



City of
Peterborough

To: The Members of General Committee

From: Michael Papadacos
Interim Commissioner of Infrastructure and Planning Services

Meeting Date: June 13, 2022

Subject: Update on Bill 109 and Proposed Projects to Improve
Development Approval Process, Report IPSPL22-011

Purpose

A report to update City Council on recent changes to the Planning Act (Bill 109) and projects underway to improve the City's Development Approval Process utilizing funding from the Province's Streamline Development Approval Fund.

Recommendations

That Council approve the recommendations outlined in Report IPSPL22-011, dated June 13, 2022, of the Interim Commissioner of Infrastructure and Planning Services as follows:

- a) That Report IPSPL22-011 be received for information; and
- b) That By-law 11-081 be further amended in the form of the amending by-law attached as Exhibit B to Report IPSPL22-011.

Budget and Financial Implications

There are no direct budget and financial implications resulting from the approval of this report.

Background

In recent months there has been much discussion regarding the housing market, including the skyrocketing costs and lack of affordable housing. This is not just a local issue, but one that is felt across the province. There seems to be many opinions being expressed for why Ontario municipalities are facing this “housing crisis” including lack of supply, investment buying, and length of time to obtain approvals to name a few.

On December 6, 2021, the Province appointed a Housing Affordability Task Force to provide the government with recommendations to address market housing supply and affordability. On February 8, 2022, the Ontario Housing Affordability Task Force released their report with 55 recommendations. The recommendations have significant impacts on land use planning, city building, heritage preservation and municipal finance. At this point in time, staff have not yet reviewed the report in detail to be able to provide specific comments on each recommendation. The purpose of this report will not be to provide comments on individual recommendations but rather high-level comments on the report.

While the Province has not indicated which of the recommendation will be implemented or provided a timeline associated with implementation, on March 30, 2022, the Province introduced **Bill 109**, the **More Homes for Everyone Act**. The Bill was passed by the Legislature and received Royal Assent two weeks later on April 14, 2022. Changes were made to several pieces of legislation including the **Planning Act**. Key changes made to the Planning Act relate to the zoning, plan of subdivision and site plan application processes to expedite planning approvals and penalize municipalities if decisions are not made in a prescribed timeline.

Since March 2021, City staff have been reviewing the local development approval process in an effort to identify opportunities for a more streamlined service delivery, identify gaps and needs within the process and verify resource levels to provide effective service. In April 2021, the City retained Performance Concepts Consulting and Dillon Consulting to undertake a comprehensive review of the local development approval process under the Audit and Accountability Fund Grant Program. On November 8, 2021, Report IPSPL21-042 which contained a series of recommendations was presented to General Committee for information. The Report contemplated an implementation plan for the recommendations to be presented to Council in 2022.

However, In January 2022, additional Provincial funding was extended to the City under the Streamline Development Approval Fund which the City is using to implement many of the recommendations presented in the 2021 Performance Concepts Consulting

Report, thereby eliminating the need for an implementation plan and potential budgeting for carrying out projects. The City will be undertaking several projects in 2022 to assist in streamlining the development approval process. The list of projects is presented in Table 2 below.

Ontario Housing Affordability Task Force

The Housing Affordability Task Force was comprised of nine members whose mandate was specifically to explore housing affordability by:

- Increasing the supply of market rate rental and ownership housing;
- Building housing supply in complete communities;
- Encouraging innovation and digital modernization, such as in the planning process;
- Reducing “red tape” and accelerating timelines;
- Supporting economic recovery and job creation; and
- Balancing housing needs with protecting the environment.

The Housing Affordability Task Force seems to have predicated their recommendations entirely on increasing supply as the primary factor in market housing affordability. It is worth noting that affordable housing was not part of the mandate of the Task Force. The Task Force places a significant portion of responsibility for the “housing crisis” on municipal zoning and slow approvals, costs of the development process including fees, charges and securities, public consultation and political influence in decision making. None of the Task Force members; however, are practising professional planners who have first hand knowledge of the planning and development approvals process and the timing associated with necessary consultation on a development application.

The Task Force’s Report contains 55 recommendations that were organized into five main areas:

- Require greater density and expand development rights

The City of Peterborough has always supported the principles of increased density and having options to respond to the growth needs of residents, and this is evident in the new Official Plan. The new Official Plan emphasizes the need for intensification within the Built Boundary and stresses the need for various housing types to support the needs of residents. There is greater flexibility to accommodate intensification in key Strategic Growth Areas like the Central Area and Mixed-Use Corridors, more opportunities for infill intensification in existing neighbourhoods and minimum density targets in new subdivision developments. Expanding development rights can be positive if done sensitively; however, by expanding development rights to the extent identified in the recommendations without the need for municipal approvals would result in significant impacts to taxpayers, infrastructure and heritage.

- Streamline planning application processes and implement standardized zoning and urban design standards

The City does not support shortening Planning Act time frames as many delays in the development approval process can be attributed to developers, consultants and external agencies. Delays in the approval process cannot wholly be attributed to the City. Province wide zoning and urban design standards ignore the fact that different communities have different needs, identities and character.

- De-politicize the planning process and cut red tape.

The Task Force recommendation of limiting public input into the planning process could be viewed as undemocratic as this assumes that public consultation only adds delay and no value to the development process.

- Fix the Ontario Land Tribunal (OLT) and prevent abuse of the appeals system

The City supports a review of appeal rights and the OLT processes. However, it is unclear how appeals would be screened for abuse. The OLT presently enjoys power to dismiss certain appeals but seems to refrain from doing so.

- Support Municipalities that commit to transforming the system

Implementation details associated with these recommendations are sparse and it would seem that these are longer term measures.

City Staff are supportive of many of the principles associated with the Housing Affordability Task Force's recommendations and many principles are supported in the new Official Plan; however, do not support many of the specific actions being proposed. The City has undertaken several proactive policy and regulatory approaches to expedite development of all types. The City has demonstrated a commitment to Provincial goals of creating more housing, providing a greater mix of housing types and looking further into measures to expedite development approvals. However, staff are concerned by the Task Force's primary premise that the elimination of "barriers" to development will alleviate all of the problems associated with housing supply and costs.

The Task Force Report is focused on how streamlining approvals would benefit affordability but disregards multiple additional factors beyond simply the municipal role and timing of approvals. These include the effects of low interest rates, investor demand, net immigration and non-resident purchasers, blind-bidding practices and the price point of new housing supply compared to affordable supply. In addition, the number of new housing units constructed does not necessarily correspond to the number of units approved.

Staff are concerned that many of the recommendations will negatively impact public consultation, municipal revenues, municipal outcomes and quality of life in the City of Peterborough. In staff's opinion, there are many factors that contribute to housing

affordability and the Task Force's recommendations only consider some of the less significant ones.

Bill 109 – More Homes for Everyone Act, 2022

On March 30, 2022, the Province introduced **Bill 109 – More Homes for Everyone Act, 2022**. The legislation responds in part to the recommendations of the Housing Affordability Task Force previously explained. While the proposed legislation was originally posted on the Provincial ERO website for comments up until April 29, 2022, Bill 109 received Royal Assent on April 14, 2022.

Bill 109 includes amendments to several pieces of legislation including:

- **City of Toronto Act, 2006**
- **Development Charges Act**
- **New Home Construction Licensing Act, 2017**
- **Ontario New Home Warranties Plan Act**
- **Planning Act**
- **Rebuilding Consumers Confidence Act, 2020**

This staff report will focus on the changes in the **Planning Act**.

Similar to the Housing Affordability Task Force Report, **Bill 109** is based in part on the premise that the housing affordability crisis is a function of an increase in population and a lack of housing supply. The legislation is based on reducing “red tape”, accelerating the development application revision timelines and streamlining the approvals process.

While Staff support the general intention of streamlining the development approval process and are working on several projects utilizing the Province's Streamline Development Approval Fund, **Bill 109** fails to recognize that the planning approval process is a consultation process that includes applicants/developers, consultants, internal city divisions, external agencies, First Nations, the general public, and Provincial ministries working together to find local solutions to development applications. Staff are very concerned that the changes will significantly impact local decision making and potentially move decision making to the Ontario Land Tribunal, which creates further problems as the OLT process, backlogs, and processing timelines are typically longer than the municipal approval process.

Bill 109 Planning Act Changes

- a) Minister Review of Official Plans & Amendments – Suspension of the Timeline

Prior to the enactment of Bill 109, the **Planning Act** provided the Minister 120 days to make a decision on official plan matters for which the Minister is the approval authority. While there is no change to the timeline, **Bill 109** has introduced a new discretionary

authority to suspend the approval timeline for new official plans and official plan amendments that are before the Minister for review. This "stop the clock" authority is retroactive to the new Official Plans and amendments submitted prior to the enactment of the Bill. The effect of this change is to alter the "legislative framework" mid-stream for matters approved by City Council awaiting Ministerial consideration. This directly impacts the City as the new Official Plan approved by City Council in November 2021, was forwarded to the Ministry in January 2022 and has yet to be approved by the Minister. Staff are of the opinion that matters that are currently before the Minister should have been exempted from this legislative change.

The new Official Plan incorporated much more flexibility in regard to mixed-use opportunities and a greater level of residential intensification. The new Ministerial authority to suspend decision-making timelines has the potential to prevent key policy initiatives from coming into effect indefinitely or significantly delaying policy matters that will help to advance the very intent of the legislation – bringing more affordable housing to the market.

With no indication as to the duration of the suspension, it would have the effect of deeming existing Council-adopted amendments, waiting for approval by the Minister for months, to be indefinitely suspended. This is counter to the intent to provide more transparency, stability and certainty for the land market.

Official plans are required to be updated in a timely manner. The suspension provision will only contribute to delays in a decision and it limits the municipality's ability to update their official plan as set out in the Provincial Policy Statement and will have the impact of delaying the advancement of as-of-right zoning provisions.

b) Referring an Official Plan Matter (or part of it) to the Ontario Land Tribunal

The amendments in **Bill 109** now allow the Minister to refer new official plans, official plan amendments, or a part of an amendment for which the Minister is the approval authority, to the Ontario Land Tribunal for either a recommendation back to the Minister or to make a decision.

Referral to the Tribunal could result in a hearing, or other form of proceeding, on official plans and amendments that were previously not subject to appeal. As part of this referral process, the Tribunal would have the authority to refuse or approve the plan (or part of it), make modifications to the plan, or approve the plan (or part of it). If the Tribunal holds a hearing and those who made submissions to Council on the OPA are permitted to be parties to that hearing, the matter could be in litigation for several years.

Official Plan Amendments subject to Ministerial approval should continue to be sheltered from protracted hearings at the Ontario Land Tribunal in order to provide for timely decisions that will provide greater certainty for businesses making investments both from a housing but also from an employment growth perspective.

c) Streamlining the Approvals Process: Application Fees Refund

The legislation contains new punitive provisions requiring municipalities to refund, in part or in their entirety, fees for rezoning and site plan applications if a decision by the municipality is not made within the timelines prescribed in the **Planning Act**. This change is to take effect on January 1, 2023. The refund schedule is outlined below and references calendar days:

Table 1 – Bill 109 Refund Schedule for Various Planning Applications

Amount of refund	Type of Planning Application		
	Zoning & OPA combined	Zoning	Site Plan
No refund	Decision is made within 120 days	Decision is made within 90 days	Plans are approved within 60 days
50%	Decision made within 121 days and 179 days	Decision made within 91 days to 149 days	Plans are approved between 61 days and 89 days
75%	Decision made within 180 and 239 days	Decision made 150 days and 209 days	Plans are approved 90 days and 119 days
100%	Decision made 240 days and later	Decision made 210 days and later	Plans are approved 120 days and beyond

It is unreasonable for municipalities to bear the brunt of delays by forgoing user fees on development applications as many of these delays are out of the control of the municipality. There are more elements to review in development files now more than ever. Infill sites are increasing and these are often complex development files given site characteristics. Many complexities can be attributed to provincial interests and direction that local municipalities are required to implement i.e., studies to determine soil contamination, noise impacts, archaeological impacts and environmental protection policy to name a few.

Delays can often be attributed to the quality of submissions – sometimes failing to address comments raised several times by staff. It is also very common for long delays between staff issuing comments and the time it takes for the applicant and their consulting team to make their next submission. Notably, the timelines do not include a “stop the clock” mechanism that provided the applicant time to respond to comments or requirements and submit a revision package.

External commenting agencies including Provincial ministries can also cause unforeseen delays and outside the control of staff.

Should the Province wish to impose timeframes, more realistic timeframes should be considered and be based on time in which the application is in the control of the municipality. It is unreasonable to expect a complex site plan for a high-density mixed use site plan application, as an example, to be reviewed and approved within 60 days.

There will be added and unnecessary pressure on Staff to approve applications more quickly with increased potential for poor outcomes as a result of approving a development project that has not addressed all issues in a satisfactory manner. In many cases staff and Council will have no other option but to recommend denial on applications that have failed to provide the technical information necessary to make a favourable recommendation.

Staff would also note that the appeal rights remain. As an example, the developer/applicant could receive a full refund on their Site Plan Applications after 120 days and still have the right to appeal the application to the Ontario Land Tribunal for a non-decision.

In summary, Planning Staff have significant concerns at the prospect of refunding fees in a tiered manner should an application not be approved with prescribed timeframes.

d) Amendments to Site Plan Control

Through **Bill 109** a number of amendments have been made to Section 41 of the **Planning Act**, regarding Site Plan Control. The changes include rules respecting pre-application consultations, complete applications, delegated approval authority and refunding of fees.

- Application Review and Fee Refunds

The timeline to appeal a site plan application is increased from 30 days to 60 days. This change will apply to applications submitted on or after July 1, 2022. The extension is welcome, however, the timeframe of 60 days simply is not enough time to approve a site plan. Generally, the 60 days allows for City staff to review the application but does not provide sufficient time for an applicant to prepare a response, resubmission or satisfy conditions, in advance of application fees having to be refunded. Accordingly, the refund requirements are problematic.

As provided for in **Bill 109**, if a site plan application cannot be approved – for example, if it does not conform to the in-force zoning by-law – a refund would still be required. In many instances applicants submit zoning (or minor variance applications) and site plan applications concurrently to reduce the project review timeframe. In these instances, site plan application timing cannot be met as the timelines do not allow sufficient time to bring a zoning by-law amendment into force and approve a site plan application.

It is worth noting that these changes implement a process whereby the city must approve a site plan application or be required to refund the application fee. This

differs from the new refund provisions for zoning by-law applications whereby a decision is needed before fees must be refunded, but that decision does not necessarily have to be an approval.

- Delegated Approval Authority

The legislation requires municipalities to pass a by-law to appoint an authorized person for site plan control approval. The legislation no longer provides for a municipal council to be the approval authority. It requires that Site Plan Approval authority be delegated to staff.

The City of Peterborough presently has a Site Plan Control By-law that delegates the approval of site plans to staff in certain circumstances. Approval of site plans are presently delegated to staff except for the following classes of development:

- i. Non-residential development or mixed-use development having a building floor area greater than 2,500 square metres, except any such development which is located within Major Bennett Industrial Park, Peterborough Industrial Park or Trent Research and Innovation Park (Cleantech Commons);
- ii. Any residential development containing more than 50 dwelling units;
- iii. Any development where Site Plan Approval by Council is stipulated as a requirement of a rezoning application;
- iv. Any development of a group home where a rezoning is required.

Under **Bill 109**, Council no longer has the authority to grant site plan approval for applications received on or after July 1, 2022. The authority to grant site plan approval must be delegated to staff. For consistency and in an effort to further expedite development approvals and address the existing backlog of site plan applications, staff are recommending that this approval authority also be delegated for all site plan applications currently being processed. This would put in place a consistent approach in approving all site plan applications moving forward rather than having some site plans processed under one by-law and some processed under another. Appendix B is a by-law to amend By-law 11-081 to delegate to the Commissioner, Infrastructure and Planning Services or to the Chief Planner, the authority to approve site plans and drawings and to impose conditions related to such approval of plans in accordance with Section 41 of the **Planning Act (Ontario)**.

- Complete Application

Bill 109 allows the Province to pass a regulation that would mandate the required items for a complete Site Plan application. The content of this regulation has not yet been released. While it may be desirable to have a standardized list of requirements,

it is unclear what this list will be comprised of. It may not contain all of the requirements that are typically necessary. It is also unclear what flexibility, if any, will be provided in requiring certain information.

e) Amendments to Subdivision Control

The new legislation prescribes that an approval authority may deem a Draft Plan of Subdivision application that lapsed within the past five (5) years to not have lapsed provided that such subdivision application had not previously been deemed to not have lapsed. There are no concerns regarding this change.

In addition to the above, with regard to Draft Plan of Subdivision applications, the Minister may prescribe matters that are not permitted to be imposed as conditions to subdivision approval. These matters have not yet been disclosed, and the City will respond when they are outlined by the province.

f) Conclusion

Bill 109, the More Homes for Everyone Act, was introduced on March 30, 2022 and received Royal Assent on April 14, 2022. The Bill was enacted before the commenting period lapsed. The Bill will, among other matters, impact how municipalities review development applications and fundamentally affect the City's ability to plan in an inclusive and consensus building manner.

According to the Province, changes introduced by **Bill 109** are intended to build homes faster by expediting approvals. However, the changes may also result in an increased number of development application appeals, adding to delays in delivering housing supply. Ultimately the Bill does not provide any mechanisms to ensure that any savings are passed through to future home buyers and renters nor is it clear how the changes address housing affordability.

Streamlining Development Approval Process

In recent years there has been a great deal of attention given to the length of time associated with processing development applications. This is not unique to Peterborough as the process to review and approve planning applications is legislated by the Province through the **Planning Act**. While different municipalities may have adopted specific measures for their local municipalities the overall process is similar across the province.

The development approval process is a core regulatory service provided by the City of Peterborough which is primarily based on the legislation requirements of the **Planning Act** and **Building Code Act**. The Planning Application and Building Permit Application processes, including all applicable internal Division inputs and external

agency/provincial ministry approvals, are extremely complex and face many efficiency challenges not in the control of the municipality.

The recommendations of the Housing Affordability Task Force and the changes to the **Planning Act** through **Bill 109** would seem to indicate the primary problem with getting housing developments approved is the length of time associated with the approval process. However, there is no explanation or recognition of the reasons for these perceived delays. These delays are related to several factors. Firstly, there is no consideration given to the vast number of issues that must be considered when reviewing a planning application. Issues around infrastructure, the environment, climate change, heritage and transportation, to name a few, are expected to be addressed before approvals can be considered. These are issues that the Province expects municipalities to have addressed as required through the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe. Much of the “red tape” that is identified in the Housing Affordability Task Force Report and **Bill 109**, in fact originates through Provincial requirements.

The pace at which development applications can be reviewed is determined by two primary factors: the number of staff reviewing and commenting on applications and the number of applications. In recent years there has been a dramatic increase in applications and the current staffing levels are inadequate to undertake reviews in the timelines established by the Province.

The delays should also not be wholly attributed to the City. In many instances if applications are incomplete or substandard, delays can be associated with the time it takes an applicant to submit appropriate applications and supporting reports. In many instances there is a reluctance by applicants to respond to comments. There can be differences of opinion that can take time to resolve. It is also not uncommon for an applicant to take several months to respond to comments and resubmit plans and reports. The responsibility for delays in the development approval process cannot be wholly placed on the City. Further, this issue is as prevalent in Building Permit approval timeframe challenges as it is in Planning Applications.

The delivery of the development approval process is challenging from a coordination point of view. The process features a series of complicated technical back and forth interactions between staff and applicants / consultants. The City is committed to streamlining the current development approval process model which includes updating the City's AMANDA technology platform.

In April 2021, the City retained Performance Concepts Consulting and Dillon Consulting (the “Consultant”), to undertake a comprehensive review of the Development Approval Process, co-ordinated by the Planning Division, to identify and examine opportunities for improvements. The objective was to develop more efficient and consistent processes and improve service delivery, both internally and externally. The City will benefit from a comprehensive review of its Development Approval Process, including recommendations for process improvements.

The Development Approval Process review was funded by the Provincial Government through the Audit and Accountability Fund Grant Program. The intent of the Audit and Accountability Fund Grant Program is to support Ontario municipalities that are committed to identifying and implementing service delivery efficiencies. The program requires an impartial and objective third-party review to identify efficiencies. A condition of funding requires that the Consultant's final report is posted on the City's website (<https://www.peterborough.ca/en/doing-business/planning-and-development-services.aspx>).

The review included an evaluation of the existing Development Approvals Process, including a review of processes associated with a variety of application types such as Pre-Application Consultation, Official Plan Amendments, Zoning By-law Amendments, Plan of Subdivision / Condominium, Site Plan Control, Minor Variance and Consent. In addition, a review of best practices in other municipalities and consultation with the following key stakeholders involved in the Development Approval Process was undertaken:

- City staff from Infrastructure and Planning Services, Clerks, Legal, Fire Services, Geomatics/Mapping, Recreation and Heritage Preservation;
- External agencies (i.e., Peterborough Utilities and Otonabee Region Conservation Authority);
- The development industry; and
- Councillors.

Consultation with City staff and external agencies involved with the Development Approval Process identified a number of key issues and opportunities for improvement that focus on the following areas:

- Circulation and review timeframes for development planning application;
- Development Approval Process staffing resources and capacity;
- Existing technology; and
- Roles and responsibilities of staff involved in the Development Review Process.

Twenty-one (21) recommendations were made by the Consultant for process improvements relating to new revenue streams, staffing and capacity, process execution and streamlining Development Approval Process (DAP) technology modernization and key reporting and performance indicators. Staff were to report back to Council in 2022 on an implementation plan for the Reports recommendations.

In early 2022, the City secured additional funding from the Province under the Streamline Development Approval Fund (SDAF). The City was approved to receive up

to \$1,750,000 to carry out projects that supported improvements to the development approval process specifically for applications with a housing component. The current list of projects underway and planned for 2022 include:

Table 2 – SDAF Development Approval Process Improvement Projects

Proposed Projects	Summary Initiative	Status
1. Full Cost Recovery Planning Fees Review - Retain Consultants to review DAP fees and recommend improvements / phase in plan	Growth Pays for Growth - An increase in DAP fees will provide a revenue stream to secure necessary City staffing levels to deliver consistent / predictable application processing timelines.	Ongoing Consultant retained March 2022 Draft Report September 2022
2. Retain Consultant to review and recommend Delegated Authority opportunities	Significant staff time will be saved and timelines reduced with greater delegated authorities. Processing timelines can be reduced by 2 - 3 months per application with expanded delegated authorities.	Procure Consultant June 2022 Report January 2023
3. Retain Consultant to prepare comprehensive Development / Development Engineering Procedures and Guidelines and establish Standard Operating Procedures to define workflow and staff responsibilities	Establish City DAP processing and submission requirements and communicate expectations to the Development Community. Identify and Realize Internal Organizational Efficiencies - clarified roles and responsibilities will reduce DAP application processing redundancies.	Ongoing Consultant retained April 2022 Report October 2022
4. Retain Consultant to review Engineering Design Standards and Construction Specifications, complete a GAP analysis / identify areas for improvements and standardization	A more formalized process and understanding of submission requirements will improve the quality of engineering submissions and result in shorter and fewer reviews and a more streamlined timeline to building permit issuance	Ongoing Consultant retained April 2022 Report October 2022

<p>5. Retain Consultant to prepare AMANDA Portal Implementation Roadmap, including evaluation of modules</p>	<p>AMANADA Portal Roll Out online application forms, including the submission of support documents, drawings and studies and standardization of forms, drawings, studies and data submissions. Online application guides to help applicants navigate the new application process.</p>	<p>Ongoing Phase 1 testing June 2022 Phase 2 – August 2022 Phase 3 – November 2022</p>
<p>6. Purchase AMANDA modules to support broader use of online approval system by public agencies</p>	<p>See #5</p>	<p>Purchase June 2022 Install and test August 2022</p>
<p>7. Retain Consultant to design and execute a robust AMANDA training program and to further internal approvals support programs</p>	<p>See #5</p>	<p>To start September 2022</p>
<p>8. Retain expert contract staff to map out workflows and increase maximum number of uses in the AMANDA system</p>	<p>AMANDA Portal Operational Refinement to improve turn-around times for approval processes including building permits</p>	<p>Staff retained Workflow analysis June 2022 Resolve backlog – July 2023</p>
<p>9. Retain IT Consulting Services to support Projects 6) to 9) inclusive</p>	<p>Complete a comprehensive Online Development Approvals System</p>	<p>Ongoing</p>
<p>10) Retain Consultant to review and establish Consolidated linear Infrastructure Environmental Compliance Approval process</p>	<p>Process Development - The delegation of the MECP ECA process provides an opportunity to significantly reduce the duration of the Development Approval review process; however, downloading this responsibility to municipalities requires development of a new process and additional resources to take advantage of the expedited review</p>	<p>Procure Consultant May/June 2022 Report December 2022</p>
<p>11) Retain Consultant to develop Urban Forest Development Guidelines</p>	<p>Guideline Development will make requirements clear and improve the quality of submissions and</p>	<p>Procure Consultant May/June 2022</p>

	result in shorter and fewer reviews and a more Streamlined process	Report December 2022
12) Retain Consultant to complete an Intensification Strategy and Urban Design Guidelines the Central Area	Guideline Development + Framework for future development policy. Provides direction and expectations to property owners for development in	Procurement Consultant June 2022 Report January 2023
13) Retain Temporary Staff / Contractual Services to assist in clearing backlog in technical review of current applications including transportation, wastewater and stormwater management infrastructure	Increase staff resourcing for DAP review	Procure/retain staff May 2022 Carryout review function May 2022 to June 2023
14) Retain consultant to evaluate the feasibility of alternative housing and servicing forms	Feasibility assessment	Procure Consultant May 2022 Report January 2023

Many of these projects fulfill recommendations made in the 2021 Development Approval Process Review Report.

Summary

Recent reports, recommendations and legislation coming from the Province would seem to indicate that the affordability of housing in the Province is being drastically affected by the lack of housing supply, and the lack of housing supply is a result of the timeframes associated with housing development applications being approved. In fact, the past several months has seen declines in home prices in the absence of new supply being made available, nor approval timelines being expedited significantly, indicating that housing affordability is a complex issue driven by myriad factors. Staff do not agree with many of the recommendations put forward by the Housing Affordability Task Force and are very concerned with many of the changes to the **Planning Act** through **Bill 109**. The changes will not have the results the Province anticipates.

Notwithstanding the Provincial direction towards changes in the development approval process, staff are committed to streamlining the local development approval process to shorten approval timelines without compromising on the quality of the reviews. The current streamlining projects being funded by the Province involve attempting to secure additional staffing resources through a revised fee structure, technological improvements to receiving, reviewing and communicating applications, and updates to

guidelines, engineering processes and operating procedures to communicate expectations to the development community and clarify roles and responsibilities. These projects will reduce development approval processing redundancies and improve the efficiency of the process.

Submitted by,

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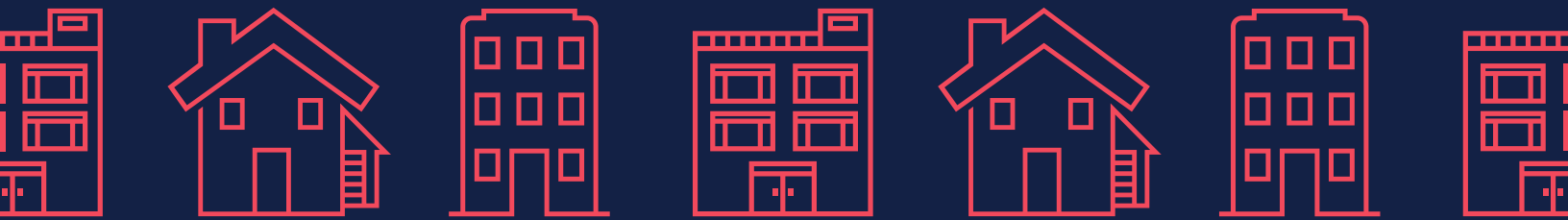
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Attachment

Appendix A – Ontario Housing Affordability Task Force Report
Appendix B – Draft By-law

Appendix A

Report IPSPL22-011



Report of the
**Ontario Housing
Affordability Task Force**

February 8, 2022



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Letter to Minister Clark

Dear Minister Clark,

Hard-working Ontarians are facing a housing crisis. For many years, the province has not built enough housing to meet the needs of our growing population. While the affordability crisis began in our large cities, it has now spread to smaller towns and rural communities.

Efforts to cool the housing market have only provided temporary relief to home buyers. The long-term trend is clear: house prices are increasing much faster than Ontarian's incomes. The time for action is now.

When striking the Housing Affordability Task Force, you and Premier Ford were clear: you wanted actionable, concrete solutions to help Ontarians and there was no time to waste. You asked us to be bold and gave us the freedom and independence to develop our recommendations.

In the past two months, we have met municipal leaders, planners, unions, developers and builders, the financial sector, academics, think tanks and housing advocates. Time was short, but solutions emerged consistently around these themes:

- More housing density across the province
- End exclusionary municipal rules that block or delay new housing
- Depoliticize the housing approvals process
- Prevent abuse of the housing appeals system
- Financial support to municipalities that build more housing

We present this report to you not as an “all or nothing” proposal, but rather as a list of options that the government has at its disposal to help address housing affordability for Ontarians and get more homes built. We propose an ambitious but achievable target: 1.5 million new homes built in the next ten years.

Parents and grandparents are worried that their children will not be able to afford a home when they start working or decide to start a family. Too many Ontarians are unable to live in their preferred city or town because they cannot afford to buy or rent.

The way housing is approved and built was designed for a different era when the province was less constrained by space and had fewer people. But it no longer meets the needs of Ontarians. The balance has swung too far in favour of lengthy consultations, bureaucratic red tape, and costly appeals. It is too easy to oppose new housing and too costly to build. We are in a housing crisis and that demands immediate and sweeping reforms.

It has been an honour to serve as Chair, and I am proud to submit this report on behalf of the entire Task Force.



Jake Lawrence

Chair, Housing Affordability Task Force

Chief Executive Officer and Group Head, Global Banking and Markets, Scotiabank

Executive summary and recommendations

House prices in Ontario have almost tripled in the past 10 years, growing much faster than incomes. This has home ownership beyond the reach of most first-time buyers across the province, even those with well-paying jobs. Housing has become too expensive for rental units and it has become too expensive in rural communities and small towns. The system is not working as it should.

For too long, we have focused on solutions to “cool” the housing market. It is now clear that we do not have enough homes to meet the needs of Ontarians today, and we are not building enough to meet the needs of our growing population. If this problem is not fixed – by creating more housing to meet the growing demand – housing prices will continue to rise. We need to build more housing in Ontario.

This report sets out recommendations that would set a bold goal and clear direction for the province, increase density, remove exclusionary rules that prevent housing growth, prevent abuse of the appeals process, and make sure municipalities are treated as partners in this process by incentivizing success.

Setting bold targets and making new housing the planning priority

Recommendations 1 and 2 urge Ontario to set a bold goal of adding 1.5 million homes over the next 10 years and update planning guidance to make this a priority.

The task force then recommends actions in five main areas to increase supply:

Require greater density

Land is not being used efficiently across Ontario. In too many neighbourhoods, municipal rules only allow single-family homes – not even a granny suite. Taxpayers have invested heavily in subway, light rail, bus and rail lines and highways, and the streets nearby are ideally suited for more mid- and high-rise housing. Underused or redundant commercial and industrial buildings are ripe to be redeveloped into housing or mixed commercial and residential use. New housing on undeveloped land should also be higher density than traditional suburbs, especially close to highways.

Adding density in all these locations makes better use of infrastructure and helps to save land outside urban boundaries. Implementing these recommendations will provide Ontarians with many more options for housing.

Recommendations 3 through 11 address how Ontario can quickly create more housing supply by allowing more housing in more locations “as of right” (without the need for municipal approval) and make better use of transportation investments.

Reduce and streamline urban design rules

Municipalities require numerous studies and set all kinds of rules for adding housing, many of which go well beyond the requirements of the provincial Planning Act. While some of this guidance has value for urban design, some rules appear to be arbitrary and not supported by evidence – for example, requiring condo buildings to include costly parking stalls even though many go unsold. These rules and requirements result in delays and extra costs that make housing either impossible to build or very expensive for the eventual home buyer or renter.

Recommendation 12 would set uniform provincial standards for urban design, including building shadows and setbacks, do away with rules that prioritize preservation of neighbourhood physical character over new housing, no longer require municipal approval of design matters like a building’s colour, texture, type of material or window details, and remove or reduce parking requirements.

Depoliticize the process and cut red tape

NIMBYism (not in my backyard) is a major obstacle to building housing. It drags out the approval process, pushes up costs, and keeps out new residents. Because local councillors depend on the votes of residents who want to keep the status quo, the planning process has become politicized. Municipalities allow far more public consultation than is required, often using formats that make it hard for working people and families with young children to take part. Too few technical decisions are delegated to municipal staff. Pressure to designate buildings with little or no heritage value as “heritage” if development is proposed and bulk listings of properties with “heritage potential” are also standing in the way of getting homes built. Dysfunction throughout the system, risk aversion and needless bureaucracy have resulted in a situation where Ontario lags the rest of Canada and the developed world in approval times. Ontarians have waited long enough.

Recommendations 13 through 25 would require municipalities to limit consultations to the legislated maximum, ensure people can take part digitally, mandate the delegation of technical decisions, prevent abuse of the heritage process and see property owners compensated for financial loss resulting from designation, restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews, legislate timelines for approvals and enact several other common sense changes that would allow housing to be built more quickly and affordably.

Fix the Ontario Land Tribunal

Largely because of the politicization of the planning process, many proponents look to the Tribunal, a quasi-judicial body, to give the go-ahead to projects that should have been approved by the municipality. Even when there is municipal approval, however, opponents appeal to the Tribunal – paying only a \$400 fee – knowing that this may well succeed in delaying a project to the point where it might no longer make economic sense. As a result, the Tribunal faces a backlog of more than 1,000 cases and is seriously under-resourced.

Recommendations 26 through 31 seek to weed out or prevent appeals aimed purely at delaying projects, allow adjudicators to award costs to proponents in more cases, including instances where a municipality has refused an approval to avoid missing a legislated deadline, reduce the time to issue decisions, increase funding, and encourage the Tribunal to prioritize cases that would increase housing supply quickly as it tackles the backlog.

Support municipalities that commit to transforming the system

Fixing the housing crisis needs everyone working together. Delivering 1.5 million homes will require the provincial and federal governments to invest in change. Municipalities that make the difficult but necessary choices to grow housing supply should be rewarded, and those that resist new housing should see funding reductions.

Recommendations 49 and 50 call for Ontario government to create a large “Ontario Housing Delivery Fund” and encourage the federal government to match funding, and suggest how the province should reward municipalities that support change and reduce funding for municipalities that do not.

This executive summary focuses on the actions that will get the most housing units approved and built in the shortest time. Other recommendations in the report deal with issues that are important but may take more time to resolve or may not directly increase supply (recommendation numbers are indicated in brackets): improving tax and municipal financing (**32-37, 39, 42-44**); encouraging new pathways to home ownership (**38, 40, 41**); and addressing labour shortages in the construction industry (**45-47**).

This is not the first attempt to “fix the housing system”. There have been efforts for years to tackle increasing housing prices and find solutions. This time must be different. **Recommendations 50-55** set out ways of helping to ensure real and concrete progress on providing the homes Ontarians need.

Introduction

Ontario is in a housing crisis. Prices are skyrocketing: the average price for a house across Ontario was \$923,000 at the end of 2021.^[1] Ten years ago, the average price was \$329,000.^[2] Over that period, average house prices have climbed 180% while average incomes have grown roughly 38%.^{[3][4]}

Not long ago, hard-working Ontarians – teachers, construction workers, small business owners – could afford the home they wanted. In small towns, it was reasonable to expect that you could afford a home in the neighbourhood you grew up in. Today, home ownership or finding a quality rental is now out of reach for too many Ontarians. The system is not working as it should be.

Housing has become too expensive for rental units and it has become too expensive in rural communities and small towns.

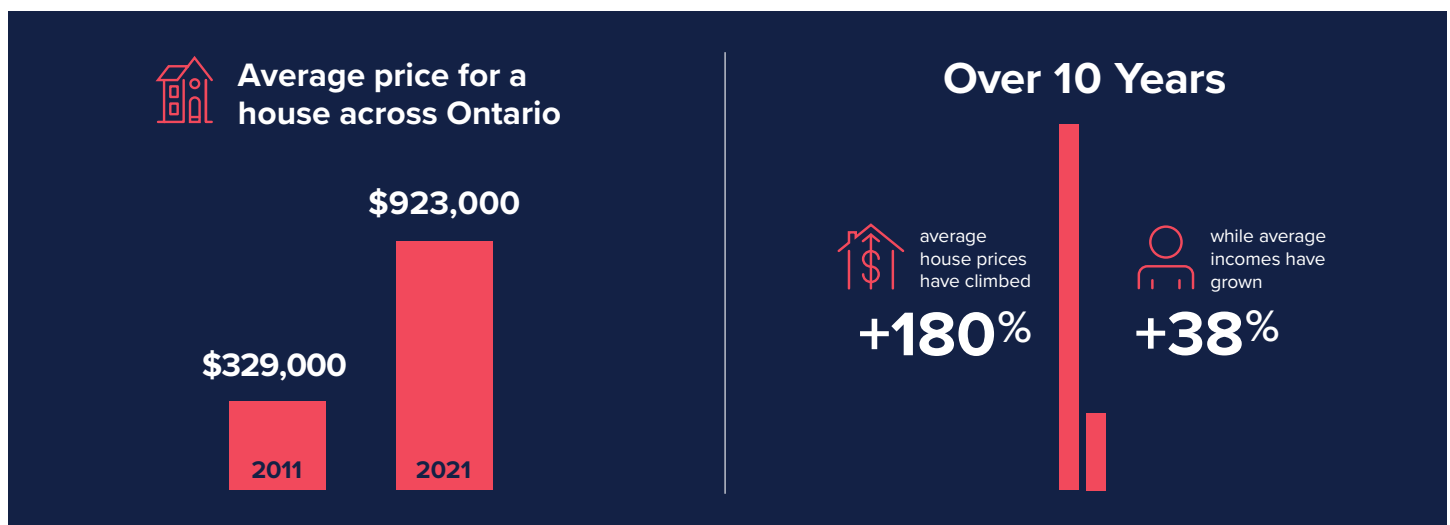
While people who were able to buy a home a decade or more ago have built considerable personal equity, the benefits of having a home aren't just financial. Having a place to call home connects people to their community, creates a gathering place for friends and family, and becomes a source of pride.

Today, the reality for an ever-increasing number of Ontarians is quite different. Everyone in Ontario knows people who are living with the personal and financial stress of not being able to find housing they can afford. The young family who can't buy a house within two hours of where they work. The tenant with a good job who worries about

where she'll find a new apartment she can afford if the owner decides to sell. The recent graduate who will have to stay at home for a few more years before he can afford to rent or buy.

While the crisis is widespread, it weighs more heavily on some groups than on others. Young people starting a family who need a larger home find themselves priced out of the market. Black, Indigenous and marginalized people face even greater challenges. As Ontarians, we have only recently begun to understand and address the reality of decades of systemic racism that has resulted in lower household incomes, making the housing affordability gap wider than average.

The high cost of housing has pushed minorities and lower income Ontarians further and further away from job markets. Black and Indigenous homeownership rates are less than half of the provincial average.^[5] And homelessness rates among Indigenous Peoples are 11 times the national average. When housing prevents an individual from reaching their full potential, this represents a loss to every Ontarian: lost creativity, productivity, and revenue. Lost prosperity for individuals and for the entire Ontario economy.



As much as we read about housing affordability being a challenge in major cities around the world, the depth of the challenge has become greater in Ontario and Canada than almost anywhere in the developed world.



Canada has the lowest amount of housing per population of any G7 country.

How did we get here? Why do we have this problem?

A major factor is that there just isn't enough housing. A 2021 Scotiabank study showed that Canada has the fewest housing units per population of any G7 country – and, our per capita housing supply has *dropped* in the past five years.^[6] An update to that study released in January 2022 found that two thirds of Canada's housing shortage is in Ontario.^[7] Today, Ontario is 1.2 million homes – rental or owned – short of the G7 average. With projected population growth, that huge gap is widening, and bridging it will take immediate, bold and purposeful effort. And to support population growth in the next decade, we will need one million more homes.

While governments across Canada have taken steps to “cool down” the housing market or provide help to first-time buyers, these demand-side solutions only work if there is enough supply. Shortages of supply in any market have a direct impact on affordability. Scarcity breeds price increases. Simply put, if we want more Ontarians to have housing, we need to build more housing in Ontario.

Ontario must build 1.5 million homes over the next 10 years to address the supply shortage

The housing crisis impacts all Ontarians. The ripple effect of the crisis also holds back Ontario reaching its full potential.

Economy

Businesses of all sizes are facing problems finding and retaining workers. Even high-paying jobs in technology and manufacturing are hard to fill because there's not enough housing nearby. This doesn't just dampen the economic growth of cities, it makes them less vibrant, diverse, and creative, and strains their ability to provide essential services.

Public services

Hospitals, school boards and other public service providers across Ontario report challenges attracting and retaining staff because of housing costs. One town told us that it

could no longer maintain a volunteer fire department, because volunteers couldn't afford to live within 10 minutes drive of the firehall.

Environment

Long commutes contribute to air pollution and carbon emissions. An international survey of 74 cities in 16 countries found that Toronto, at 96 minutes both ways, had the longest commute times in North America and was essentially tied with Bogota, Colombia, for the longest commute time worldwide.^[8] Increasing density in our cities and around major transit hubs helps reduce emissions to the benefit of everyone.

Ontario must build

1.5M

homes over the next 10 years
to address the supply shortage.



Our mandate and approach

Ontario's Minister of Municipal Affairs and Housing tasked us with recommending ways to accelerate our progress in closing the housing supply gap to improve housing affordability.

Time is of the essence. Building housing now is exactly what our post-pandemic economy needs. Housing construction creates good-paying jobs that cannot be outsourced to other countries. Moreover, the pandemic gave rise to unprecedented levels of available capital that can be invested in housing – if we can just put it to work.

We represent a wide range of experience and perspectives that includes developing, financing and building homes, delivering affordable housing, and researching housing market trends, challenges and solutions. Our detailed biographies appear as [Appendix A](#).



We acknowledge that every house in Ontario is built on the traditional territory of Indigenous Peoples.



People in households that spend 30% or more of total household income on shelter expenses are defined as having a “housing affordability” problem. Shelter expenses include electricity, oil, gas, coal, wood or other fuels, water and other municipal services, monthly mortgage payments, property taxes, condominium fees, and rent.

Our mandate was to focus on how to increase market housing supply and affordability. By market housing, we are referring to homes that can be purchased or rented without government support.

Affordable housing (units provided at below-market rates with government support) was not part of our mandate.

The Minister and his cabinet colleagues are working on that issue. Nonetheless, almost every stakeholder we spoke with had ideas that will help deliver market housing and also make it easier to deliver affordable housing. However, affordable housing is a societal responsibility and will require intentional investments and strategies to bridge the significant affordable housing gap in this province. We have included a number of recommendations aimed at affordable housing in the body of this report, but have also included further thoughts in [Appendix B](#).

We note that government-owned land was also outside our mandate. Many stakeholders, however, stressed the value of surplus or underused public land and land associated with major transit investments in finding housing solutions. We agree and have set out some thoughts on that issue in [Appendix C](#).

How we did our work

Our Task Force was struck in December 2021 and mandated to deliver a final report to the Minister by the end of January 2022. We were able to work to that tight timeline because, in almost all cases, viewpoints and feasible solutions are well known. In addition, we benefited from insights gleaned from recent work to solve the problem in other jurisdictions.

During our deliberations, we met with and talked to over 140 organizations and individuals, including industry associations representing builders and developers, planners, architects, realtors and others; labour unions; social justice advocates; elected officials at the municipal level; academics and research groups; and municipal planners. We also received written submissions from many of these participants. In addition, we drew on the myriad public reports and papers listed in the [References](#).

We thank everyone who took part in sessions that were uniformly helpful in giving us a deeper understanding of the housing crisis and the way out of it. We also thank the staff of the Ministry of Municipal Affairs and Housing who provided logistical and other support, including technical briefings and background.

The way forward

The single unifying theme across all participants over the course of the Task Force’s work has been the urgency to take decisive action. Today’s housing challenges are incredibly complex. Moreover, developing land, obtaining approvals, and building homes takes years.

Some recommendations will produce immediate benefits, others will take years for the full impact.

This is why there is no time to waste. We urge the Minister of Municipal Affairs and Housing and his cabinet colleagues to continue measures they have already taken to accelerate housing supply and to move quickly in turning the recommendations in this report into decisive new actions.

The province must set an ambitious and bold goal to build 1.5 million homes over the next 10 years. If we build 1.5 million new homes over the next ten years, Ontario can fill the housing gap with more affordable choices, catch up to the rest of Canada and keep up with population growth.

By working together, we can resolve Ontario’s housing crisis. In so doing, we can build a more prosperous future for everyone.

The balance of this report lays out our recommendations.

Focus on getting more homes built

Resolving a crisis requires intense focus and a clear goal. The province is responsible for the legislation and policy that establishes the planning, land use, and home building goals, which guide municipalities, land tribunals, and courts. Municipalities are then responsible for implementing provincial policy in a way that works for their communities. The province is uniquely positioned to lead by shining a spotlight on this issue, setting the tone, and creating a single, galvanizing goal around which federal support, provincial legislation, municipal policy, and the housing market can be aligned.

In 2020, Ontario built about 75,000 housing units.^[9] For this report, we define a housing unit (home) as a single dwelling (detached, semi-detached, or attached), apartment, suite, condominium or mobile home. Since 2018, housing completions have grown every year as a result of positive measures that the province and some municipalities have implemented to encourage more home building. But we are still 1.2 million homes short when compared to other G7 countries and our population is growing. The goal of 1.5 million homes feels daunting – but reflects both the need and what is possible. In fact, throughout the 1970s Ontario built more housing units each year than we do today.^[10]

The second recommendation is designed to address the growing complexity and volume of rules in the legislation, policy, plans and by-laws, and their competing priorities, by providing clear direction to provincial agencies, municipalities, tribunals, and courts on the overriding priorities for housing.

- 1. Set a goal of building 1.5 million new homes in ten years.**
- 2. Amend the Planning Act, Provincial Policy Statement, and Growth Plans to set “growth in the full spectrum of housing supply” and “intensification within existing built-up areas” of municipalities as the most important residential housing priorities in the mandate and purpose.**



The “missing middle” is often cited as an important part of the housing solution. We define the missing middle as mid-rise condo or rental housing, smaller houses on subdivided lots or in laneways and other additional units in existing houses.

Making land available to build

The Greater Toronto Area is bordered on one side by Lake Ontario and on the other by the protected Greenbelt. Similarly, the Ottawa River and another Greenbelt constrain land supply in Ottawa, the province's second-largest city.

But a shortage of land isn't the cause of the problem. Land is available, both inside the existing built-up areas and on undeveloped land outside greenbelts.

We need to make better use of land. Zoning defines what we can build and where we can build. If we want to make better use of land to create more housing, then we need to modernize our zoning rules. We heard from planners, municipal councillors, and developers that "as of right" zoning – the ability to by-pass long, drawn out consultations and zoning by-law amendments – is the most effective tool in the provincial toolkit. We agree.

Stop using exclusionary zoning that restricts more housing

Too much land inside cities is tied up by outdated rules. For example, it's estimated that 70% of land zoned for housing in Toronto is restricted to single-detached or semi-detached homes.^[11] This type of zoning prevents homeowners from adding additional suites to create housing for Ontarians and income for themselves. As one person said, "my neighbour can tear down what was there to build a monster home, but I'm not allowed to add a basement suite to my home."

It's estimated that
70%

of land zoned for housing in Toronto is restricted to **single-detached** or **semi-detached** homes.



While less analysis has been done in other Ontario communities, it's estimated that about half of all residential land in Ottawa is zoned for single-detached housing, meaning nothing else may be built on a lot without public consultation and an amendment to the zoning by-law. In some suburbs around Toronto, single unit zoning dominates residential land use, even close to GO Transit stations and major highways.

One result is that more growth is pushing past urban boundaries and turning farmland into housing. Undeveloped land inside and outside existing municipal boundaries must be part of the solution, particularly in northern and rural communities, but isn't nearly enough on its own. Most of the solution must come from densification. Greenbelts and other environmentally sensitive areas must be protected, and farms provide food and food security. Relying too heavily on undeveloped land would whittle away too much of the already small share of land devoted to agriculture.

Modernizing zoning would also open the door to more rental housing, which in turn would make communities more inclusive.

Allowing more gentle density also makes better use of roads, water and wastewater systems, transit and other public services that are already in place and have capacity, instead of having to be built in new areas.

The Ontario government took a positive step by allowing secondary suites (e.g., basement apartments) across the province in 2019. However, too many municipalities still place too many restrictions on implementation. For the last three years, the total number of secondary suites in Toronto has actually declined each year, as few units get permitted and owners convert two units into one.^[12]

These are the types of renovations and home construction performed by small businesses and local trades, providing them with a boost.

Underused and vacant commercial and industrial properties are another potential source of land for housing. It was suggested to us that one area ripe for redevelopment into a mix of commercial and residential uses is the strip mall, a leftover from the 1950s that runs along major suburban streets in most large Ontario cities.

“As of right” zoning allows more kinds of housing that are accessible to more kinds of people. It makes neighbourhoods stronger, richer, and fairer. And it will get more housing built in existing neighbourhoods more quickly than any other measure.

3. Limit exclusionary zoning in municipalities through binding provincial action:

- a) Allow “as of right” residential housing up to four units and up to four storeys on a single residential lot.
 - b) Modernize the Building Code and other policies to remove any barriers to affordable construction and to ensure meaningful implementation (e.g., allow single-staircase construction for up to four storeys, allow single egress, etc.).
- 4.** Permit “as of right” conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use.
- 5.** Permit “as of right” secondary suites, garden suites, and laneway houses province-wide.
- 6.** Permit “as of right” multi-tenant housing (renting rooms within a dwelling) province-wide.
- 7.** Encourage and incentivize municipalities to increase density in areas with excess school capacity to benefit families with children.

Align investments in roads and transit with growth

Governments have invested billions of dollars in highways, light rail, buses, subways and trains in Ontario. But without ensuring more people can live close to those transit routes, we’re not getting the best return on those infrastructure investments.

Access to transit is linked to making housing more affordable: when reliable transit options are nearby, people can get to work more easily. They can live further from the centre of the city in less expensive areas without the added cost of car ownership.

The impacts of expanding public transit go far beyond serving riders. These investments also spur economic growth and reduce traffic congestion and emissions. We all pay for the cost of transit spending, and we should all share in the benefits.

If municipalities achieve the right development near transit – a mix of housing at high- and medium-density, office space and retail – this would open the door to better ways of funding the costs. Other cities, like London, UK and Hong Kong, have captured the impacts of increased land value and business activity along new transit routes to help with their financing.

Ontario recently created requirements (residents/hectare) for municipalities to zone for higher density in transit corridors and “major transit station areas”,^[13a] ^[13b] These are areas surrounding subway and other rapid transit stations and hubs. However, we heard troubling reports that local opposition is blocking access to these neighbourhoods and to critical public transit stations. City staff, councillors, and the province need to stand up to these tactics and speak up for the Ontarians who need housing.

The Province is also building new highways in the Greater Golden Horseshoe, and it’s important to plan thoughtfully for the communities that will follow from these investments, to make sure they are compact and liveable.

8. Allow “as of right” zoning up to unlimited height and unlimited density in the immediate proximity of individual major transit stations within two years if municipal zoning remains insufficient to meet provincial density targets.
9. Allow “as of right” zoning of six to 11 storeys with no minimum parking requirements on any streets utilized by public transit (including streets on bus and streetcar routes).
10. Designate or rezone as mixed commercial and residential use all land along transit corridors and redesignate all Residential Apartment to mixed commercial and residential zoning in Toronto.
11. Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building necessary infrastructure to support higher density housing and complete communities and applying the recommendations of this report to all undeveloped land.

Start saying “yes in my backyard”

Even where higher density is allowed in theory, the official plans of most cities in Ontario contain conflicting goals like maintaining “prevailing neighbourhood character”. This bias is reinforced by detailed guidance that often follows from the official plan. Although requirements are presented as “guidelines”, they are often treated as rules.

Examples include:

- Angular plane rules that require successively higher floors to be stepped further back, cutting the number of units that can be built by up to half and making many projects uneconomic
- Detailed rules around the shadows a building casts
- Guidelines around finishes, colours and other design details

One resident’s desire to prevent a shadow being cast in their backyard or a local park frequently prevails over concrete proposals to build more housing for multiple families. By-laws and guidelines that preserve “neighbourhood character” often prevent simple renovations to add new suites to existing homes. The people who suffer are mostly young, visible minorities, and marginalized people. It is the perfect

example of a policy that appears neutral on its surface but is discriminatory in its application.^[14]

Far too much time and money are spent reviewing and holding consultations for large projects which conform with the official plan or zoning by-law and small projects which would cause minimal disruption. The cost of needless delays is passed on to new home buyers and tenants.

Minimum parking requirements for each new unit are another example of outdated municipal requirements that increase the cost of housing and are increasingly less relevant with public transit and ride share services. Minimum parking requirements add as much as \$165,000 to the cost of a new housing unit, even as demand for parking spaces is falling: data from the Residential Construction Council of Ontario shows that in new condo projects, one in three parking stalls goes unsold. We applaud the recent vote by Toronto City Council to scrap most minimum parking requirements. We believe other cities should follow suit.

While true heritage sites are important, heritage preservation has also become a tool to block more housing. For example, some municipalities add thousands of properties at a time to a heritage register because they have “potential” heritage value. Even where a building isn’t heritage designated or registered, neighbours increasingly demand it be as soon as a development is proposed.

This brings us to the role of the “not in my backyard” or NIMBY sentiment in delaying or stopping more homes from being built.



New housing is often the last priority

A proposed building with market and affordable housing units would have increased the midday shadow by 6.5% on a nearby park at the fall and spring equinox, with no impact during the summer months. To conform to a policy that does not permit “new net shadow on specific parks”, seven floors of housing, including 26 affordable housing units, were sacrificed.

Multiple dry cleaners along a transit route were designated as heritage sites to prevent new housing being built. It is hard not to feel outrage when our laws are being used to prevent families from moving into neighbourhoods and into homes they can afford along transit routes.

NIMBY versus YIMBY

NIMBYism (not in my backyard) is a large and constant obstacle to providing housing everywhere. Neighbourhood pushback drags out the approval process, pushes up costs and discourages investment in housing. It also keeps out new residents. While building housing is very costly, opposing new housing costs almost nothing.

Unfortunately, there is a strong incentive for individual municipal councillors to fall in behind community opposition – it's existing residents who elect them, not future ones. The outcry of even a handful of constituents (helped by the rise of social media) has been enough, in far too many cases, to persuade their local councillor to vote against development even while admitting its merits in private. There is a sense among some that it's better to let the Ontario Land Tribunal approve the development on appeal, even if it causes long delays and large cost increases, then to take the political heat.

Mayors and councillors across the province are fed up and many have called for limits on public consultations and more “as of right” zoning. In fact, some have created a new term for NIMBYism: BANANAs – Build Absolutely Nothing Anywhere Near Anything, causing one mayor to comment “NIMBYism has gone BANANAs”. We agree. In a growing, thriving society, that approach is not just bad policy, it is exclusionary and wrong.

As a result, technical planning decisions have become politicized. One major city has delegated many decisions to senior staff, but an individual councillor can withdraw the delegation when there is local opposition and force a vote at Council. We heard that this situation is common across the province, creating an electoral incentive for a councillor to delay or stop a housing proposal, or forcing a councillor to pay the electoral cost of supporting it. Approvals of individual housing applications should be the role of professional staff, free from political interference.

The pressure to stop any development is now so intense that it has given rise to a counter-movement – YIMBYism, or “yes in my backyard,” led by millennials who recognize entrenched opposition to change as a huge obstacle to finding a home. They provide a voice at public consultations for young people, new immigrants and refugees, minority groups, and Ontarians struggling to access housing by connecting our ideals to the reality of housing. People who welcome immigrants to Canada should welcome them to the neighbourhood, fighting climate change means supporting higher-density housing, and “keeping the neighbourhood the way it is” means keeping it off-limits. While anti-housing voices can be loud,

a member of More Neighbours Toronto, a YIMBY group that regularly attends public consultations, has said that the most vocal opponents usually don't represent the majority in a neighbourhood. Survey data from the Ontario Real Estate Association backs that up, with almost 80% of Ontarians saying they are in favour of zoning in urban areas that would encourage more homes.

Ontarians want a solution to the housing crisis. We cannot allow opposition and politicization of individual housing projects to prevent us from meeting the needs of all Ontarians.

12. Create a more permissive land use, planning, and approvals system:

- a) Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood
- b) Exempt from site plan approval and public consultation all projects of 10 units or less that conform to the Official Plan and require only minor variances
- c) Establish province-wide zoning standards, or prohibitions, for minimum lot sizes, maximum building setbacks, minimum heights, angular planes, shadow rules, front doors, building depth, landscaping, floor space index, and heritage view cones, and planes; restore pre-2006 site plan exclusions (colour, texture, and type of materials, window details, etc.) to the Planning Act and reduce or eliminate minimum parking requirements; and
- d) Remove any floorplate restrictions to allow larger, more efficient high-density towers.

13. Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.

14. Require that public consultations provide digital participation options.

15. Require mandatory delegation of site plan approvals and minor variances to staff or pre-approved qualified third-party technical consultants through a simplified review and approval process, without the ability to withdraw Council's delegation.

- 16.** Prevent abuse of the heritage preservation and designation process by:
 - a) Prohibiting the use of bulk listing on municipal heritage registers
 - b) Prohibiting reactive heritage designations after a Planning Act development application has been filed
- 17.** Requiring municipalities to compensate property owners for loss of property value as a result of heritage designations, based on the principle of best economic use of land.
- 18.** Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews.

We have heard mixed feedback on Committees of Adjustment. While they are seen to be working well in some cities, in others they are seen to simply add another lengthy step in the process. We would urge the government to first implement our recommendation to delegate minor variances and site plan approvals to municipal staff and then assess whether Committees of Adjustment are necessary and an improvement over staff-level decision making.

Cut the red tape so we can build faster and reduce costs

One of the strongest signs that our approval process is not working: of 35 OECD countries, only the Slovak Republic takes longer than Canada to approve a building project. The UK and the US approve projects three times faster without sacrificing quality or safety. And they save home buyers and tenants money as a result, making housing more affordable.^[15]

A 2020 survey of development approval times in 23 Canadian cities shows Ontario seriously lagging: Hamilton (15th), Toronto (17th), Ottawa (21st) with approval times averaging between 20-24 months. These timelines do not include building permits, which take about two years for an apartment building in Toronto. Nor did they count the time it takes for undeveloped land to be designated for housing, which the study notes can take five to ten years.^[16]

Despite the good intentions of many people involved in the approvals and home-building process, decades of dysfunction in the system and needless bureaucracy have made it too difficult for housing approvals to keep up with the needs of Ontarians. There appear to be numerous reasons why Ontario performs so poorly against other Canadian cities and the rest of the developed world. We believe that the major problems can be summed up as:

- Too much complexity in the planning process, with the page count in legislation, regulation, policies, plans, and by-laws growing every year
- Too many studies, guidelines, meetings and other requirements of the type we outlined in the previous section, including many that go well beyond the scope of Ontario's Planning Act
- Reviews within municipalities and with outside agencies that are piecemeal, duplicative (although often with conflicting outcomes) and poorly coordinated
- Process flaws that include reliance on paper
- Some provincial policies that are more relevant to urban development but result in burdensome, irrelevant requirements when applied in some rural and northern communities.



All of this has contributed to widespread failure on the part of municipalities to meet required timelines. The provincial Planning Act sets out deadlines of 90 days for decisions on zoning by-law amendments, 120 days for plans of subdivision, and 30 days for site plan approval, but municipalities routinely miss these without penalty. For other processes, like site plan approval or provincial approvals, there are no timelines and delays drag on. The cost of delay falls on the ultimate homeowner or tenant.

The consequences for homeowners and renters are enormous. Ultimately, whatever cost a builder pays gets passed on to the buyer or renter. As one person said: "Process is the biggest project killer in Toronto because developers have to carry timeline risk."

Site plan control was often brought up as a frustration. Under the Planning Act, this is meant to be a technical review of the external features of a building. In practice, municipalities often expand on what is required and take too long to respond.

Then: In 1966, a draft plan of subdivision in a town in southwestern Ontario to provide 529 low-rise and mid-rise housing units, a school site, a shopping centre and parks was approved by way of a two-page letter setting out 10 conditions. It took seven months to clear conditions for final approval.

And now: In 2013, a builder started the approval process to build on a piece of serviced residential land in a seasonal resort town. Over the next seven years, 18 professional consultant reports were required, culminating in draft plan approval containing 50 clearance conditions. The second approval, issued by the Local Planning Appeals Board in 2020, ran to 23 pages. The developer estimates it will be almost 10 years before final approval is received.

An Ontario Association of Architects study calculating the cost of delays between site plan application and approval concluded that for a 100-unit condominium apartment building, each additional month of delay costs the applicant an estimated \$193,000, or \$1,930 a month for each unit.^[17]

A 2020 study done for the Building Industry and Land Development Association (BILD) looked at impacts of delay on low-rise construction, including single-detached homes. It estimated that every month an approval is delayed adds, on average, \$1.46 per square foot to the cost of a single home. A two-year delay, which is not unusual for this housing type, adds more than \$70,000 to the cost of a 2,000-square-foot house in the GTA.^[16]

Getting rid of so much unnecessary and unproductive additional work would significantly reduce the burden on staff.^[16b] It would help address the widespread shortages of planners and building officials. It would also bring a stronger sense among municipal staff that they are part of the housing solution and can take pride in helping cut approval times and lower the costs of delivering homes.

Adopt common sense approaches that save construction costs

Wood using “mass timber” – an engineer compressed wood, made for strength and weight-bearing – can provide a lower-cost alternative to reinforced concrete in many mid-rise projects, but Ontario’s Building Code is hampering its use. Building taller with wood offers advantages beyond cost:

- Wood is a renewable resource that naturally sequesters carbon, helping us reach our climate change goals

- Using wood supports Ontario’s forestry sector and creates jobs, including for Indigenous people

British Columbia’s and Quebec’s building codes allow woodframe construction up to 12 storeys, but Ontario limits it to six. By amending the Building Code to allow 12-storey woodframe construction, Ontario would encourage increased use of forestry products and reduce building costs.

Finally, we were told that a shift in how builders are required to guarantee their performance would free up billions of dollars to build more housing. Pay on demand surety bonds are a much less onerous option than letters of credit, and are already accepted in Hamilton, Pickering, Innisfil, Whitchurch-Stouffville and other Ontario municipalities. We outline the technical details in [Appendix D](#).

- 19.** Legislate timelines at each stage of the provincial and municipal review process, including site plan, minor variance, and provincial reviews, and deem an application approved if the legislated response time is exceeded.
- 20.** Fund the creation of “approvals facilitators” with the authority to quickly resolve conflicts among municipal and/or provincial authorities and ensure timelines are met.
- 21.** Require a pre-consultation with all relevant parties at which the municipality sets out a binding list that defines what constitutes a complete application; confirms the number of consultations established in the previous recommendations; and clarifies that if a member of a regulated profession such as a professional engineer has stamped an application, the municipality has no liability and no additional stamp is needed.
- 22.** Simplify planning legislation and policy documents.
- 23.** Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which may be included; require the use of standard province-wide legal agreements and, where feasible, plans of subdivision.
- 24.** Allow wood construction of up to 12 storeys.
- 25.** Require municipalities to provide the option of pay on demand surety bonds and letters of credit.

Prevent abuse of the appeal process

Part of the challenge with housing approvals is that, by the time a project has been appealed to the Ontario Land Tribunal (the Tribunal), it has usually already faced delay and compromises have been made to reduce the size and scope of the proposal. When an approved project is appealed, the appellant – which could just be a single individual – may pay \$400 and tie up new housing for years.

The most recent published report showed 1,300 unresolved cases.^[18] While under-resourcing does contribute to delays, this caseload also reflects the low barrier to launching an appeal and the minimal risks if an appeal is unsuccessful:

- After a builder has spent time and money to ensure a proposal conforms with a municipality's requirements, the municipal council can still reject it – even if its own planning staff has given its support. Very often this is to appease local opponents.
- Unlike a court, costs are not automatically awarded to the successful party at the Tribunal. The winning side must bring a motion and prove that the party bringing the appeal was unreasonable, clearly trying to delay the project, and/or being vexatious or frivolous. Because the bar is set so high, the winning side seldom asks for costs in residential cases.

This has resulted in abuse of the Tribunal to delay new housing. Throughout our consultations, we heard from municipalities, not-for-profits, and developers that affordable housing was a particular target for appeals which, even if unsuccessful, can make projects too costly to build.

Clearly the Tribunal needs more resources to clear its backlog. But the bigger issue is the need for so many appeals: we believe it would better to have well-defined goals and rules for municipalities and builders to avoid this costly and time-consuming quasi-judicial process. Those who bring appeals aimed at stopping development that meets established criteria should pay the legal costs of the successful party and face the risk of a larger project being approved.

The solution is not more appeals, it's fixing the system. We have proposed a series of reforms that would ensure only meritorious appeals proceeded, that every participant faces some risk and cost of losing, and that abuse of the Tribunal will be penalized. We believe that if Ontario accepts our recommendations, the Tribunal will not face the same volume of appeals. But getting to that point will take time, and the Tribunal needs more resources and better tools now.

Recommendation 1 will provide legislative direction to adjudicators that they must prioritize housing growth and intensification over competing priorities contained in provincial and municipal policies. We further recommend the following:

- 26.** Require appellants to promptly seek permission (“leave to appeal”) of the Tribunal and demonstrate that an appeal has merit, relying on evidence and expert reports, before it is accepted.
- 27.** Prevent abuse of process:
 - a) Remove right of appeal for projects with at least 30% affordable housing in which units are guaranteed affordable for at least 40 years.
 - b) Require a \$10,000 filing fee for third-party appeals.
 - c) Provide discretion to adjudicators to award full costs to the successful party in any appeal brought by a third party or by a municipality where its council has overridden a recommended staff approval.
- 28.** Encourage greater use of oral decisions issued the day of the hearing, with written reasons to follow, and allow those decisions to become binding the day that they are issued.
- 29.** Where it is found that a municipality has refused an application simply to avoid a deemed approval for lack of decision, allow the Tribunal to award punitive damages.
- 30.** Provide funding to increase staffing (adjudicators and case managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets.
- 31.** In clearing the existing backlog, encourage the Tribunal to prioritize projects close to the finish line that will support housing growth and intensification, as well as regional water or utility infrastructure decisions that will unlock significant housing capacity.

Reduce the costs to build, buy and rent

The price you pay to buy or rent a home is driven directly by how much it costs to build a home. In Ontario, costs to build homes have dramatically increased at an unprecedented pace over the past decade. In most of our cities and towns, materials and labour only account for about half of the costs. The rest comes from land, which we have addressed in the previous section, and government fees.

A careful balance is required on government fees because, as much as we would like to see them lowered, governments need revenues from fees and taxes to build critically needed infrastructure and pay for all the other services that make Ontario work. So, it is a question of balance and of ensuring that our approach to government fees encourages rather than discourages developers to build the full range of housing we need in our Ontario communities.

Align government fees and charges with the goal of building more housing

Improve the municipal funding model

Housing requires more than just the land it is built on. It requires roads, sewers, parks, utilities and other infrastructure. The provincial government provides municipalities with a way to secure funding for this infrastructure through development charges, community benefit charges and parkland dedication (providing 5% of land for public parks or the cash equivalent).

These charges are founded on the belief that growth – not current taxpayers – should pay for growth. As a concept, it is compelling. In practice, it means that new home buyers pay the entire cost of sewers, parks, affordable housing, or colleges that will be around for generations and may not be located in their neighbourhood. And, although building

affordable housing is a societal responsibility, because affordable units pay all the same charges as a market unit, the cost is passed to new home buyers in the same building or the not-for-profit organization supporting the project. We do not believe that government fees should create a disincentive to affordable housing.

If you ask any developer of homes – whether they are for-profit or non-profit – they will tell you that development charges are a special pain point. In Ontario, they can be as much as \$135,000 per home. In some municipalities, development charges have increased as much as 900% in less than 20 years.^[20] As development charges go up, the prices of homes go up. And development charges on a modest semi-detached home are the same as on a luxury 6,000 square foot home, resulting in a disincentive to build housing that is more affordable. Timing is also a challenge as development charges have to be paid up front, before a shovel even goes into the ground.

To help relieve the pressure, the Ontario government passed recent legislation allowing builders to determine development charges earlier in the building process. But they must pay interest on the assessed development charge to the municipality until a building permit is issued, and there is no cap on the rate, which in one major city is 13% annually.

Cash payments to satisfy parkland dedication also significantly boost the costs of higher-density projects, adding on average \$17,000 to the cost of a high-rise condo across the GTA.^[21] We heard concerns not just about the amount of cash collected, but also about the money not being spent in the neighbourhood or possibly not being spent on parks at all. As an example, in 2019 the City of Toronto held \$644 million in parkland cash-in-lieu payments.^[22] Everyone can agree that we need to invest in parks as our communities grow, but if the funds are not being spent, perhaps it means that more money is being collected for parklands than is needed and we could lower the cost of housing if we adjusted these parkland fees.



A 2019 study carried out for BILD showed that in the Greater Toronto Area, development charges for low-rise housing are on average more than three times higher per unit than in six comparable US metropolitan areas, and roughly 1.75-times higher than in the other Canadian cities.

For high-rise developments the average per unit charges in the GTA are roughly 50% higher than in the US areas, and roughly 30% higher than in the other Canadian urban areas.^[19]

Modernizing HST Thresholds

Harmonized sales tax (HST) applies to all new housing – including purpose-built rental. Today, the federal component is 5% and provincial component is 8%. The federal and provincial government provide a partial HST rebate. Two decades ago, the maximum home price eligible for a rebate was set at \$450,000 federally and \$400,000 provincially, resulting in a maximum rebate of \$6,300 federally and \$24,000 provincially, less than half of today’s average home price. Buyers of new homes above this ceiling face a significant clawback. Indexing the rebate would immediately reduce the cost of building new homes, savings that can be passed on to Ontarians. When both levels of government agree that we are facing a housing crisis, they should not be adding over 10% to the cost of almost all new homes.

- 32.** Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential projects up to 10 units or for any development where no new material infrastructure will be required.
- 33.** Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years.
- 34.** Prohibit interest rates on development charges higher than a municipality’s borrowing rate.
- 35.** Regarding cash in lieu of parkland, s.37, Community Benefit Charges, and development charges:
 - a) Provincial review of reserve levels, collections and drawdowns annually to ensure funds are being used in a timely fashion and for the intended purpose, and, where review points to a significant concern, do not allow further collection until the situation has been corrected.
 - b) Except where allocated towards municipality-wide infrastructure projects, require municipalities to spend funds in the neighbourhoods where they were collected. However, where there’s a significant community need in a priority area of the City, allow for specific ward-to-ward allocation of unspent and unallocated reserves.
- 36.** Recommend that the federal government and provincial governments update HST rebate to reflect current home prices and begin indexing the thresholds to housing prices, and that the federal government match the provincial 75% rebate and remove any clawback.

Government charges on a new single-detached home averaged roughly \$186,300, or almost 22% of the price, across six municipalities in southcentral Ontario. For a new condominium apartment, the average was almost \$123,000, or roughly 24% of a unit’s price.

Make it easier to build rental

In cities and towns across Ontario, it is increasingly hard to find a vacant rental unit, let alone a vacant rental unit at an affordable price. Today, 66% of all purpose-built rental units in the City of Toronto were built between 1960 and 1979. Less than 15% of Toronto’s purpose-built rentals were constructed over the ensuing 40 years in spite of the significant population growth during that time. In fact, between 2006 and 2016, growth in condo apartments increased by 186% while purpose-built rental only grew by 0.6%.^[22] In 2018, the Ontario government introduced positive changes that have created growth in purpose-built rental units – with last year seeing 18,000 units under construction and 93,000 proposed against a 5-year average prior to 2020 of 3,400 annually.^[23]

Long-term renters often now feel trapped in apartments that don’t make sense for them as their needs change. And because they can’t or don’t want to move up the housing ladder, many of the people coming up behind them who would gladly take those apartments are instead living in crowded spaces with family members or roommates. Others feel forced to commit to rental units at prices way beyond what they can afford. Others are trying their luck in getting on the wait list for an affordable unit or housing co-op – wait lists that are years long. Others are leaving Ontario altogether.

66%

of all purpose-built rental units
in the City of Toronto were
built between **1960** and **1979**.



A pattern in every community, and particularly large cities, is that the apartments and rented rooms that we do have are disappearing. Apartment buildings are being converted to condos or upgraded to much more expensive rental units. Duplexes get purchased and turned into larger single-family homes.

A major challenge in bridging the gap of rental supply is that, more often than not, purpose-built rental projects don't make economic sense for builders and investors. Ironically, there is no shortage of Canadian investor capital seeking housing investments, particularly large pension funds – but the economics of investing in purpose-built rental in Ontario just don't make sense. So, investments get made in apartment projects in other provinces or countries, or in condo projects that have a better and safer return-on-investment. What can governments do to get that investor capital pointed in the right direction so we can create jobs and get more of the housing we need built?

Some of our earlier recommendations will help, particularly indexing the HST rebate. So will actions by government to require purpose-built rental on surplus government land that is made available for sale. ([Appendix C](#))

Municipal property taxes on purpose-built rental can be as much as 2.5 times greater than property taxes for condominium or other ownership housing.^[24]

The Task Force recommends:

37. Align property taxes for purpose-built rental with those of condos and low-rise homes.

Make homeownership possible for hardworking Ontarians who want it

Home ownership has always been part of the Canadian dream. You don't have to look far back to find a time when the housing landscape was very different. The norm was for young people to rent an apartment in their twenties, work hard and save for a down payment, then buy their first home in their late twenties or early thirties. It was the same for many new Canadians: arrive, rent, work hard and buy. The house might be modest, but it brought a sense of ownership, stability and security. And after that first step onto the ownership ladder, there was always the possibility of selling and moving up. Home ownership felt like a real possibility for anyone who wanted it.

That's not how it works now. Too many young people who would like their own place are living with one or both parents well into adulthood.

The escalation of housing prices over the last decade has put the dream of homeownership out of reach of a growing number of aspiring first-time home buyers. While 73% of Canadians are homeowners, that drops to 48% for Black people, 47% for LGBTQ people^[5] (StatsCan is studying rates for other populations, including Indigenous People who are severely underhoused). This is also an issue for younger adults: a 2021 study showed only 24% of Torontonians aged 30 to 39 are homeowners.^[25]

In Canada, responsibility for Indigenous housing programs has historically been a shared between the federal and provincial governments. The federal government works closely with its provincial and territorial counterparts to improve access to housing for Indigenous peoples both on and off reserve. More than 85% of Indigenous people live in urban and rural areas, are 11 times more likely to experience homelessness and have incidence of housing need that is 52% greater than all Canadians. The Murdered and Missing Indigenous Women and Girls report mentions housing 299 times – the lack of which being a significant, contributing cause to violence and the provision of which as a significant, contributing solution. The Province of Ontario has made significant investments in Urban Indigenous Housing, but we need the Federal Government to re-engage as an active partner.

While measures to address supply will have an impact on housing prices, many aspiring homeowners will continue to face a gap that is simply too great to bridge through traditional methods.

The Task Force recognizes the need for caution about measures that would spur demand for housing before the supply bottleneck is fixed. At the same time, a growing number of organizations – both non-profit and for-profit are proposing a range of unique home equity models. Some of these organizations are aiming at households who have sufficient income to pay the mortgage but lack a sufficient down payment. Others are aiming at households who fall short in both income and down payment requirements for current market housing.

The Task Force heard about a range of models to help aspiring first-time home buyers, including:

- Shared equity models with a government, non-profit or for-profit lender holding a second “shared equity mortgage” payable at time of sale of the home
- Land lease models that allow residents to own their home but lease the land, reducing costs
- Rent-to-own approaches in which a portion of an occupant’s rent is used to build equity, which can be used as a down payment on their current unit or another market unit in the future
- Models where the equity gain is shared between the homeowner and the non-profit provider, such that the non-profit will always be able to buy the home back and sell it to another qualified buyer, thus retaining the home’s affordability from one homeowner to the next.

Proponents of these models identified barriers that thwart progress in implementing new solutions.

- The Planning Act limits land leases to a maximum of 21 years. This provision prevents home buyers from accessing the same type of mortgages from a bank or credit union that are available to them when they buy through traditional homeownership.
- The Perpetuities Act has a similar 21-year limit on any options placed on land. This limits innovative non-profit models from using equity formulas for re-sale and repurchase of homes.
- Land Transfer Tax (LTT) is charged each time a home is sold and is collected by the province; and in Toronto, this tax is also collected by the City. This creates a double-tax in rent-to-own/equity building models where LTT ends up being paid first by the home equity organization and then by the occupant when they are able to buy the unit.
- HST is charged based on the market value of the home. In shared equity models where the homeowner neither owns nor gains from the shared equity portion of their home, HST on the shared equity portion of the home simply reduces affordability.
- Residential mortgages are highly regulated by the federal government and reflective of traditional homeownership. Modifications in regulations may be required to adapt to new co-ownership and other models.

The Task Force encourages the Ontario government to devote further attention to avenues to support new homeownership options. As a starting point, the Task Force offers the following recommendations:

- 38.** Amend the Planning Act and Perpetuities Act to extend the maximum period for land leases and restrictive covenants on land to 40 or more years.
- 39.** Eliminate or reduce tax disincentives to housing growth.
- 40.** Call on the Federal Government to implement an Urban, Rural and Northern Indigenous Housing Strategy.
- 41.** Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners.
- 42.** Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.

Support and incentivize scaling up housing supply

Our goal of building 1.5 million homes in ten years means doubling how many homes Ontario creates each year. As much as the Task Force’s recommendations will remove barriers to realizing this ambitious goal, we also need to ensure we have the capacity across Ontario’s communities to deliver this new housing supply. This includes capacity of our housing infrastructure, capacity within our municipal planning teams, and boots on the ground with the skills to build new homes.

There is much to be done and the price of failure for the people of Ontario is high. This is why the provincial government must make an unwavering commitment to keeping the spotlight on housing supply. This is also why the province must be dogged in its determination to galvanize and align efforts and incentives across all levels of government so that working together, we all can get the job done.

Our final set of recommendations turns to these issues of capacity to deliver, and the role the provincial government can play in putting the incentives and alignment in place to achieve the 1.5 million home goal.

Invest in municipal infrastructure

Housing can’t get built without water, sewage, and other infrastructure

When the Task Force met with municipal leaders, they emphasized how much future housing supply relies on having the water, storm water and wastewater systems, roads, sidewalks, fire stations, and all the other parts of community infrastructure to support new homes and new residents.

Infrastructure is essential where housing is being built for the first time. And, it can be a factor in intensification when added density exceeds the capacity of existing infrastructure, one of the reasons we urge new infrastructure in new developments to be designed for future capacity. In Ontario, there are multiple municipalities where the number one barrier to approving new housing projects is a lack of infrastructure to support them.

Municipalities face a myriad of challenges in getting this infrastructure in place. Often, infrastructure investments are required long before new projects are approved and funding must be secured. Notwithstanding the burden development charges place on the price of new housing, most municipalities report that development charges are still not enough to fully cover the costs of building new infrastructure and retrofitting existing infrastructure in neighbourhoods that are intensifying. Often infrastructure crosses municipal boundaries creating complicated and time-consuming “who pays?” questions. Municipal leaders also shared their frustrations with situations where new housing projects are approved and water, sewage and other infrastructure capacity is allocated to the project – only to have the developer land bank the project and put off building. Environmental considerations with new infrastructure add further cost and complexity. The Task Force recommends:

- 43. Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted projects where construction has not been initiated within three years of build permits being issued.**
- 44. Work with municipalities to develop and implement a municipal services corporation utility model for water and wastewater under which the municipal corporation would borrow and amortize costs among customers instead of using development charges.**

Create the Labour Force to meet the housing supply need

The labour force is shrinking in many segments of the market

You can't start to build housing without infrastructure. You can't build it without people – skilled trades people in every community who can build the homes we need.

The concern that we are already facing a shortage in skilled trades came through loud and clear in our consultations. We heard from many sources that our education system funnels young people to university rather than colleges or apprenticeships and creates the perception that careers in the skilled trades are of less value. Unions and builders are working to fill the pipeline domestically and recruit internationally, but mass retirements are making it challenging to maintain the workforce at its current level, let alone increase it.

Increased economic immigration could ease this bottleneck, but it appears difficult for a skilled labourer with no Canadian work experience to qualify under Ontario's rules. Moreover, Canada's immigration policies also favour university education over skills our economy and society desperately need. We ought to be welcoming immigrants with the skills needed to build roads and houses that will accommodate our growing population.

The shortage may be less acute, however, among smaller developers and contractors that could renovate and build new "missing middle" homes arising from the changes in neighbourhood zoning described earlier. These smaller companies tap into a different workforce from the one needed to build high rises and new subdivisions. Nonetheless, 1.5 million more homes will require a major investment in attracting and developing the skilled trades workforce to deliver this critically needed housing supply. We recommend:

45. Improve funding for colleges, trade schools, and apprenticeships; encourage and incentivize municipalities, unions and employers to provide more on-the-job training.
46. Undertake multi-stakeholder education program to promote skilled trades.
47. Recommend that the federal and provincial government prioritize skilled trades and adjust the immigration points system to strongly favour needed trades and expedite immigration status for these workers, and encourage the federal government to increase from 9,000 to 20,000 the number of immigrants admitted through Ontario's program.

Create a large Ontario Housing Delivery Fund to align efforts and incent new housing supply

Build alignment between governments to enable builders to deliver more homes than ever before

All levels of government play a role in housing.

The federal government sets immigration policy, which has a major impact on population growth and many tax policies. The province sets the framework for planning, approvals, and growth that municipalities rely upon, and is responsible for many other areas that touch on housing supply, like investing in highways and transit, training workers, the building code and protecting the environment. Municipalities are on the front lines, expected to translate the impacts of federal immigration policy, provincial guidance and other factors, some very localized, into official plans and the overall process through which homes are approved to be built.

The efficiency with which home builders can build, whether for-profit or non-profit, is influenced by policies and decisions at every level of government. In turn, how many home developers can deliver, and at what cost, translates directly into the availability of homes that Ontarians can afford.

Collectively, governments have not been sufficiently aligned in their efforts to provide the frameworks and incentives that meet the broad spectrum of housing needs in Ontario. Much action, though, has been taken in recent years.

- The Ontario government has taken several steps to make it easier to build additional suites in your own home: reduced disincentives to building rental housing, improved the appeal process, focused on density around transit stations, made upfront development charges more predictable, and provided options for municipalities to create community benefits through development.
- The federal government has launched the National Housing Strategy and committed over \$70 billion in funding.^[26] Most recently, it has announced a \$4 billion Housing Accelerator Fund aimed at helping municipalities remove barriers to building housing more quickly.^[27]
- Municipalities have been looking at ways to change outdated processes, rules, and ways of thinking that create delays and increases costs of delivering homes. Several municipalities have taken initial steps towards eliminating exclusionary zoning and addressing other barriers described in this report.

All governments agree that we are facing a housing crisis. Now we must turn the sense of urgency into action and alignment across governments.

Mirror policy changes with financial incentives aligned across governments

The policy recommendations in this report will go a long way to align efforts and position builders to deliver more homes.

Having the capacity in our communities to build these homes will take more than policy. It will take money. Rewarding municipalities that meet housing growth and approval timelines will help them to invest in system upgrades, hire additional staff, and invest in their communities. Similarly, municipalities that resist new housing, succumb to NIMBY pressure, and close off their neighbourhoods should see funding reductions. Fixing the housing crisis is a societal responsibility, and our limited tax dollars should be directed to those municipalities making the difficult but necessary choices to grow housing supply.

In late January 2022, the provincial government announced \$45 million for a new *Streamline Development Approval Fund* to “unlock housing supply by cutting red tape and improving processes for residential and industrial developments”.^[28] This is encouraging. More is needed.

Ontario should also receive its fair share of federal funding but today faces a shortfall of almost \$500 million,^[29] despite two thirds of the Canadian housing shortage being in Ontario. We call on the federal government to address this funding gap.

- 48.** The Ontario government should establish a large “Ontario Housing Delivery Fund” and encourage the federal government to match funding. This fund should reward:
 - a) Annual housing growth that meets or exceeds provincial targets
 - b) Reductions in total approval times for new housing
 - c) The speedy removal of exclusionary zoning practices
- 49.** Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets.

We believe that the province should consider partial grants to subsidize municipalities that waive development charges for affordable housing and for purpose-built rental.

Sustain focus, measure, monitor, improve

Digitize and modernize the approvals and planning process

Some large municipalities have moved to electronic tracking of development applications and/or electronic building permits (“e-permits”) and report promising results, but there is no consistency and many smaller places don’t have the capacity to make the change.

Municipalities, the provincial government and agencies use different systems to collect data and information relevant to housing approvals, which slows down processes and leaves much of the “big picture” blank. This could be addressed by ensuring uniform data architecture standards.

Improve the quality of our housing data to inform decision making

Having accurate data is key to understanding any challenge and making the best decisions in response. The Task Force heard from multiple housing experts that we are not always using the best data, and we do not always have the data we need.

Having good population forecasts is essential in each municipality as they develop plans to meet future land and housing needs. Yet, we heard many concerns about inconsistent approaches to population forecasts. In the Greater Golden Horseshoe, the forecast provided to municipalities by the province is updated only when the Growth Plan is updated, generally every seven years; but federal immigration policy, which is a key driver of growth, changes much more frequently. The provincial Ministry of Finance produces a population forecast on a more regular basis than the Growth Plan, but these are not used consistently across municipalities or even by other provincial ministries.

Population forecasts get translated into housing need in different ways across the province, and there is a lack of data about how (or whether) the need will be met. Others pointed to the inconsistent availability of land inventories. Another challenge is the lack of information on how much land is permitted and how much housing is actually getting built once permitted, and how fast. The Task Force also heard that, although the Provincial Policy Statement requires municipalities to maintain a three-year supply of short-term (build-ready) land and report it each year to the province, many municipalities are not meeting that requirement.^[30]

At a provincial and municipal level, we need better data on the housing we have today, housing needed to close the gap, consistent projections of what we need in the future, and data on how we are doing at keeping up. Improved data will help anticipate local and provincial supply bottlenecks and constraints, making it easier to determine the appropriate level and degree of response.

It will also be important to have better data to assess how much new housing stock is becoming available to groups that have been disproportionately excluded from home ownership and rental housing.

Put eyes on the crisis and change the conversation around housing

Ours is not the first attempt to “fix the housing system”. There have been efforts for years to tackle increasing housing prices and find solutions so everyone in Ontario can find and afford the housing they need. This time must be different.

The recommendations in this report must receive sustained attention, results must be monitored, significant financial investment by all levels of government must be made. And, the people of Ontario must embrace a housing landscape in which the housing needs of tomorrow’s citizens and those who have been left behind are given equal weight to the housing advantages of those who are already well established in homes that they own.

- 50.** Fund the adoption of consistent municipal e-permitting systems and encourage the federal government to match funding. Fund the development of common data architecture standards across municipalities and provincial agencies and require municipalities to provide their zoning bylaws with open data standards. Set an implementation goal of 2025 and make funding conditional on established targets.
- 51.** Require municipalities and the provincial government to use the Ministry of Finance population projections as the basis for housing need analysis and related land use requirements.
- 52.** Resume reporting on housing data and require consistent municipal reporting, enforcing compliance as a requirement for accessing programs under the Ontario Housing Delivery Fund.
- 53.** Report each year at the municipal and provincial level on any gap between demand and supply by housing type and location, and make underlying data freely available to the public.
- 54.** Empower the Deputy Minister of Municipal Affairs and Housing to lead an all-of-government committee, including key provincial ministries and agencies, that meets weekly to ensure our remaining recommendations and any other productive ideas are implemented.
- 55.** Commit to evaluate these recommendations for the next three years with public reporting on progress.

Conclusion

We have set a bold goal for Ontario: building 1.5 million homes in the next 10 years.

We believe this can be done. What struck us was that everyone we talked to – builders, housing advocates, elected officials, planners – understands the need to act now. As one long-time industry participant said, “for the first time in memory, everyone is aligned, and we need to take advantage of that.”

Such unity of purpose is rare, but powerful.

To leverage that power, we offer solutions that are bold but workable, backed by evidence, and that position Ontario for the future.

Our recommendations focus on ramping up the supply of housing. Measures are already in place to try to cool demand, but they will not fill Ontario’s housing need. More supply is key. Building more homes will reduce the competition for our scarce supply of homes and will give Ontarians more housing choices. It will improve housing affordability across the board.

Everyone wants more Ontarians to have housing. So let’s get to work to build more housing in Ontario.

APPENDIX A:

Biographies of Task Force Members

Lalit Aggarwal is President of Manor Park Holdings, a real estate development and operating company active in Eastern Ontario. Previously, Lalit was an investor for institutional fund management firms, such as H.I.G. European Capital Partners, Soros Fund Management, and Goldman Sachs. He is a past fellow of the C.D. Howe Institute and a former Director of both Bridgepoint Health and the Centre for the Commercialization of Regenerative Medicine. Lalit holds degrees from the University of Oxford and the University of Pennsylvania. He is also a current Director of the Hospital for Sick Children Foundation, the Sterling Hall School and the Chair of the Alcohol & Gaming Commission of Ontario.

David Amborski is a professional Urban Planner, Professor at Ryerson University's School of Urban and Regional Planning and the founding Director of the Centre for Urban Research and Land Development (CUR). His research and consulting work explore topics where urban planning interfaces with economics, including land and housing markets. He is an academic advisor to the National Executive Forum on Public Property, and he is a member of Lambda Alpha (Honorary Land Economics Society). He has undertaken consulting for the Federal, Provincial and a range of municipal governments. Internationally, he has undertaken work for the Canadian International Development Agency (CIDA), the World Bank, the Inter-American Development Bank, the Lincoln Institute of Land Policy, and several other organizations in Eastern Europe, Latin America, South Africa, and Asia. He also serves on the editorial boards of several international academic journals.

Andrew Garrett is a real estate executive responsible for growing IMCO's \$11+ Billion Global Real Estate portfolio to secure public pensions and insurance for Ontario families. IMCO is the only Ontario fund manager purpose built to onboard public clients such as pensions, insurance, municipal reserve funds, and endowments. Andrew has significant non-profit sector experience founding a B Corp certified social enterprise called WeBuild to help incubate social purpose real estate projects. He currently volunteers on non-profit boards supporting social purpose real estate projects, youth programs and the visual arts at Art Gallery

of Ontario. Andrew sits on board advisory committees for private equity firms and holds a Global Executive MBA from Kellogg School Management and a Real Estate Development Certification from MIT Centre for Real Estate.

Tim Hudak is the CEO of the Ontario Real Estate Association (OREA). With a passion and voice for championing the dream of home ownership, Tim came to OREA following a distinguished 21-year career in politics, including five years as Leader of the Progressive Conservative Party of Ontario.

In his role, Tim has focused on transforming OREA into Ontario's most cutting-edge professional association at the forefront of advocacy on behalf of REALTORS® and consumers, and providing world-class conferences, standard forms, leadership training and professional guidance to its Members. As part of his work at OREA, Tim was named one of the most powerful people in North American residential real estate by Swanepoel Power 200 for the last five years. Tim is married to Deb Hutton, and together they have two daughters, Miller and Maitland. In his spare time, Tim enjoys trails less taken on his mountain bike or hiking shoes as well as grilling outdoors.

Jake Lawrence was appointed Chief Executive Officer and Group Head, Global Banking and Markets in January 2021. In this role, Jake is responsible for the Bank's Global Banking and Markets business line and strategy across its global footprint. Jake joined Scotiabank in 2002 and has held progressively senior roles in Finance, Group Treasury and Global Banking and Markets. From December 2018 to January 2021, Jake was Co-Group Head of Global Banking and Markets with specific responsibility for its Capital Markets businesses, focused on building alignment across product groups and priority markets to best serve our clients throughout our global footprint. Previously, Jake was Executive Vice President and Head of Global Banking and Markets in the U.S., providing overall strategic direction and execution of Scotiabank's U.S. businesses. Prior to moving into GBM, Jake served as Senior Vice President and Deputy Treasurer, responsible for Scotiabank's wholesale funding activities and liquidity management as well as Senior Vice President, Investor Relations.

Julie Di Lorenzo (GPLLM, University of Toronto 2020), is self-employed since 1982, operates one of the largest female-run Real Estate Development Companies in North America. She was instrumental in the Daniel Burnham award-winning Ontario Growth Management Plan (2004) as President of BILD. Julie served as the first female-owner President of GTHBA (BILD) and on the boards of the Ontario Science Centre, Harbourfront Toronto, Tarion (ONHWP), St. Michael's Hospital, NEXT36, Waterfront Toronto, Chair of IREC Committee WT, Havergal College (Co-Chair of Facilities), York School (interim Vice-Chair), and Canadian Civil Liberties Association Board. Julie has served various governments in advisory capacity on Women's issues, Economic Development, Innovation and Entrepreneurship. Awards include Lifetime Achievement BILD 2017, ICCO Business Excellence 2005 & ICCO Businesswoman of the Year 2021.

Justin Marchand (CIHCM, CPA, CMA, BComm) is Métis and was appointed Chief Executive Officer of Ontario Aboriginal Housing Services (OAHS) in 2018. Justin has over 20 years of progressive experience in a broad range of sectors, including two publicly listed corporations, a large accounting and consulting firm, and a major crown corporation, and holds numerous designations across financial, operations, and housing disciplines. He was most recently selected as Chair of the Canadian Housing and Renewal Association's (CHRA's) Indigenous Caucus Working Group and is also board member for CHRA. Justin is also an active board member for both the Coalition of Hamilton Indigenous Leadership (CHIL) as well as Shingwauk Kinoomaage Gamig, located in Bawaating. Justin believes that Housing is a fundamental human right and that when Indigenous people have access to safe, affordable, and culture-based Housing this provides the opportunity to improve other areas of their lives.

Ene Underwood is CEO of Habitat for Humanity Greater Toronto Area), a non-profit housing developer that helps working, lower income families build strength, stability and self-reliance through affordable homeownership. Homes are delivered through a combination of volunteer builds, contractor builds, and partnerships with non-profit and for-profit developers. Ene's career began in the private sector as a strategy consultant with McKinsey & Company before transitioning to not-for-profit sector leadership. Ene holds a Bachelor of Arts (Honours) from the University of Waterloo and a Master of Business Administration from Ivey Business School.

Dave Wilkes is the President and CEO of the Building Industry and Land Development Association of the GTA (BILD). The Association has 1,300 members and proudly represents builders, developers, professional renovators and those who support the industry.

Dave is committed to supporting volunteer boards and organizations. He has previously served on the George Brown College Board of Directors, Ontario Curling Association, and is currently engaged with Black North Initiative (Housing Committee) and R-Labs I+T Council.

Dave received his Bachelor of Arts (Applied Geography) from Ryerson.

APPENDIX B:

Affordable Housing

Ontario's affordable housing shortfall was raised in almost every conversation. With rapidly rising prices, more lower-priced market rental units are being converted into housing far out of reach of lower-income households. In parallel, higher costs to deliver housing and limited government funding have resulted in a net decrease in the number of affordable housing units run by non-profits. The result is untenable: more people need affordable housing after being displaced from the market at the very time that affordable supply is shrinking.

Throughout our consultations, we were reminded of the housing inequities experienced by Black, Indigenous and marginalized people. We also received submissions describing the unique challenges faced by off-reserve Indigenous Peoples both in the province's urban centres and in the north.

While many of the changes that will help deliver market housing will also help make it easier to deliver affordable housing, affordable housing is a societal responsibility. We cannot rely exclusively on for-profit developers nor on increases in the supply of market housing to fully solve the problem.

The non-profit housing sector faces all the same barriers, fees, risks and complexities outlined in this report as for-profit builders. Several participants from the non-profit sector referred to current or future partnerships with for-profit developers that tap into the development and construction expertise and efficiencies of the private sector. Successful examples of leveraging such partnerships were cited with Indigenous housing, supportive housing, and affordable homeownership.

We were also reminded by program participants that, while partnerships with for-profit developers can be very impactful, non-profit providers have unique competencies in the actual delivery of affordable housing. This includes confirming eligibility of affordable housing applicants, supporting independence of occupants of affordable housing, and ensuring affordable housing units remain affordable from one occupant to the next.

One avenue for delivering more affordable housing that has received much recent attention is inclusionary zoning. In simple terms, inclusionary zoning (IZ) requires developers to deliver a share of affordable units in new

housing developments in prescribed areas. The previous Ontario government passed legislation in April 2018 providing a framework within which municipalities could enact Inclusionary Zoning bylaws.

Ontario's first inclusionary zoning policy was introduced in fall 2021 by the City of Toronto and applies to major transit station areas. Internationally, inclusionary zoning has been used successfully to incentivize developers to create new affordable housing by providing density bonuses (more units than they would normally be allowed, if some are affordable) or reductions in government fees. Unfortunately, the City's approach did not include any incentives or bonuses. Instead, Toronto requires market-rate fees and charges for below-market affordable units. This absence of incentives together with lack of clarity on the overall density that will be approved for projects has led developers and some housing advocates to claim that these projects may be uneconomic and thus will not get financed or built. Municipalities shared with us their concerns regarding the restriction in the provincial IZ legislation that prohibits "cash in lieu" payments. Municipalities advised that having the option of accepting the equivalent value of IZ units in cash from the developer would enable even greater impact in some circumstances (for example, a luxury building in an expensive neighbourhood, where the cost of living is too high for a low-income resident).

Funding for affordable housing is the responsibility of all levels of government. The federal government has committed to large funding transfers to the provinces to support affordable housing. The Task Force heard, however, that Ontario's share of this funding does not reflect our proportionate affordable housing needs. This, in turn, creates further financial pressure on both the province and municipalities, which further exacerbates the affordable housing shortages in Ontario's communities.

Finally, many participants in Task Force consultations pointed to surplus government lands as an avenue for building more affordable housing and this is discussed in [Appendix C](#).

We have made recommendations throughout the report intended to have a positive impact on new affordable housing supply. We offer these additional recommendations specific to affordable housing:

- Call upon the federal government to provide equitable affordable housing funding to Ontario.
 - Develop and legislate a clear, province-wide definition of “affordable housing” to create certainty and predictability.
 - Create an Affordable Housing Trust from a portion of Land Transfer Tax Revenue (i.e., the windfall resulting from property price appreciation) to be used in partnership with developers, non-profits, and municipalities in the creation of more affordable housing units. This Trust should create incentives for projects serving and brought forward by Black- and Indigenous-led developers and marginalized groups.
- Amend legislation to:
 - Allow cash-in-lieu payments for Inclusive Zoning units at the discretion of the municipality.
 - Require that municipalities utilize density bonusing or other incentives in all Inclusionary Zoning and Affordable Housing policies that apply to market housing.
 - Permit municipalities that have not passed Inclusionary Zoning policies to offer incentives and bonuses for affordable housing units.
 - Encourage government to closely monitor the effectiveness of Inclusionary Zoning policy in creating new affordable housing and to explore alternative funding methods that are predictable, consistent and transparent as a more viable alternative option to Inclusionary Zoning policies in the provision of affordable housing.
 - Rebate MPAC market rate property tax assessment on below-market affordable homes.

APPENDIX C:

Government Surplus Land

Surplus government lands fell outside the mandate of the Task Force. However, this question came up repeatedly as a solution to housing supply. While we take no view on the disposition of specific parcels of land, several stakeholders raised issues that we believe merit consideration:

- Review surplus lands and accelerate the sale and development through RFP of surplus government land and surrounding land by provincially pre-zoning for density, affordable housing, and mixed or residential use.
- All future government land sales, whether commercial or residential, should have an affordable housing component of at least 20%.
- Purposefully upzone underdeveloped or underutilized Crown property (e.g., LCBO).
- Sell Crown land and reoccupy as a tenant in a higher density building or relocate services outside of major population centres where land is considerably less expensive.
- The policy priority of adding to the housing supply, including affordable units, should be reflected in the way surplus land is offered for sale, allowing bidders to structure their proposals accordingly.

APPENDIX D:

Surety Bonds

Moving to surety bonds would free up billions of dollars for building

When a development proposal goes ahead, the developer typically needs to make site improvements, such as installing common services. The development agreement details how the developer must perform to the municipality's satisfaction.

Up until the 1980s, it was common practice for Ontario municipalities to accept bonds as financial security for subdivision agreements and site plans. Today, however, they almost exclusively require letters of credit from a chartered bank. The problem with letters of credit is that developers are often required to collateralize the letter of credit dollar-for-dollar against the value of the municipal works they are performing.

Often this means developers can only afford to finance one or two housing projects at a time, constraining housing supply. The Ontario Home Builders' Association estimates that across Ontario, billions of dollars are tied up in collateral or borrowing capacity that could be used to advance more projects.

Modern "pay on demand surety bonds" are proven to provide the same benefits and security as a letter of credit, while not tying up private capital the way letters of credit do. Moving to this option would give municipalities across Ontario access to all the features of a letter of credit with the added benefit of professional underwriting, carried out by licensed bonding companies, ensuring that the developer is qualified to fulfill its obligations under the municipal agreement.

Most important from a municipal perspective, the financial obligation is secured. If a problem arises, the secure bond is fully payable by the bond company on demand. Surety companies, similar to banks, are regulated by Ontario's Office of the Superintendent of Financial Institutions to ensure they have sufficient funds in place to pay out bond claims.

More widespread use of this instrument could unlock billions of dollars of private sector financial liquidity that could be used to build new infrastructure and housing projects, provide for more units in each development and accelerate the delivery of housing of all types.

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The Corporation of the City of Peterborough

By-Law Number 22-xxx

Being a By-law to further amend By-law 11-081 being a By-law to exempt certain classes of development from site plan control and to delegate authority respecting site plan approval

Now therefore, The Corporation of the City of Peterborough by its Council hereby enacts as follows:

1. By-law 11-081 is amended as follows:

a) By deleting the text of its paragraph 2(b) and by substituting the following text:

Situated within “Natural Areas” as defined in the Official Plan, if required by either of the City’s Commissioner, Infrastructure and Planning Services or the City Planner.

b) By deleting the text of its section 3 and by substituting the following text:

Approval of plans, drawings and the imposition of conditions to the approval of plans and drawings pursuant to section 41 of the **Planning Act**, R.S.O. 1990, c. P.13 is delegated to each of the City’s Commissioner, Infrastructure and Planning Services and the City Planner.

By-law passed this ___ day of _____, 2022.

Diane Therrien, Mayor

John Kennedy, City Clerk