

Sent by e-mail to: minister.mah@ontario.ca

October 3, 2023

The Honourable Paul Calandra
Minister of Municipal Affairs and Housing
College Park, 17th Floor
777 Bay Street
Toronto, Ontario M7A 2J3

Dear Minister Calandra:

I am writing today to convey a sector-wide perspective on the September 15th request you sent to mayors regarding the June 2022 recommendations of the government's Housing Affordability Task Force. As you know, the housing supply and affordability crisis is of top concern for municipal governments and we welcome the opportunity to work with you on this critical issue. As you also know, housing crisis challenges and solutions are complex and nuanced – not easily reduced to “yes” or “no” answers. We trust that this exercise is only the beginning of an ongoing partnership between provincial and municipal governments to proceed in a manner that reflects informed decision-making in the interests of Ontario's residents and communities.

The Housing Affordability Task Force did not include members representing the experience, expertise, or interests of Ontario's municipal sector. Nor did it consider the full range of circumstances of the nation-wide housing supply and affordability crisis apparent at the time, including industry supply management, interest rates, the actions of property investors vs. homebuyers, decades long under-investment in community housing stock, and many other elements integral to truly complex challenge.

The most immediate outcome of the Task Force's recommendations was Bill 23, which was introduced on October 25th and passed on November 28th, 2022. Bill 23 was subject to extensive criticism from Ontario's municipal sector, outlining among other concerns, substantial financial impacts that would limit the ability to invest in the infrastructure needed to support growth. That said, AMO and its members were pleased in November 2022, when the Government of Ontario committed to fully offsetting the financial impacts the Bill. Municipalities continue to look forward to the fulfilment of that important promise.

As an organization committed to good public policy, building sustainable communities and to working with the government to help it meet its ambitious housing targets, AMO wants to ensure that these important public policy matters are given the consideration and

analysis necessary to help the government to fulfil its commitment to objective, well-informed, and evidence-based policy.

Your letter to Mayors requests that they identify those Task Force recommendations that should be prioritized for implementation and that those Mayors with provincial housing targets provide a response to each of the Task Force's 74 recommendations. You indicate that if Mayors decline the opportunity to do so, their communities will be subject to a financial penalty. Given that the request is to Mayors and not to Councils, it is not clear whether Mayors will be able to enlist the support of the municipal public service in order to analyse the impacts of the recommendations. AMO is confident the government understands that any policy decision framework that accounts only for external task force recommendations and the views of individual mayors would not be sufficient to accomplish its own public policy making standards.

In the interest of supporting AMO members, and the government, in advancing good public policy, we are providing information to AMO members which the AMO Board believes they may find useful.

In general, AMO is expressing its support for the bulk of the Government's Task Force recommendations, with a few exceptions noted below, subject to firm conditions the Government will recognize as essential before proceeding to Cabinet.

Municipalities believe that the following conditions are necessary for the successful implementation of the Task Force's recommendations or, indeed, any other actions that the government chooses to pursue to address the housing supply and affordability crisis, including:

- 1) A **fair and sustainable funding framework** to support infrastructure and growth, that is not unduly subsidized by existing property taxpayers.
- 2) A **comprehensive, sequenced implementation plan** that gives both developers and municipalities certainty regarding costs and rules to support effective long-term decision-making.
- 3) An **accountability framework** that accurately recognizes the roles and responsibilities of different housing partners and does not hold municipalities accountable for the actions of developers or provincial ministries. Mechanisms must be included to ensure that public investments are tied to outcomes in the public interest.
- 4) A core focus on **non-market housing**, which was not within the mandate of the Housing Affordability Task Force. A robust non-market housing sector is a critical part of a well-functioning overall housing system and needs to be prioritized by governments.
- 5) A **public policy review by the Ontario Public Service** verifying that each recommendation is feasible, likely to result in increased housing supply and/or affordability and, is in the public interest.

As noted above, AMO is expressing its support for the bulk of the recommendations subject to the conditions noted above. AMO has identified only three of the Task Force's recommendations that cannot be supported at a sector level from a principled perspective:

12. *Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building infrastructure necessary to support high density housing and complete communities and applying the recommendations of this report to all undeveloped land.* AMO and many others have identified Intensification is an important principle that should underpin development in Ontario. While building on undeveloped land will be necessary in some small, rural and northern communities, in general it is not required to meet provincial housing targets. Given risks and controversy surrounding recently proposed development outside of municipal boundaries, AMO recommends that scarce resources are best directed elsewhere.
22. *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.* Requiring municipalities to use taxpayer funding to compensate private landowners for implementing provincial legislation is not consistent with the public interest or a well-functioning system of governance.
57. *Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets.* This recommendation stands out as inconsistent on its face with conditions for success, as it fails to appropriately understand and assign accountability for housing development roles.

AMO is also recognizing the following recommendations as its top priorities for consideration, in an effort to assist Mayors in identifying their top-five recommendations as your letter requires. They include:

Recommendations supporting affordable housing. While not requested to provide recommendations on increasing the supply of non-market housing, the Task Force identified a number of recommendations that municipalities believe should be explored on a priority basis as part of a broader strategy to urgently increase the supply of deeply affordable housing in Ontario, including:

66. 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.

67. Amend legislation to:
 - Allow cash-in-lieu payments for Inclusionary 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.
68. 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.

Recommendations to enhance supply of skilled trades: Municipalities applaud the actions that the government has taken to date to address these critical labour shortages. Almost without exception, municipalities that submitted housing pledges identified this as a key challenge in meeting housing targets. Continued focus and monitoring are required to ensure that actions are successful in addressing the challenge. As such, AMO prioritizes the following Task Force recommendations:

53. Improve funding for colleges, trade schools, and apprenticeships, encourage and incentivize municipalities, unions, and employers to provide more on-the-job training.
54. Undertake multi-stakeholder education program to promote skilled trades.
55. 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.

Recommendations to hold developers accountable for building: Municipalities have continuously highlighted the hundreds of thousands of approvals that sit, sometimes for years, without building permits being pulled. Recommendations like the following can play a critical role in ensuring that zoned and serviced land is developed in a timely way:

51. 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.

Recommendations to streamline the approvals process: Municipalities have heard feedback regarding lengthy approvals processes and are supportive of approaches such as province-wide zoning standards – including the following recommendation – and other time-saving mechanisms if they are developed and implemented in a thoughtful way:

15. 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.

This information is provided in the spirit of collaboration, and to support our shared goals of improved housing affordability and good public policy in Ontario. The AMO Board hopes its members and the Government will find this information helpful as policy discussions and internal Government deliberations continue on these important matters.

Sincerely,



Colin Best
AMO President
Councillor for the Region of Halton

cc: Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing
Ontario Heads of Council