mines and Minister of Indigenous Affairs
- Hon. John Yakabuski, Minister of Natural Resources and Forestry
- Hon. Laurie Scott, Minister of Infrastructure
- Hon. Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries
- Hon. Lisa Thompson, Minister of Government and Consumer Services
- Hon. Monte McNaughton, Minister of Labour, Training and Skills Development
- Hon. Jeff Yurek, Minister of the Environment, Conservation and Parks
- Hon. Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction



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ONTARIO RESIDENTIAL CONSTRUCTION INDUSTRY



532,000 Jobs



\$66.6B Economic Impact



\$32.5B in Wages

JOBS AND RECOVERY COMMITTEE SUBMISSION

1. Modernizing the HST Threshold for New Housing

Following the financial crisis of 2008/09, the housing sector led both Ontario and Canada out of the recession. Investment in new housing construction contributes hundreds of thousands of new jobs, not just in a few specific urban centres, but in communities right across Ontario, in professions as diverse as the skilled trades, engineering, finance, planning and architecture. As part of the COVID-19 economic recovery, the provincial government should reduce the tax burden on new housing in an effort to immediately make housing more affordable for Ontarians and stimulate additional investment in new housing that will generate private sector jobs in construction, and in supply chains contributing to the residential construction industry.

Ontario's HST came into effect on July 1, 2010 resulting in a significant net new tax increase on new housing. At the time, a fixed rebate of 6 percentage points of the 8% provincial portion of the tax was provided for new homes up to a threshold value of \$400,000 (providing a rebate up to \$24k per home). This threshold has remained at \$400,000 for the last decade despite significant increases in housing prices. As part of the economic recovery plan the provincial government should immediately increase the HST Threshold for New Housing to \$600,000, which would increase the new housing rebate by \$12k to \$36k per home for any new home sold at \$600,000 or more.

The provincial government has made increasing housing supply and choice a priority since the 2018 election through the Housing Supply Action Plan and the *More Homes, More Choice Act, 2019* (Bill 108). An immediate increase to the New Housing HST Threshold established a decade ago will make housing more affordable for the vast majority of **#homebelievers** across Ontario.

OHBA notes that as a result of housing price appreciation over the past decade, an ever-growing share of new homes constructed is valued beyond the \$400,000 HST threshold.



JOBS AND RECOVERY COMMITTEE SUBMISSION

1. Modernizing the HST Threshold for New Housing

When the HST was introduced in 2009, 63% of new homes sold in Ontario were priced under \$400,000; that figure is less than 40% today and even lower in urban centres like the GTA and Ottawa. It is virtually impossible to even find a small one bedroom condo in Toronto for less than \$400,000. The HST significantly pushes up housing costs and because of the static nature of the HST rebate threshold at \$400,000, that actually translates into an increasing tax burden borne on Ontarians annually due to significant home price escalation over the past decade.

Prior to the implementation of the HST, home buyers in Ontario were only charged the GST on new home purchases. However, an effective provincial tax rate of an estimated 2% was also embedded in these purchases, due to the taxation of building materials. According to a report (“Ontario’s HST New Housing Rebate: A Review and Analysis of the Rebate Threshold”) published by the Altus Group in November 2017, if the HST had not been implemented, and the prior PST regime was still in place, the tax burden on homeowners would have been \$3.4 billion **lower** between 2010 and 2016.

In the November 2017 report by the Altus Group, they examined the fiscal impact of an increase in the HST Threshold to \$500,000. This alternative threshold yields a maximum rebate value of \$30,000, based on Ontario’s calculation method (i.e. 75% of the provincial portion of the new HST), up from the current maximum rebate of \$24,000. If the Ontario Government had set the rebate at \$500,000, then lower tax revenues would be collected on each transaction for homes priced at \$400,001 and above. The Altus Group estimated that in 2016, had the HST threshold been set at \$500,000 instead of \$400,000, consumers would have saved \$158.2 million in provincial taxes.



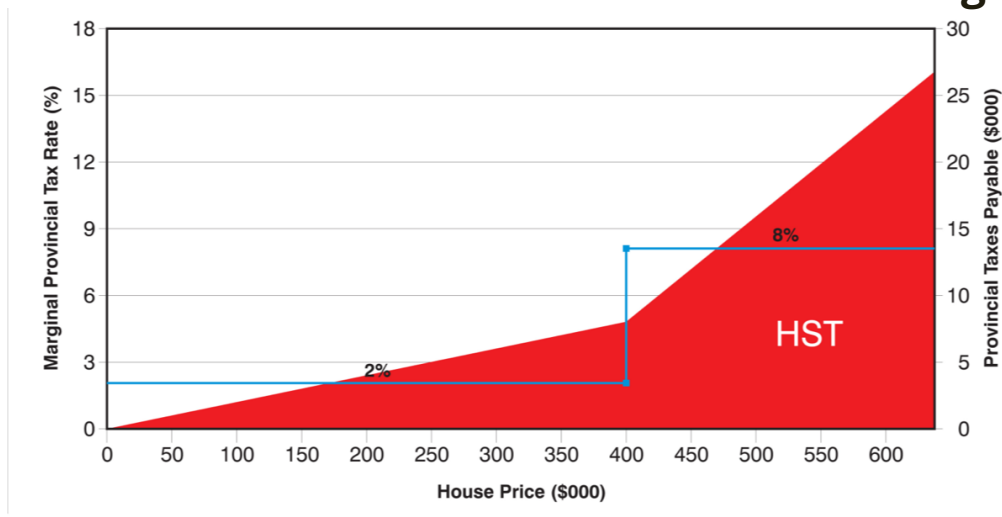
JOBS AND RECOVERY COMMITTEE SUBMISSION

1. Modernizing the HST Threshold for New Housing

OHBA strongly recommends that as part of the economic recovery plan for COVID-19, that the provincial government increase the HST Threshold from \$400,000 to \$600,000. The HST Threshold should also be indexed to reflect annual average increases in the price of housing. As a short-term post pandemic stimulus measure the provincial government should also consider temporarily removing the provincial share of the HST on new housing. This is not simply a piece of public policy that would spur on job creation and economic recovery through private sector investment across Ontario, but rather it is an important long-term public policy initiative that would support broader provincial government objectives.

Increasing the HST Threshold on new housing would immediately improve housing affordability and access to new housing for individuals and families across Ontario. Increasing the HST Threshold would reduce the tax burden on both new ownership and purpose-built rental housing while making new housing more competitive with resale (which is not subject to HST). Lastly, permanently increasing and indexing the HST Threshold would be a major initiative to support the province's Housing Supply Action Plan.

Current HST Threshold for New Housing



JOBS AND RECOVERY COMMITTEE SUBMISSION

2. Home Renovation Tax Credit

An essential element of moving Ontario's economy into the economic recovery stage and over the longer-term into durable prosperity is to support renovation investment through a consumer-focused rebate. Immediately following the 2008/09 financial crisis, the Home Renovation Tax Credit (HRTC) was a key component of Prime Minister Stephen Harper's federal Economic Action Plan. The HRTC proved to be very successful with over 3 million Canadians participating in the one-year HRTC. In fact, a Canada Revenue Agency (CRA) press release in 2011, stated that the Harper Government's one-year HRTC: "pumped an additional \$4.3 billion in renovation investment into the economy, at a time when the recession would have reduced investment in the sector". The CRA economic summary clearly shows that **#homebelievers** needing renovation services are very receptive, consumers have shown that they were very receptive to action by government to reduce the tax burden on home renovations. Based on the success of this program, OHBA strongly recommends that based on the success of the federal economic recovery stimulus package, that the Ontario government implement a provincial HRTC.

The federal HRTC also provided another important benefit. By requiring homeowners to have receipts to back up their HRTC claims, the federal government dealt a major setback to underground "cash" operators. Consumers intending to take advantage of the HRTC required proper documentation when they hired a renovator, placing cash operators at a significant disadvantage. This also resulted in increased government revenues as legitimate tax-paying contractors gained business that would otherwise have been lost to tax-evaders. Ultimately, the HRTC is not only a critical economic stimulus tool, but it should also provide a powerful and effective tool for combating the underground "cash" economy and protecting the integrity of Ontario's tax system.

The residential renovation sector accounts for some \$34.4 billion in investment activity in Ontario, equivalent to about 4% of the provincial economy and supports some 312,000 jobs across the province.



JOBS AND RECOVERY COMMITTEE SUBMISSION

2. Home Renovation Tax Credit

Perhaps most importantly, these jobs are not concentrated in a just few jurisdictions, but rather are spread right across the province in virtually every community from Ottawa to Windsor and Niagara to Thunder Bay. An economic stimulus initiative aimed at the renovation sector would have the added benefit of being spread across diverse communities throughout Ontario.

OHBA believes the HRTC should be a key component of the provincial recovery strategy as it would address a number of issues:

- It could be implemented immediately as part of the recovery strategy;
- It has a proven track record of success as economic stimulus (Harper Government's HRTC as part of the Economic Action Plan);
- Design of the program does not have to be complicated (e.g. HST rebate);
- Combats underground economy to better level playing field between legitimate business and underground cash operators;
- Provides tax credit for consumers to use legitimate business;
- Reduces tax leakage to the underground economy through required consumer paper;
- Improves older homes' energy efficiency reducing hydro bills;
- Addresses climate change by improving energy efficiency & reducing GHG emissions from Ontario's existing housing stock (Ontario's existing 5 million homes represents approximately 10.9% of GHG emissions in Ontario);
- Improves health & safety for construction works as those employed in "underground" renovation projects may not be properly equipped to complete their tasks, nor have proper training or WSIB;
- Improves opportunities for apprentices to find meaningful employment with legitimate employers offering professional development and education to close the skills gap;
- Reduces homeowner liability risk by utilizing legitimate businesses with appropriate credentials, certifications and permits;
- Ensures renovations have appropriate permits, inspections and are built to the Ontario Building Code;



JOBS AND RECOVERY COMMITTEE SUBMISSION

2. Home Renovation Tax Credit

- Provides homeowners the opportunity to create secondary suites. Encouraging secondary suites are a key component of the Ministry of Municipal Affairs and Housing's Housing Supply Action Plan. The extra income home owners receive would improve housing affordability in paying down the mortgage and support the creation of new affordable units in existing communities to alleviate the severe shortage of rental housing.
- Provides homeowners the opportunity to create secondary suites to allow for the care of aging parents. OHBA believes the COVID-19 pandemic situation has demonstrated the need for more alternatives to Long Term Care facilities. Going forward many families may choose to build secondary suites in their homes to care for aging relatives at home;
- Encourages homeowners to renovate their homes to age in place.
- With many organizations looking at implementing permanent or semi-permanent work from home policies in response to COVID-19, those who work from home will need to create productive space. An HRTC would respond to this immediate need to create home office work space.

The share of residential renovation spending through contractors that leaked underground has been estimated at almost 40%. The HRTC as economic stimulus would combat underground economic activity and provide an opportunity to reset taxation levels in the renovation sector to the pre-HST era.



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2. Home Renovation Tax Credit

OHBA notes that there are two key program design components to consider:

1. Consumers should be required to save receipts from legitimate businesses to apply for the tax credit and submit them to the CRA, which cross references that data against other databases such as the WSIB, to weed-out businesses that are tax-cheats;
2. The percentage rebate on the renovation should be set to encourage maximum impact to stimulate the economy, create jobs and combat the underground economy.

OHBA strongly recommends that an HRTC be a central component of the provincial economic recovery strategy. The HRTC has a strong policy precedent and was successfully implemented by the Federal Government.

OHBA further recommends that such a rebate be implemented by requiring homeowners to properly document and report their contractor renovation projects. This would create a paper trail that would allow the government to audit business and cross reference with other agencies such as the CRA for income taxes, WSIB, Ministry of Labour, CPP, etc. Ultimately an HRTC should not be a significant burden on the provincial treasury as it would prevent hundreds of millions of dollars in annual revenue leakage to the underground economy. The HRTC could be implemented very quickly to provide an immediate fiscal injection into the provincial economy.



JOBS AND RECOVERY COMMITTEE SUBMISSION

3. Modern Surety Bonds as Financial Security for Municipalities

Subdivision agreements require the developer to provide a form of financial security for the necessary infrastructure work needed to bring the development project forward. The need for financial security by the municipality is a recognized and responsible practice supported by the industry. The form of financial security however continues to be a growing concern. In the past, municipalities generally accepted surety bonds, but more recently, municipalities have moved to only accepting letters of credit as the only acceptable form of security.

As a financial security tool, letters of credit directly reduce the financial capacity of the developer, immediately stopping future development investment opportunities across Ontario. Every dollar tied up in a letter of credit to the municipality is a dollar unavailable for immediate job-creating construction.

Modern surety bonds provide municipalities with the necessary financial security without reducing the protections that municipalities require. There are current examples, like the City of Pickering, where after a long, extensive council process the municipality has permitted modern surety bonds to provide the municipality with the protections while supporting more development investment in their community.

In order to improve investment liquidity across Ontario, OHBA proposes that the Province require municipalities to accept surety bonds as an acceptable financial tool to secure municipal agreements. This change would continue to provide the municipality with the financial security they need and would have no impact on provincial or municipal revenues or expenditures, while creating billions of dollars of future financial liquidity for development. That new liquidity and investment is what is needed to generate private sector construction jobs Ontario's economic recovery need right now.



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4. Infrastructure Stimulus

As part of a sustainable economic recovery plan, the province should accelerate major infrastructure projects. OHBA supports coordinated infrastructure investment towards strategic projects based on clearly defined priorities. These targeted stimulus investments should support other provincial objectives such as the efficient movement of goods and people. OHBA believes the expansion of “core” infrastructure (roads, transit, water and wastewater) in support of delivering much-needed housing supply to a growing [#homebeliever](#) population should be a key priority for the provincial government.

The provincial government should advance shovel ready and “shovel worthy” core infrastructure projects to be jointly funded with the federal government such as the Upper York Sewage Solutions project in North York, the Highbury Ave Reconstruction Project in London, the South Niagara Falls Wastewater Solutions Project, and future stages of the Ottawa LRT. These are just a couple of examples of significant infrastructure projects that would set in motion private sector investment in housing. Equally important is long-term asset management planning through the ongoing maintenance of Ontario’s existing infrastructure.

OHBA is encouraged by the significant investments in transportation-related infrastructure that the provincial government has already committed to. The government should be leaving no stone unturned as to how these priority projects can be accelerated into the construction phase post COVID-19. Furthermore, the provincial government should work with supportive stakeholders (including OHBA) to aggressively advocate for federal infrastructure stimulus support of these provincial priorities. These transportation projects should include not only the four transit projects identified in Bill 171 (*Building Transit Faster Act, 2020*), but also transit projects beyond the GTA and provincial highway infrastructure including the stalled GTA-West Corridor. OHBA notes that advancing the GTA-West Corridor EA and the North West GTA Energy Infrastructure Corridor would have the added benefit of clearly defining the detailed route of the corridor and thus allowing the release of significant strategically located lands for housing and



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4. Infrastructure Stimulus

employment that are currently frozen. OHBA supports rapidly advancing these corridors and releasing strategically located lands as part of the COVID-19 recovery plan. Now is the opportunity to secure provincial and federal funding and rapidly advance projects that will create jobs immediately and support long-term economic prosperity.

The new housing and land development industry is a key partner to the province in creating transit-oriented communities that will support provincial transportation plans and investments over the long term. Furthermore, there are opportunities for partnerships and joint investments in mixed-use developments as part of new or upgraded transit stations. The new housing and development industry will continue to contribute its fair share of resources to support the necessary expansion and improvement of transportation infrastructure. OHBA members look forward to seeing shovels in the ground for priority projects as soon as possible.



Source: GO Transit

JOBS AND RECOVERY COMMITTEE SUBMISSION

5. Temporarily Freeze Development Charges at Current Rates

New housing development requires access to serviced land with critical infrastructure in place. OHBA supports the Housing Supply Action Plan and efforts by the provincial government to find a better balance to financing critical infrastructure through the *More Homes, More Choice Act, 2019* (Bill 108). OHBA recommends that as a temporary measure to stimulate new housing construction and to assist with liquidity that current municipal development charges rates be frozen until January 1, 2022. Such a measure would also recognize that delays in municipal planning through the suspension of planning timelines (Ontario Regulation 149/20) will result in project delays where unanticipated development charges increases may have to be absorbed into existing pro-formas due to building permits being pulled several months later than anticipated.

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 cent of the cost of a new home in different Ontario jurisdictions. OHBA's request for a temporary freeze in Development Charges will not reduce the tax burden on new housing, nor alter the principal that "growth should pay for growth". OHBA is simply requesting a temporary measure during the post pandemic recovery period that scheduled municipal indexing of development charges rates be delayed until January 2022 or any new increases through new development charges by-laws have their implementation delayed until January 1, 2022.



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6. Resources for the Local Planning Appeals Tribunal

The Local Planning Appeal Tribunal (LPAT) is an adjudicative tribunal that hears cases in relation to a range of land use matters, heritage conservation and municipal governance. Like other tribunals, during the COVID-19 pandemic the LPAT initially cleared their entire calendar of a few months of scheduled hearings. However in April, the LPAT started to be operational again, on a limited basis, primarily via electronic and tele-conferencing means.

OHBA was pleased that the LPAT was able to exercise discretion and consider, on a case by case basis, lifting the suspension to schedule settlement hearings via teleconference or written submission. Currently, the LPAT is in the process of figuring out the best ways to get more aspects of the Tribunal moving and to be as functional as possible in a virtual manner. The slowdown at the LPAT has been compounded by the suspension of *Planning Act* timelines which resumed on June 22nd. OHBA notes that we were supportive of all of the steps the government took as part of emergency measures to protect the public and to put the health and safety of our workers, municipal employees and LPAT staff first.

As the provincial government looks towards the long-term economic recovery, it should consider that when “the clock re-started” on planning at the municipal level on June 22nd, there may be an increase in appeals as municipalities work through a log jam of applications. Any increase in appeals will compound the fact that the LPAT is going to have their own backlog of appeals as they work to reschedule hearings and navigate new virtual processes.

OHBA therefore recommends that as part of the post pandemic recovery efforts, that the Ministry of the Attorney General increase resources available to the LPAT to increase staff, increase the number of board members and ensure the appropriate technology is available to expediently tackle any backlog of appeals that emerges. It is important that the provincial government ensure the LPAT is adequately resourced to move through the appeals process and get shovels in the ground for projects to create jobs as part of the recovery.



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7.1 Interim Control By-Laws

Interim Control By-Laws (ICBLs) put a temporary freeze on some land uses while the municipality is studying or reviewing its policies (*Planning Act*, Section 38). The freeze can be imposed for only a year, with a maximum extension of another year. OHBA has previously expressed concerns to the provincial government that currently there is no ability to appeal an Interim Control By-Law when it is first passed (an extension to a by-law may be appealed). Previously, under subsection 38 (4) of the *Planning Act*, anyone who is given notice of the passing of an ICBL may appeal the by-law within 60 days after the by-law is passed. However, amendments to the *Planning Act* made through Bill 139 in 2017 allow only the Minister to appeal an ICBL when it is first passed (Any person or public body who is given notice of the extension of the by-law can appeal the extension).

OHBA is concerned that a number of municipal councils have utilized this tool for political purposes rather than as it is intended to be used for planning purposes. In some cases, the use of ICBLs has been to deliberately halt growth in areas identified for growth in the Provincial Policy Statement and the Growth Plan. Sheltering ICBLs from appeal and an independent third-party review based on evidence and provincial policy (through Bill 139) opened the possibility for political abuse of intent for a municipality to unilaterally freeze development rights regardless of the rationale, justification or strength of their case to do so.

As part of sustaining a long-term economic recovery, OHBA recommends that the Ministry of Municipal Affairs and Housing amend the *Planning Act* to allow anyone who is given notice of the passing of an ICBL to appeal the by-law within 60 days after the by-law is passed. OHBA further recommends that the Ministry of Municipal Affairs and Housing amend the *Planning Act* to require that all impacted property owners receive a minimum of 30 days notice prior to tabling, debate and passing of an ICBL at a municipal council.



JOBS AND RECOVERY COMMITTEE SUBMISSION

7.2 Planning Act - Sec. 50 - Subdivision Control

As part of the economic recovery strategy the provincial government should streamline Subdivision Control in the *Planning Act*. Such an action would reduce red tape as well as relieving pressure on the LPAT which will likely have a large backlog of appeals when the 'State of Emergency' is lifted. OHBA notes that MPP Doug Downey introduced Private Members Bill 88, *Planning Amendment Act, 2019* on March 25th, 2019 (prior to becoming the Attorney General).

In an April 10th, 2019 letter, OHBA supported the Private Members Bill, stating: "The Ontario Home Builders' Association (OHBA) supports your inaugural private members' legislation, Bill 88, *Planning Amendment Act, 2019*. Currently there are certain provisions of section 50 of the *Planning Act* that create unnecessary delays, conditions, expenses and red tape for Ontario businesses and homeowners. This legislation will provide more clarity and consistency around consents and severances and more specifically, resolves the unintended issues that confront property-owners by the inadvertent mergers, saving Ontario businesses and homeowners time and money."

The Private Members Bill received Second Reading on May 30th, 2019 and was referred to the Standing Committee on Finance and Economic Affairs, but no hearings were ever scheduled. OHBA recommends that the Ministry of Municipal Affairs and Housing adopt the proposed amendments to the *Planning Act* contained in the Private Members Bill 88 (*Planning Amendment Act, 2019*) into government legislation as part of the broader economic recovery plan.

OHBA further recommends that lapsing dates for Subdivisions should be mandated by MMAH to be 10 years (with an opportunity to apply for an extension). Currently, some municipalities approve subdivisions for 1 to 3 years and our members spend unnecessary time and resources applying for extensions. OHBA also recommends that any number of lots with frontage on an existing municipal road should be allowed to be created via the severance process. A Draft Plan of Subdivision should only be required to create lots where a new municipal road is required to be constructed.



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7.3 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 Official Plan policies and Site Plan Control by-laws. 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 design; 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. There should be more consistency and province-wide standards applied to the process. 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.
- Municipalities should be required to implement condominium exemptions where site plan approval has recently been granted. There is typically no need for additional conditions under a draft plan of condominium agreement because they have been covered off by the site plan agreement.
- There needs to be greater accountability in the system to ensure that municipalities and their agencies meet 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.
- 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



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7.4 Streamline Archeological Assessments

Sec 2.6.2 of the Provincial Policy Statement (PPS) and the Ontario Heritage Act 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, MHSTC can take up to a year to review archaeological assessment reports.

The provincial 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. OHBA further notes that archeological assessments can also impact smaller projects and even home renovations seeking minor variances for additions, which adds considerable costs and delays. Should timelines not be adhered to, an automatic approval should be the result.



JOBS AND RECOVERY COMMITTEE SUBMISSION

7.5 Pre-Zone for Transit Oriented Communities

High-rise and higher density housing 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 an established Urban Growth Centre) that municipalities be mandated to pre-zone to achieve density targets.

Municipalities should expedite the planning process by being required to process in coordination the Official Plan and zoning bylaws at the same time related to areas supported for high-rise height and density. Any higher order transit corridors that receive provincial funding for construction (e.g. Ontario Line) the provincial government should consider speeding up the planning process through Ministerial Zoning Orders in Major Transit Station Areas to maximize the investment opportunity, speed up the process as part of the economic recovery, support new Transit Oriented Communities and **#homebelievers**.

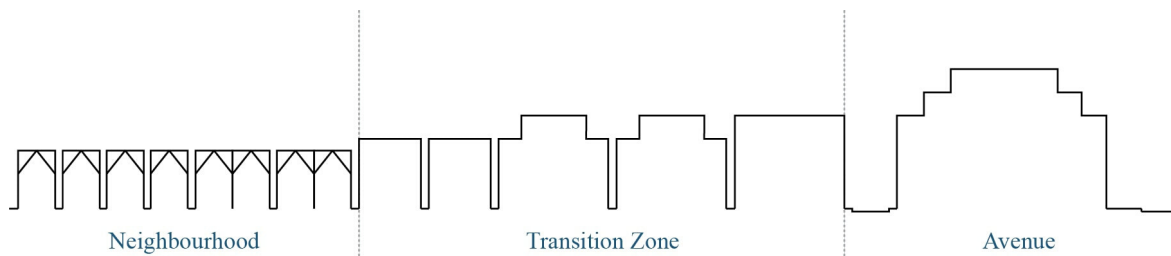


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7.6 Density Transition Zones

The province should require municipalities to implement “transition zones” (sometimes termed “enhancement zones”) in areas just outside of transit corridors, MTSAs and Urban Growth Centres. 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 Urban Growth Centre or MTSA. The zones function as buffer areas between the rear of an avenue property and adjacent residential properties.

Transition zones would better enable mid-rise development permissions to existing main street lots that would otherwise be unable to accommodate this type of growth due to the inability to meet setback and other requirements such as angular plains. Such policies would better facilitate 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 typologies within transition zones.



Source: www.transitionzones.com (By: Blair Scorgie & Sean Hertel)

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7.7 Tall Wood/Mass Timber

The Ontario Building Code (OBC) was amended in 2015 to allow wood-frame construction up to six storeys. This amendment has been met with strong support from the residential construction industry and Ontario's forestry sector. Mid-rise buildings located along the urban corridors of our cities are a vital component of the vision of the provincial A Place to Grow Growth Plan as well as the Provincial Policy Statement (PPS), and are found in virtually all regional and municipal Official Plans.

Updating the OBC to allow wood-frame buildings to be constructed to a maximum of fourteen storeys would increase the variety of living choices, increase architectural and design flexibility, realize cost savings for new home construction and new homebuyers, and would represent a major step in achieving planned intensification goals of the PPS and the Growth Plan. As part of Ontario's economic recovery strategy, expected benefits to amending the OBC include: job creation, increased availability of housing and rental units, increased tax-base for municipalities, a minimized carbon footprint of building construction and supporting Ontario's domestic forestry industry.

Numerous jurisdictions around the world currently permit tall wood and mass timber buildings beyond the limitations of the Ontario Building Code. The provincial government should as part of Ontario's economic recovery strategy recognize that Ontario is falling behind leading jurisdictions in Europe, and 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.



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7.8 Fast Track the Made in Ontario Environment Plan

OHBA members have an important role to play in protecting and preserving our environment. Through environmental stewardship, building energy efficient new housing or upgrading aging homes, creating transit efficient complete communities or cleaning up brownfield sites, our members are important partners to the government in delivering a Made-in-Ontario Environment Plan. As part of Ontario's Jobs and Recovery Strategy, the provincial government should take immediate steps to fast track incomplete elements of the Made in Ontario Environment Plan.

The Made-in-Ontario Environment Plan represents an important opportunity to recalibrate public policy to facilitate the construction of more new energy efficient homes, encourage homeowners to upgrade the energy efficiency of existing homes and modernize other environmental regulations to facilitate the cleanup of more brownfield sites, and a number of other positive initiatives. While the Ministry of the Environment, Conservation and Parks (MECP) has made significant progress on a number of elements of the Made in Ontario Environment Plan, the Ministry should accelerate a variety of other elements of the plan to streamline approvals, support job creation and facilitate a sustainable long-term economic recovery plan.

Key actions by the MECP should include:

- Extensive consultation took place over the winter to clarify the mandate of Conservation Authorities towards core services. The Ministry should take action this summer to streamline the Conservation Authority role in both permitting and planning.
- Appeals to Conservation Authorities 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, thereby causing disjointed and often competing land use decisions. All land use related appeals should be heard by the LPAT, thereby creating more integrated and timely decisions.



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- The Ministry should continue to improve the authorization processes and take steps to create the new Species-at-Risk Conservation Trust.
- Under the current MCEA process, rebuilding aging structures or building new infrastructure takes too long. It is imperative that the government continues to find ways to streamline the MCEA process, especially as it focuses on Ontario's recovery.
- The Part II Order process for Municipal Class Environmental Assessment (MCEA) schedules should be streamlined. Specifically, while Bill 108 fully exempts Schedule A and A+ projects from the requirements of the EA Act, OHBA further recommends that the Minister's authority for responding to Part II Order requests should be delegated to senior Ministry staff (Director level) for both Schedule B and C projects, with appropriate guidelines and decision timeframes (rather than sign-off by the Minister).
- Schedules within the MCEA process should be adjusted based on risk.
- The scope of the MCEA process should be adjusted to avoid duplication with the concurrent and more robust *Planning Act* processes.
- The MECP should introduce "system-wide ECAs" across all municipalities for storm, sanitary and SWM infrastructure:
 - A similar concept is being used successfully for water systems in a number of municipalities today;
 - There is no "value add" as part of the MECP's review and approval of current storm, sanitary and SWM ECA process going to the Ministry for review and final sign off;
 - The review of SWM ECAs are the most egregious and take the MECP as much as 8-12 months to approve. This is a total duplication of the review by a municipality and CA, and in some cases even MNR;
 - Under "system-wide ECA" a municipality has the license to take a systems approach and has final sign off (MECP will still monitor for compliance);



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- The Ministry should streamline the Records of Site Condition (RSC) process, improve the functionality of Tier II model, and streamline the Tier III risk assessment process to facilitate Brownfield redevelopment.
- The Ministry should better facilitate Low-Impact Development (LID) through industry-driven innovations with a focus to reduce municipal redundancy and financing of hard infrastructure (e.g. Development Charge credits)
- Municipalities should be prohibited from requiring minimum parking standards (which add to the cost of housing) – let the market decide!
- The Ministry should commence a review of the method for mapping and evaluation wetland significance review of the OWES. Furthermore, the MECP and MNRF should develop policy approaches and tools to prevent the loss of wetlands in Ontario through a mitigation hierarchy and wetlands offsetting policies.



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7.9 Adopt Utilities Model for Water and Wastewater Infrastructure

The single largest component of development charges in most municipalities is for water, and wastewater construction. As part of the post pandemic recovery strategy, 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. The provincial government should work with municipalities to explore the financial benefits of creating region-wide utilities (similar to Epcor in Alberta) that can take advantage of the scale economies and efficiencies available in the sector.

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7.10 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. Furthermore, eliminating minimum parking requirements will assist to provide more "missing middle" housing, which is a government priority in the Housing Supply Action Plan. The province should reduce costs as part of the economic recovery plan and prohibit municipalities from requiring minimum parking standards (which add to the cost of housing) – let the free market decide!

