



Ontario
Home Builders'
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Standing Committee on Heritage, Infrastructure and Cultural Policy
Bill 134: Affordable Homes and Good Jobs Act, 2023

Deputation Remarks – Neil Rodgers, Interim CEO, OHBA
November 15, 2023

- Thank you, Madam Chair, and members of the committee.
- My name is Neil Rodgers. I am the Interim CEO of the Ontario Home Builders' Association, having taken on the role this past October. I'm sure that several of our paths have crossed in the past; so, it's fair to say that I'm new to this position but not new to the industry after 37 years of experience.
- **Note to Mary Margaret McMahon – proud resident of Beaches – East York for some 40 years.**
- The OHBA is the voice of the residential construction industry in Ontario, representing 4,000 member companies in 27 local associations across the province; our members include builders, professional renovators, trade contractors and suppliers.
- Collectively, we have the vital responsibility to build the housing supply and choices that the people of Ontario want.
- We commend Minister Calandra and the Ontario Government's work to bring forward changes to the *Development Charges Act* to lower the cost of building, purchasing, and renting affordable homes across the province.
- The OHBA supports all measures to reduce the costs of building new housing and provide more financial certainty for families. Under the right conditions we will support the principle of municipal development charge related exemptions for affordable and attainable housing.
- In Ontario, up to 25% of the cost of a new home is composed of government-imposed taxes, fees, and charges.
- Since 2004, these costs have increased by 300% to 1,000%, and make no doubt about it – homeowners are directly saddled with this burden.
- The new definition of affordable housing under this Bill, is a step in the right direction but it has its limitations.

- Affordable housing relies on broad societal supports; through the Bill an even greater need is necessary to make the legislation work and deliver the quantum of units needed to solve the housing crisis. OHBA wants to help shape that outcome.
- The proposed new definition must be improved to facilitate partnerships between private sector builders – working alongside non-profits and municipalities – to cost-effectively deliver affordable housing units within larger market-based projects.
- First, **robust housing data through regular updates is essential.**
- Using CMHC data renders the data obsolete from the start. With unprecedented cost increases across the market, these forces have profound implications on the cost of housing – whether rental or ownership – and the viability of new projects.
- Furthermore, incomes have not kept with rising housing production costs (labour and materials) and inflation.
- The ***Affordable Housing Bulletin*** (which has not been articulated in the Bill) should be updated at least semi-annually using the latest available data on local housing market conditions AND income. The data must rely on credible datasets generated more frequently than census data.
- Once the dataset has been validated, it must be paired with targeted modifications to the proposed definition for **Affordable Residential Unit** for rental.
 - It is our understanding that the purpose of these amendments to the definition of **“Affordable Residential Unit”** under the Bill is intended to incentivize private sector developers to build affordable housing.
 - Regrettably, as proposed the **“Affordable Residential Unit”** definition, is not aligned with the realities of our sector.
 - To test the definition, we used the Greater Ottawa market as a significant housing market but not like the extreme conditions of the GTA.
 - Using the 2021 census data, Ottawa’s 60th percentile income would be \$61,200; applying the proposed 30% of the household income available for RENT in the Bill would yield \$1,500 per month.
 - I would submit to the Committee that it would be “near impossible” to acquire, develop, finance, and build rentals at this rate, without further substantial incentives, from all levels of government in today’s market conditions for new construction.
- If the goal of Bill 134 is to open **affordable rental housing** opportunities to a wider spectrum of Ontarians, OHBA recommends the annual accommodation costs, be amended from the proposed threshold of 30% of annual income to 40% - in section 5(b).

- The other variable to the definition is the **means test of household income** to support affordable rents.
 - Household's incomes vary dramatically across the province. A "one-size fits all" approach may not yield the results intended by the province.
 - Again, the absence of details about the Affordable Housing Bill, make it difficult to ascertain if the Bill's provisions will address the affordable housing crisis with any urgency.
 - In identifying the income-based affordable rent for a residential unit, OHBA recommends the threshold used for gross annual incomes for renter households be modified from the 60th percentile to the 75th percentile – pursuant to section 5 (a) to widen incentives for builders to make projects feasible.
 - Furthermore, we recommend a targeted approach for DC-related exemptions be applied for ownership housing.
 - Given that there is no distinction made for housing type in the Bill related to affordable housing ownership, we advise on limiting the development-related charge exemptions for Affordable Housing Units to a maximum of 2 bedrooms. This is simply to acknowledge how to best make the formula work in delivering affordable units.
- We recommend the Ministry to "go-back" and test the proposed regulation to ascertain whether the proposal will yield the outcomes necessary to deliver affordable housing to Ontarians.
- We strongly advise continued engagement with OHBA on the attainable housing definition that is expected soon and IF modelled properly, we are hopeful to lend our support therein to begin building and addressing Ontario's affordable housing crisis.
- Our Members are best suited to build the 1.5 M homes committed by the Ford government. We are ready to start...but we require a feasible framework that can deliver the quantum of units desired to solve the affordable housing crisis and meet this ambitious goal.

Thank you again, I appreciate the opportunity to speak to this legislation here today and look forward to answering any questions from the committee.