

November 24, 2022

The Hon. Steve Clark
Minister of Municipal Affairs and Housing
College Park 17th Flr
777 Bay St.
Toronto, ON M7A 2J3

Re: Bill 23, More Homes Built Faster Act, 2022 (ERO #019-6172, ERO #019-6163)

We are writing to provide comments on proposed regulatory and legislative changes under *Bill 23, More Homes Built Faster Act, 2022*.

Ontario is facing unprecedented affordability, labour market, public health, and climate challenges that require immediate and effective solutions. Nonprofits across Ontario deliver programs and services that support the well-being of Ontarians, from poverty reduction, housing, and health to climate resilience. While Bill 23 may seem like the right fix right now, many of its proposed changes will have long-term negative economic, environmental, and social impacts on Ontario's communities. The proposed changes will not solve our province's challenges, rather they will deepen the housing affordability crisis, create irreversible harm to our environment, and further damage community well-being.

About ONN

ONN is an independent nonprofit network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy, and services to strengthen the sector as a key pillar of our society and economy. We engage our network of diverse nonprofit organizations to work together on issues affecting the sector and channel the voices of our network to governments, funders, and other stakeholders.

Summary of Recommendations

To ensure Ontario attracts investment and top talent, we need neighborhoods that are affordable, green, climate-resilient, and encourage social cohesion. While we welcome certain measures in Bill 23, such as the exemption of development charges and community benefits charges for non-profit housing developments, we echo the concerns and recommendations made across housing, health and environment groups, urging you to:

1. Restrict proposed relief from development charges, community benefit charges and parkland dedication requirement to housing initiatives that will guarantee the creation of deeply affordable housing for low- to moderate-income earners;
2. Remove proposed restrictions on how municipalities can spend the proceeds of their development charges to maintain housing services as an eligible development charges service;

3. Remove all limits on inclusionary zoning and the newly established maximum affordability period of twenty-five (25) years;
4. Build climate-resilient communities by maintaining the integrity of Ontario's conservation protections and keeping the greenbelt intact.

Detailed Recommendations

1. Restrict proposed relief from development charges, community benefit charges and parkland dedication requirement to housing initiatives that will guarantee the creation of deeply affordable housing for low- to moderate-income earners.

Although certain exemptions from development charges, community benefits charges and parkland dedication requirements are welcomed for non-profit housing providers, the majority of the proposed reduction and elimination of such charges are concerning as they undermine municipalities' ability to sustainably fund affordable housing and other essential community infrastructure.

Non-profit housing providers work to provide affordable housing that prioritizes long-term community needs over profits. They build new deeply affordable housing and keep existing stock in a good state of repair. However, non-profit housing providers are often challenged with sourcing enough funds to support and scale-up their projects. Therefore, eliminating development charges, community benefits charges and parkland dedication requirements for non-profit housing providers is reasonable as it reduces costs for them to build deeply affordable housing for lower income Ontarians. In many municipalities (such as Toronto, Ottawa, and Oakville), non-profit housing developments are already exempted from paying Community Benefit Charges and given that there aren't many of them, the elimination of fees for non-profit housing developments likely won't result in huge revenue losses for municipalities.

However, the proposed overall reduction of development charges for all developments and the elimination of fees for those who meet the province's criteria for attainable housing and "affordable housing" will not guarantee the creation of deeply affordable housing. It will only result in the loss of hundreds of millions of dollars in revenue that municipalities rely on to deliver housing programs and build crucial community infrastructure.

Development charges and community benefit charges are designed to help municipalities pay for a portion of the capital infrastructure required to support new growth. Parkland dedication levies also exist to ensure that municipal park systems grow alongside other community developments. Together, they are crucial for municipalities to fund affordable housing and other essential community infrastructure, including roads, transit, parks, daycare, and community centers. According to provincial Financial Information Return data, from 2015 to 2019, municipalities collected nearly \$150 million for housing services. The reduction and elimination of these charges will necessitate cuts to existing services or significant increases in property taxes and user fees in order for municipalities to make up for the revenue losses, all at a time when household costs are already rising.

Most importantly, these measures do not guarantee the creation of affordable housing. The proposals redefine “affordable residential unit” as being a unit that is priced at 80 per cent of market rent, a measure that will create housing that is nowhere near affordable for those on low and very low incomes. In contrast, “affordable” is defined by Canada Mortgage and Housing Corporation as 30 per cent of an individual’s pre-tax income. Additionally, Bill 23’s new term “attainable housing” refers mainly to housing that should be on the market but isn’t necessarily affordable.

2. Remove proposed restrictions on how municipalities can spend the proceeds of their development charges to maintain housing services as an eligible development charges service

Of even greater concern is the new prescription for how development charges can and should be used. For example, currently, municipal governments can include housing services in their development charge fees, which are then used to improve and increase the community housing facilities municipalities operate. However, under the new proposed regulations, housing services will be removed from the list of eligible services under development charges. This will greatly limit the tools available to municipalities to support people who are homeless and underhoused, and undermine their ability to fund affordable housing. Unless the Province fully offsets this loss of revenue to municipalities or develops a replacement program, these provisions contradict the government’s goal of improving housing affordability and addressing homelessness.

3. Remove all limits on inclusionary zoning and the newly established maximum affordability period of twenty-five (25) years.

We echo calls from nonprofit housing providers, poverty reduction groups, and environmental groups to remove the limits on inclusionary zoning and affordability periods. Bill 23 limits the number of units that can be set aside for inclusionary zoning to only 5 per cent, which is well below the targets in bylaws that local governments have already passed. For example, Mississauga’s inclusionary zoning policy currently targets a 10 per cent level of affordable units. Studies have also shown the best set-aside rates are 20 to 30 per cent. In addition, the newly established maximum period of affordability means that the housing unit will return to the market in 25 years, decreasing the number of affordable housing units at that time and reversing investments made by governments to maintain housing affordability. In order to create new, deeply and permanently affordable homes, municipalities need flexible tools at their disposal, not more red tape.

4. Build climate-resilient communities by maintaining the integrity of Ontario’s conservation protections and keeping the greenbelt intact.

The protection and preservation of Ontario’s natural environment systems is not an obstacle to addressing the province’s affordable housing crisis. On the contrary, it plays a critical role in protecting Ontarians and their properties from the negative impact of climate change and natural hazards. As the frequency and intensity of flood, heat, and other extreme weather events increases, it is more important than ever to build

communities that are climate- resilient, which means being able to prepare for, recover from and adapt to the impacts of more frequent and intense weather events that pose significant risks to nature, people and infrastructure.

However, the proposed changes to the *Planning Act*, the *City of Toronto Act*, the *Conservation Authorities Act* and the *Greenbelt Act* will create serious risks to Ontario's environment at a time when the impacts of climate change are evident and urgent, putting Ontarians and their properties at greater risk of the impact of climate change and natural hazards. These include:

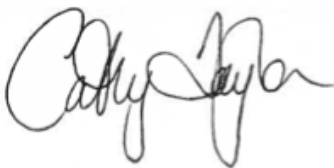
- Allowing the sale of conservation lands – including endangered or threatened species habitat, wetlands, and areas of natural and scientific interest
- Restricting conservation authorities' ability to review the environmental impact of development applications
- Removing 7,400 acres of land from the Ontario Greenbelt for housing developments

The proposed changes will take valuable farmland out of production for food, which will exacerbate food insecurity the many Ontario families are already experiencing due to high cost of living and global supply-chain upheavals. This makes lands that support food production invaluable.

Conclusion

Nonprofits across Ontario deliver diverse programs and services to support the well-being of Ontarians, from housing, poverty reduction, and health to climate resilience. The vast majority of proposed changes under Bill 23 will not solve Ontario's housing affordability crisis, rather they will have long-term negative economic, environmental, and social impacts on Ontario's communities. We urge you to listen to the concerns raised by housing, poverty reduction, health and environment groups and reconsider the provisions under Bill 23 to ensure that Ontarians can live in climate-resilient, affordable, and inclusive communities, and that Ontario can be the best place for all to live, work and play.

Sincerely,



Cathy Taylor, Executive Director
Ontario Nonprofit Network