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Lundi 9 novembre 2015

Standing Committee on Social Policy

Smart Growth for Our Communities Act, 2015

Comité permanent de la politique sociale

Loi de 2015 pour une croissance intelligente de nos collectivités

Chair: Peter Tabuns
Clerk: Valerie Quioc Lim

Président : Peter Tabuns
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON SOCIAL POLICY

COMITÉ PERMANENT DE LA POLITIQUE SOCIALE

Monday 9 November 2015

Lundi 9 novembre 2015

The committee met at 1401 in room 151.

SMART GROWTH FOR OUR COMMUNITIES ACT, 2015

LOI DE 2015 POUR UNE CROISSANCE INTELLIGENTE DE NOS COLLECTIVITÉS

Consideration of the following bill:

Bill 73, An Act to amend the Development Charges Act, 1997 and the Planning Act / Projet de loi 73, Loi modifiant la Loi de 1997 sur les redevances d'aménagement et la Loi sur l'aménagement du territoire.

The Chair (Mr. Peter Tabuns): Good afternoon, everyone. The Standing Committee on Social Policy will now come to order. We are here to resume public hearings on Bill 73, An Act to amend the Development Charges Act, 1997 and the Planning Act. Please note that additional written submissions that were received are distributed today to committee members.

MR. TOM MRAKAS

The Chair (Mr. Peter Tabuns): We have as our first presenter, from the town of Aurora, Mr. Mrakas. Please, if you would have a seat. Presenters have up to 15 minutes for their presentation. Any time remaining will be used by committee members for questions. The rotation will start with the government. If you'll introduce yourself for Hansard, we'll go from there.

Mr. Tom Mrakas: Good afternoon, Mr. Chair and honourable members of the committee. Thank you for the opportunity to speak briefly to you today about Bill 73, Smart Growth for Our Communities Act, 2015.

My name is Tom Mrakas and I am a councillor in the town of Aurora. I'd like to stress that my comments and opinions today are mine alone and do not necessarily represent those of the council or municipality of the town of Aurora.

I want to begin by saying that the proposed changes to the Planning Act are a very welcome first step towards overhauling the current regulatory framework that governs how our towns and cities are planned in this province. I can tell you, quite bluntly, that what we currently have does not work and any change that will move towards rectifying this current situation is a positive one.

The time I have today is limited and the proposed changes to the act are substantial, so I will limit my comments to a few key areas. First though, let me address what is not covered in the Smart Growth for Our Communities Act, 2015, and that is the urgent need to limit, or at least redefine the powers of the Ontario Municipal Board as it speaks to planning matters at the municipal level.

As a municipal councillor, I can tell you that planning meetings are an extremely frustrating experience, and that's being polite, quite frankly. At every planning meeting, regardless of what is before us at council, regardless of how wild and woolly the application, regardless of how many requested changes to our official plan, zoning bylaws or what have you, the elephant in the room is the power of the OMB to override what we've decided.

There is an expectation, real or imagined, by everyone involved, from staff to the public to the proponents, even to council members themselves, that regardless of the decision a council makes, it will simply be appealed to the OMB. The perception is that we, as a council, have no real power to enforce our official plans. Hence, public planning meetings feel like a pointless, futile exercise for council, staff and, in particular, the residents affected.

The Planning Act requires us to have an official plan. That official plan must conform to all of the provincial policy statements. It is submitted to an approving authority who, by approving it, certifies that our plan does conform, is compliant, and we have created, as a council, a community vision that incorporates the provincial planning requirements. Property is bought knowing how it is zoned and what our official plan says it can be used for and how. It isn't a surprise to anyone who buys property.

Why, then, do we as a municipality have to defend that plan over and over and over, and spend millions of dollars of taxpayers' money in the process when we as a council decide to reject amendments to it and uphold our approved plan?

Right now municipalities have all the responsibility and all of the cost, but, clearly, we have no authority and that simply has to change. We should have a say in how our community grows. We should have a say in how our community looks. That isn't NIMBYism; that's engagement and that's commitment to our community.

I understand that legislation that speaks to the power and authority of the OMB is similarly under review; however, I say that time is of the essence and, again, with the greatest respect, regardless of what changes are made to the Planning Act, if the scope of the role of the OMB is not addressed, then it will all be for nothing, quite frankly.

With all that being said, let me get to my points about Bill 73.

First, I absolutely and wholeheartedly support the proposed change to subsection 3(10) that requires municipalities to update their official plan every 10 years, as opposed to every five years, as is currently the case. Updating an official plan takes literally years of work, thousands of staff hours, multiple meetings of council and numerous public consultations and open houses, and, of course, an incredible amount of municipal resources and taxpayer money. But at the end of it all, after the public's approval, council's approval and, in our case, the region's approval, what do we have left? An OP that is good for a year, 18 months at best, before we have to do the whole process again. That is not efficient or effective public planning.

So yes, I support this change. I do, however, concur with the concern raised by others that we need a better definition of what constitutes a new plan. I understand that there is a working group being developed to address this and I look forward to the results of their work.

I also support the addition of a ban on global appeals of official plans. Many of us who sit around municipal council tables are familiar with this tactic. Global appeals tie up a council in hearings for months, if not years, on end. All the work and the time and the money that has gone into the careful creation of the most important planning document a town can have—its official plan—goes down the drain while we are forced to fight a frivolous, costly and often ultimately futile fight. I support the proposed ban on appeals of both new official plans and comprehensive zoning bylaws by not permitting any proposed amendments for at least two years, unless it is the municipality itself that is making the amendment.

I also support the proposed change that would limit appeals on certain matters of provincial interest, such as vulnerable areas under the Clean Water Act, greenbelt area or the Oak Ridges Moraine Conservation Plan. I particularly support the proposed limit on appeals of population and employment forecasts assigned through the growth plan.

I also welcome the proposed addition of the availability of mediation to address conflicts over planning decisions. It is, at least, acknowledgement that there should be an alternative to an OMB hearing. The weakness, in my opinion, to the proposed change is that mediation will not be mandatory; it will be voluntary. It also won't be binding. I don't think any party would try to exercise this option. Also, it reinforces the notion that municipalities have to negotiate the enforcement of their own official plans. It suggests give-and-take. I simply don't agree with that. Just who is giving and who is taking? I heard this line from a speaker at a recent meeting of ours and I think it sums this up quite nicely: "Municipalities are asked to negotiate the moon and forced to settle on the sky." Municipalities shouldn't be put in the position of having to negotiate away their vision of their community.

Finally, I support the proposed change that would require that those proponents who argue a council's decision is not consistent with, or doesn't conform with, a particular part of the provincial plan will now have to state clearly in their notice of appeal how council's decisions were inconsistent or fail to conform with a provincial policy statement. This is great news. Councils will now have the opportunity to review just what it is exactly that's being appealed. However, I am surprised this wasn't necessary in the first place, but it does lead me to my final, overarching comments.

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The proposed changes in Bill 73, as they speak to limits on appeals, are a good first step, but they don't go far enough. I strongly suggest that appeals should be strictly limited. Actually, amendment requests should not be allowed to be put forward at all unless proponents can demonstrate that the proposed changes to the official plan or zoning bylaw fulfill a changing community need or in some way better our community. It can't be simply that proponents want to jam in more houses than the plan allows and then call that "fulfilling the requirements of the Places to Grow Act." The cannibalization of every scrap of green space for Legoland-like housing can hardly be said to be fulfilling a provincial interest.

Right now, municipalities across this province are being asked to review application after application, requesting amendment after amendment. It's planning by pieces: a little change here, a bigger change there until, at the end of it all, our official plans are shredded and bloodied, suffering a death by a thousand cuts. Quite honestly, we are tired of fighting a battle of interpretations.

But what is the alternative? Municipal councils are put in the position of having to accept these amendments or risk an appeal to the OMB. OMB appeals, as your own Ministry of Municipal Affairs and Housing documents state, are extremely expensive and time-consuming and should be avoided at all costs. Actually, they didn't say that part but I think it's pretty much understood. So we rarely defend our own official plans as a council because we can't waste taxpayer money on losing battles.

Yes, official plans aren't carved in stone. There does have to be a degree of flexibility. Things change and situations evolve. But who gets to decide how much change is reasonable? Shouldn't that be a municipal council? I understand that there needs to be a body to which proponents and communities alike can appeal municipal planning decisions, but why does the OMB get to define what my community looks like? Isn't that what our official plan is for? Isn't that why we spend the time, money, effort and municipal resources to create these official plans to begin with?

Any other decision by a municipal council is only subject to appeal through a judicial review. Why are planning decisions any different? They should be subject to the same process. Did council overstep itself? Was there an error in that process? Was there an error in the law? If the answer is no, then I ask you: Just what is being appealed?

I believe that the Planning Act should outline in very specific and very limited terms the basis on which a mu-

nicipal council decision to refuse an amendment to its official plan or zoning bylaw can be appealed.

Our official plan is our vision for our community. It defines and describes the place we call home. But home isn't just a house; it isn't just some place where you sleep; it's where you live, in every sense of the word. It's where you connect, build and engage with your community.

Yes, communities grow over time, but the drivers of community change should be the community itself. The community we have should be the community we want. That's smart planning. That's smart growth.

Thank you, Mr. Chair and honourable members, for affording me the opportunity to speak to you today about Bill 73. I look forward to reviewing the response of this committee to comments provided today.

The Chair (Mr. Peter Tabuns): Thank you, Councillor. We have about a minute per caucus. We'll start with the Liberals. Mr. Milczyn?

Mr. Peter Z. Milczyn: Thank you, Councillor Mrakas, for coming down this afternoon. I know that MPP Ballard has been raising a lot of these issues and how they affect Newmarket–Aurora, including growth-related issues like extending two-way GO service and how growth is affecting your community.

You outlined a number of the changes in this act that will relate to how municipalities can strengthen and protect their official plan policies. Do you think that's going to save your municipality money?

Mr. Tom Mrakas: It's a fair question. I think that at the end of the day it doesn't come down to whether we're able to save money. I think the municipalities in general should have the authority, at the end of the day, to decide on how their community should be built out. Each community is unique on its own—

Mr. Peter Z. Milczyn: What I was getting at is that the changes to the process mean your planning staff will have more time to deal with a vision for their community as a—

The Chair (Mr. Peter Tabuns): I'm sorry to say, Mr. Milczyn, you're out of time. We'll go to the opposition. Mr. Hardeman.

Mr. Ernie Hardeman: Thank very much for your presentation. You mentioned a review of the OMB. Of course, this legislation does include part of that. That has been our concern: that maybe the cart is in front of the horse here. The part that refers to the OMB in this legislation should have been put with the review that they're doing on the complete OMB operations.

What is it that you believe we could do? You suggested that we have a judicial review prior to an OMB review on planning matters. Do you not have a concern that that, in fact, would make it more expensive? Every time somebody didn't agree with it they would go to the judicial first. They have no expertise in planning matters. They would then refer it to the OMB. Wouldn't that make it more drawn out than helpful?

Mr. Tom Mrakas: I definitely think it would make it more drawn out and I don't think my intent was to say that it should go to a judicial review ahead of time. My point on that was that on most decisions that council makes, they are subject to judicial review if they are to be appealed.

The Chair (Mr. Peter Tabuns): Councillor, I'm sorry to say—

Mr. Tom Mrakas: I'll just say that I believe that mediation is the best way to go.

The Chair (Mr. Peter Tabuns): Third party. Mr. Hatfield?

Mr. Percy Hatfield: Welcome, sir. I assume you agree with the philosophy that growth should pay for growth. You didn't really touch on development charges and that some are discounted and some services are ineligible. Is that fair or should growth pay for growth?

Mr. Tom Mrakas: Ultimately, I did not go in depth about the development charges. I do agree with the statement that growth pays for growth, to a certain extent, but my main focus here today was to deal with the Planning Act, specifically. Really, I'd like to take a better look at the Development Charges Act, and I could answer those questions at a different time.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Thank you, Councillor.

Mr. Tom Mrakas: Thank you Mr. Chairman. Thank you, committee members.

REGIONAL MUNICIPALITY OF WATERLOO

MAYORS AND REGIONAL CHAIRS OF ONTARIO OF SINGLE TIER CITIES AND REGIONS

The Chair (Mr. Peter Tabuns): Our next presentation is from the Regional Municipality of Waterloo, Mayors And Regional Chairs of Ontario of Single Tier Cities and Regions group. Mr. Seiling?

Mr. Ken Seiling: Hi.

The Chair (Mr. Peter Tabuns): You have up to 15 minutes. If you would introduce yourself for Hansard.

Mr. Ken Seiling: Give me the sign if I'm getting close.

I think you all have the three pieces in my notes: the regional report and also the submission from MARCO, which is also the LUMCO submission as well. I'm here in a dual capacity both as the chair of Waterloo region and also as the chair of the MARCO group.

As you know the region of Waterloo is an upper-tier municipality comprising three cities and four townships, currently about 570,000 people and growing very rapidly. It's one of the growth centres of the province of Ontario.

MARCO is a group comprised of the regional chairs and the mayors of the larger single-tier municipalities in Ontario. Their names are listed there; I'm not going to bother reading them to you. They're in the list.

Thanks for the opportunity to speak to you about Bill 73. I'm going to speak, first of all, to the Bill 73 proposals to be made to the Development Charges Act and then I'll speak to the Planning Act.

Development charge policy has a significant impact on the ability of municipalities to fund the cost of critical

new infrastructure in Ontario. Development charges are the only substantial own-source revenue tool Ontario municipalities have to recover the cost of growth-related infrastructure.

The first DC legislation, the Development Charges Act, 1989, was brought forward in recognition of the fact that sustainable municipal growth and consistent service standards within a municipality depended on adequate and appropriate funding for growth.

The DC Act was amended significantly in 1997. It reduced eligible services. Some municipal services could no longer be included in a development charge calculation.

It reduced eligible costs. Some services were subject to a 10% discount, which actually was a double-counting because your planning had to take existing growth into account.

And it imposed a historic service cap. The DC legislation tied funding for future growth-related infrastructure to the average 10-year historic service standards, which transferred additional funding responsibility to existing tax and ratepayers.

The original 1989 DC legislation was consistent with the principle that growth should pay for growth. The DCA 1997 departed from this principle in several ways such that significant growth-related costs are no longer paid for by growth but are paid for by existing ratepayers. This is simply not sustainable. The 1997 act was clearly to the detriment of municipalities and their ability to fund infrastructure.

It has been very clear to Ontario municipalities for a long time now that the growth has not been paying for growth. The exclusion from development charges of key municipal services such as waste management, municipal facilities, the purchase of parkland, the statutory 10% discount for soft services, and the backward-looking 10-year historic service level cap all contribute to an increasing burden on the municipal tax levy for infrastructure that should be funded by development charges.

In the region of Waterloo alone, development charges are expected to fund only 36% of the growth-related infrastructure over the next 10 years under the current legislative framework, which is not growth paying for growth.

Equally important is the fact that the DCA as it now stands increasingly hinders our ability to achieve our shared goals for the expansion of transit and land use intensification, which are key goals of this particular government.

The changes proposed in Bill 73 address some of these issues, but it could be made much more effective with further refinement.

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To be very clear, for many years the region of Waterloo, MARCO, LUMCO, AMO, the Municipal Finance Officers' Association of Ontario and other Ontario municipalities have repeatedly called for the following changes to the Development Charges Act:

(1) include all services funded by municipalities eligible for development charges;

(2) remove the 10% discount for all services; and

(3) replace the 10-year average historic service level limits with a service level that is forward looking.

Bill 73 attempts to address some of this but is still too selective or silent in terms of municipal services impacted. Too much is being left to regulation. Accordingly, we are unable to estimate the full impact of Bill 73. Without the knowledge of what might be proposed by way of regulation, the legislation gives very little to municipalities and very few municipalities will have any benefit.

I want to repeat that one more time: Without the knowledge of what might be proposed by way of regulation, the legislation gives very little to municipalities and very few municipalities will have any benefit.

On August 19, the Waterloo regional council approved a response to it, and the report that is attached as a separate submission supports the principle that growth should pay for growth. It recommends changes to the Development Charges Act: to add transit to the list of services that are not subject to a mandatory 10% deduction; to allow the use of a planned level of service for services, a forward-looking approach rather than 10-year history; and to allow for development charge recoveries for waste diversion.

It urges the province to broaden the application of development charges by amending Bill 73 in order to delete the section that would require or mandate the use of area-specific development charges. We're having difficulty enough now with broad-based one-step and further parts piecemealed out. It actually puts a heavier burden on certain areas and restricts your ability to raise the money.

Add transit to subsection 5(5) to include public transit in the list of services for which development charges may be collected at the time of subdivision agreement.

Delete the section to complete an asset management plan in conjunction with the development charges study. I'm not arguing against asset management plans. We believe in them and we're doing them, but the fact that some of these are required in different forms by different government agencies for funding a specific requirement—and that doesn't take into account all those broad things—is problematic.

Delete section 8 of the bill, which would prevent municipalities from imposing charges on development other than the charges permitted by the Development Charges Act, and provide the minister with broad powers of investigation. Municipalities are open to public scrutiny and are accountable, but also special agreements sometimes will be required, particularly in the case of single-tier cities or regions where massive expenditures are required up front. Sometimes that isn't possible to do without some sort of arrangement. We haven't used it a lot, but it does get used from time to time, particularly to manage sewage treatment as one area in particular.

Repeal section 4 to remove the mandatory exemptions for industrial expansions. We're required to do all of that now, and that is actually impeding the ability to collect funds for some of the development that's required in some of the municipalities.

Repeal the section which requires a new development charge bylaw within 18 months of the new bill coming into effect. These are very costly and time-consuming background studies. We've got them in place. We can amend them accordingly, but to acquire a complete new background study across the province—this is hundreds of thousands of dollars to do this sort of thing when the work is already basically done. Why would you demand it to be done? We just finished ours a year ago; to be told we have to do another one in another year and a half from now seems a little crazy to me, and spending extra money.

We would really like to see the draft regulations. The last measure is particularly important if substantive changes are not made but much is being left to regulation.

MARCO and LUMCO have also approved—I've submitted that along with you—that we would:

Eliminate ineligible services so that all services are eligible.

Remove paragraph 8, the determination of development charges that requires municipalities to reduce their capital costs by 10%. There is already in the calculation, if you're familiar with that—some of you may be familiar with the current background studies. You already have to do an accounting for the benefit to current people. So the discount of a further 10% is actually double-counting that benefit.

Update section 5, which entails service levels—the historic one. We want to be able to have a forward-looking service level calculation.

The section on voluntary payments: We think to actually outright prohibit them without some further study is deleterious to municipalities and in some cases will, in fact, stymie development when we can't do that sort of thing.

Bill 73 changes to the Development Charges Act are a positive step forward; I acknowledge that. We are a step forward, but it's not going very far, quite frankly. The government has been listening to us; however, there's little in the current legislation to help many municipalities.

You have the opportunity to do even more and create a Development Charges Act that will better serve the residents of Ontario by providing a stronger framework to help fund growth-related municipal infrastructure. The additional changes we've recommended would provide for greater flexibility and transparency and would ensure that the essential principle of growth paying for growth continues to be realized moving forward.

Where am I time-wise?

The Chair (Mr. Peter Tabuns): You're at eight minutes.

Mr. Ken Seiling: Oh, okay.

The Planning Act: The proposed changes to the Planning Act contained in Bill 73 are moving in the right direction, and the government is to be commended for taking this initiative. We think that you're going the right way.

Municipalities across Ontario have been talking about better alignment of policy and process for some time. The implementation of the provincial Growth Plan for the Greater Golden Horseshoe has been front and centre for many of us, especially as we work to establish new official plans to reflect community and provincial priorities, including the ability to realize new economic development opportunities.

The Planning Act changes proposed in Bill 73 address many of the concerns previously expressed by the region and MARCO and others, including the prohibition of appeals to the OMB where the municipality has amended its planning documents to comply with provincial requirements under the various pieces of legislation; the prohibition of global appeals of an entire official plan; lengthening the review period of any new municipal official plan to 10 years; and the proposed two-year moratorium, after approval of a plan, on outside requests for amendments to a new official plan.

Generally, the Planning Act amendments contained in Bill 73 should provide for increased opportunities for public input, increased stability with respect to the appeals process and additional opportunities for dispute resolution at the municipal level. However, there is one additional change that would further strengthen the process from the municipal perspective. The region of Waterloo recommends that Bill 73 be amended so that conformity updates to official plans, which are approved by the province, be exempt from appeals in their entirety. This is the case where the province has actually done the approval. Then, once that one was approved, we would think that would be the final approval, but currently they're subject to appeal to the OMB. We think that once the province has stepped in and approved it, that should stand the test.

We are the textbook case of working with the province on our official plan and having been hauled to the Ontario Municipal Board. We've had litigation. We've spent hundreds of thousands of dollars, and it took us five years to get approval. Finally, it required us to negotiate a settlement outside the context of the courts and the OMB because the province, quite frankly, didn't show up at the OMB hearing at the appropriate time. It was very costly to us and created a five-year delay. We think that those kinds of things should not be allowed any further.

In closing, I'd like to confirm our collective support for the Premier's and the minister's forthcoming review of the Ontario Municipal Board, which will build on the progressive elements of Bill 73. It's our hope that the review will get under way very soon and, I should add, that it will be a real review—"real" in capital letters: R-E-A-L, a real review.

It is a commonly held contention amongst the very different stakeholders—be they municipalities, developers, community groups or private citizens—that the OMB is very costly and very time-consuming, with uncertain outcomes. This cannot be good for our province as a whole, let alone individual community vitality.

Putting our collective minds into realizing a better system should signal both our desire for a more efficient and effective OMB and, more broadly, our ability to make worthy changes together. We're willing to work with the government and put our constructive ideas forward.

Thanks for the opportunity to speak. That's my presentation.

The Chair (Mr. Peter Tabuns): Thank you very much. We have about a minute per caucus, again. We start with the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. You're making a lot of recommendations on decreasing the number of exempted services so we would be allowed to charge for everything. Could you tell me, if you look at the whole package, which one or two you think are most important? I'm not sure that the government is prepared to take that section right out of the act which says, "There are some services exempt." In your mind, what would be acceptable as an exempted service if some of them have to stay in?

Mr. Ken Seiling: We're upper-tier. Many of the expansions of services would affect the lower tier more than the upper tier. They have a broad range of services. At our level, for example, just the fact that we can't do things for municipal government buildings—facilities for local government are no longer allowed in there. We would like to be able to charge for things like that.

The Chair (Mr. Peter Tabuns): I'm sorry to say that you're out of time.

We'll go to the third party: Mr. Hatfield.

Mr. Percy Hatfield: Thank you, Chair. Growth should pay for growth. In your region, growth-related infrastructure is only recovered by 36%. Why do you think that the discounts are still in there, as well as the ineligible services?

Mr. Ken Seiling: We don't understand why they're still in there. We think there's a double accounting because the process for doing development charges already forces you to account for existing residents and use of the service. This 10% was loaded on top of it. Nobody has ever understood why, outside the political circles who did it, but it's there and it hinders our ability to do things. Also, the mandatory industrial 50% reduction actually reduces our collection costs, too.

Mr. Percy Hatfield: Thank you.

1430

The Chair (Mr. Peter Tabuns): Okay. Thank you. To the government: Mr. Milczyn.

Mr. Peter Z. Milczyn: The process changes which you started outlining in your presentation around limiting appeals of official plans and so on—do you believe that will not only help you preserve the integrity of your plan but actually also save your municipality money and free up resources to do those planning functions which you want to do as opposed to—

Mr. Ken Seiling: I think I said we support the changes that are in the act. We think they need to go further, but what's in there is a good start, given our experience at the region of Waterloo. We congratulate the government on taking those steps, but we think there is more that needs to be done.

The Chair (Mr. Peter Tabuns): Mr. Seiling, thank you very much.

CITY OF BARRIE

The Chair (Mr. Peter Tabuns): We go to our next presentation: the city of Barrie. Mayor Lehman, Mr. Hodgins, if you would have a seat. Introduce yourselves for Hansard, and you have up to 15 minutes.

Mr. Eric Hodgins: Eric Hodgins. Good afternoon and thank you for the opportunity to appear before committee. With me today is Mayor Jeff Lehman. I will begin by providing an overview of a major growth planning exercise we are in the midst of in Barrie, and then turn the floor over to the mayor. In our package you have copies of our remarks, as well as a piece I wrote for Public Sector Digest last fall on the process we developed.

Over the next few minutes, I'd like to share with committee the highlights of an approach to growth planning that the city initiated six years ago. It was based on the provisions in the existing legislation and two fundamental elements: first, integrating land use, infrastructure and financial planning, and, second, working collaboratively with the development industry throughout the process of preparing the plans. In our opinion, these are critical success factors, and the results speak for themselves. More on that in a minute.

First, let me provide a bit of background information. In December 2009, the Legislature passed the Barrie-Innisfil Boundary Adjustment Act. The legislation came into force on January 1, 2010, and on that date 2,350 hectares, or approximately 5,800 acres, became part of south Barrie. The annexed lands, as they are referred to, provided a unique opportunity for the city to chart its future.

As the only designated urban growth centre in central Ontario, Barrie is forecasted to experience significant growth. The city's current population is 143,000, and the community is to grow to 210,000 by 2031, and to 253,00 by 2041. This represents almost a 90% increase in population between 2011 and 2041. The majority of that growth is being planned for the annexed lands.

The challenges Barrie faced in terms of managing, planning for and financing growth are not unique. What was unique was our approach. From the outset, we took deliberate steps to ensure certainty. That meant certainty for council, certainty for the developers who had chosen to invest in the city and certainty for our residents. Let me explain. Before the secondary plan process was initiated, council approved 10 growth planning principles. These included principles related to neighbourhood design, the staging of development and, most importantly, the principle that growth pays for growth. The principles were communicated to all parties with the express purpose of ensuring certainty regarding the city's priorities and expectations.

Additional certainty was also introduced with respect to understanding the total cost of growth. This included the required investment in new infrastructure as well as the cost of asset renewal. The city and the development community worked collaboratively, sharing data and collectively analyzing the costs of building, maintaining, operating and replacing infrastructure. The result was a

trio of important documents: a comprehensive asset management plan, a fiscal impact assessment and an infrastructure implementation plan.

These documents formed the basis of an agreement with the developers on how growth was to proceed. Did it work? As they say, the proof is in the pudding. In our case, the city's commitment to an open and transparent planning process and extensive collaboration with the development community paid huge dividends. There were no bump-up requests filed with the Minister of the Environment in connection with any of the six infrastructure master plans. None of the owners in the annexed lands filed appeals against the updated Development Charges Act. The number of Ontario municipal board appeals—22 in total—was very limited in relation to the large scale of the secondary plans. A long-term strategy for financing the costs associated with servicing growth, at $1.8 billion, and asset replacement, at $1.3 billion, was developed. An agreement with the developers was executed. And finally, the first EA funding and development charge credit agreement between the city and the developers has been signed, funds have been advanced and the class EA process initiated.

I will now turn the floor over to Mayor Lehman.

Mr. Jeff Lehman: Thank you, Mr. Chair, and members of the committee. I'm Jeff Lehman. I'm the mayor of the city of Barrie, and I'm also the chair of the Large Urban Mayors' Caucus of Ontario; that is comprised of the mayors of the 27 largest municipalities in the province. I am going to deliver our key messages in terms of our concerns toward the end of the presentation, but I want to pick up where Eric left off, as mayor of Barrie, on the Barrie story. The reason we told you that story about Barrie is that it points to some key issues for Bill 73 and why reform, in particular of the Development Charges Act, is so critical.

Barrie has received legal advice that Bill 73 will put agreements that had previously been negotiated, and been negotiated in an open and transparent and collaborative manner, at risk. Money is expected to be received from those agreements and, now budgeted for, may not be available. Barrie and its developers worked on those secondary plans to allow development to proceed in line with the goals of the growth plan. A condition of the approval of those plans was to ensure that Barrie had the money to build roads, pipes, bridges and ponds to accommodate development in a cost-efficient and timely way. I don't believe that approval of the plans would have occurred without the knowledge that we had a financial framework to go forward.

The province wants municipalities to develop comprehensive asset management plans, and that's exactly what we did in collaboration with the development community. At considerable expense and over an intensive period of time, the developers in the city combined efforts, shared our data, collectively analyzed the costs of building, maintaining, operating and replacing growth infrastructure, prior to approving the secondary plans to go forward.

We used, as the city, all of our financial tools at our disposal to partner in this effort. But even with a plan that includes tax increases, user fee increases, and increases our debt levels, there would be a substantial shortfall between what the city could support in terms of our fiscal capacity and what the capital costs of growth were.

The developers agreed to prepay development charges, front-end the costs, build some of the infrastructure, but still at the end of that joint exercise there was a shortfall of revenue needed for funding the infrastructure to support the reasonable needs of development. Keep in mind that this is after a discussion around the service levels, so that issue about gold-plating or the quality of the infrastructure—that was agreed in collaboration with the development community.

We entered into an agreement where the developers would give the city money on a per-unit basis that was not eligible under the act to cover the shortfall. As a consequence of the developers agreeing to assist the city in this way, we moved forward and we knew that the taxpayers' interests were balanced with the developers' interests. Our lawyers have advised us that section 59.1(3), as proposed to be amended by Bill 73, could be interpreted to prevent the city from collecting these contributions. This would have a substantial financial impact on the city and would be damaging to our regional economy.

We respectfully request that the bill clarify that payments made after the Bill 73 amendments come into effect that are made under an agreement entered into before the bill comes into effect, be protected, including any amendments that may need to be made to adjust payments, to account for additional monies that the city may get from DCs as a result of changes to the Development Charges Act. It must be clear that any current agreements will continue, and without any uncertainty. There must be a clear grandfathering clause.

In addition to the issue of protecting existing agreements, Barrie—and I'm here to say, indeed, the Large Urban Mayors' Caucus of Ontario—support most of the amendments to Bill 73, and we in particular support the amendments and recommendations that have been proposed by the Association of Municipalities of Ontario to both the Planning Act and the Development Charges Act, and also the submission that you have received from the Municipal Finance Officers' Association.

In our opinion, there needs to be an end to the ineligible services list, an end to the discounts on certain services and an end to a service-level calculation that looks 10 years back, instead of looking to the future.

With respect to discounted services, we do look forward to reviewing a regulation that will remove the 10% discount on rec facilities, libraries and child care to support fiscally sustainable community hubs. We were pleased, as were AMO and MFOA, in August, and remain so, with the government's acceptance of Karen Pitre's community hubs report and the potential for these amendments to the bill to enable its implementation.

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At the August joint meeting of the Large Urban Mayors' Caucus of Ontario—and my colleague Ken Seiling just presented the recommendations of the metropolitan regional chairs of Ontario. We met together in August at the AMO conference. We had an occasion to meet with many of you committee members at the AMO conference. But at our joint meeting in August, both LUMCO and MARCO endorsed the Municipal Finance Officers' Association of Ontario's position on the proposed changes to the DCA.

In summary, those recommendations are to eliminate subsection 2(4), ineligible services; remove subsection 5(1), paragraph 8, which requires the 10% capital cost reduction; update subsection 5(1), paragraph 4, which is the 10-year service level language; and eliminate section 59.1, which imposes restrictions on voluntary payment agreements.

In the work that I do in my capacity as caucus chair and member of the AMO board, I understand several of these issues have evolved. There are amendments proposed that address these issues to some extent.

In conclusion, Mr. Chair and members of the committee, I would simply urge you on behalf of my caucus and obviously on behalf of the city of Barrie—the reason that you've had a parade of municipal leaders here and so much thought has been put into the positions of the professional bodies that represent municipal staff across the province and all of us as political leaders—the reason we're all here, coming to committee, participating in the process, is this is probably the most important fiscal issue facing any municipality that is a growing municipality.

We need the tools to be able to implement what is in most cases a shared agenda for growth. I think municipalities have adapted to the needs of the growth plan in the greater Golden Horseshoe and other areas of the province. They're working diligently to encourage economic development. But as you have probably heard 20 or 30 times already, we simply can't work within a framework where growth does not pay for growth.

We urge you to consider the amendments that have been carefully thought out and communicated by our professional organizations and AMO on behalf of our sector.

Thank you very much, Mr. Chair. We do have copies of our remarks today for your use.

The Chair (Mr. Peter Tabuns): Thank you, Mayor. We have about a minute per caucus, starting with Mr. Hatfield, third party.

Mr. Percy Hatfield: Welcome, Mayor Lehman. It's good to see you again.

What will be the impact in your region if you don't get the grandfather clause you're requesting around the development charges?

Mr. Jeff Lehman: I hesitate to speculate about the legal impact. The practical impact for our municipality would be an inability to implement a capital plan that is entirely in conformity with the growth policies of the province, and an inability to move forward with careful, well-thought-out planning that's been agreed with by the development community.

We have a plan that was collaborative and agreed upon. We're ready to go. But those agreements that have already been negotiated need to be protected.

Mr. Percy Hatfield: I take it there was no arm-twisting with the developers? It was clearly an agreement and everybody worked together on—

Mr. Jeff Lehman: Oh, it was a negotiation process; there's no question. But it was one that achieved an agreed result. I believe it lays out a road map, pardon the pun, for true collaboration that can accomplish what we need.

The Chair (Mr. Peter Tabuns): I'm sorry to say that your time is up.

We'll go to the government: Mr. Milczyn.

Mr. Peter Z. Milczyn: Hello, Mayor Lehman. Thanks for coming.

I want to applaud you on the approach that Barrie took to planning those communities. I was just wondering whether you've had a chance to look at the community development permit system that's part of this act. I think that kind of framework could have been used or certainly can be used in the future to achieve the kinds of results that your community has already achieved.

Mr. Jeff Lehman: Thank you very much for the question. I think that's possible. Our process was a little bit different. It was a little more comprehensive in the sense that the asset management work that we did was citywide. Tying that into the work that was done on the planning side allowed us to really balance the different implementation aspects of growth.

I do see great potential in the permit system. I applaud that piece of the proposal. But, as always, the devil is really in the details for these pieces. I can tell you that the detail behind our agreements—there are reams and reams of reports—

The Chair (Mr. Peter Tabuns): I'm sorry to say you've run out of time with the government.

To the opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I can assure you that on the issue of the previous agreements, there will be an amendment coming forward to correct that problem. I'm not sure it will pass, but I'm sure it will be here.

The question is, if you have these present agreements and you change the development charges, including all the non-eligible services, on the agreements that you have, is the city then going to stay with the old development charges for that area that has been included in the agreements?

Mr. Jeff Lehman: That's a fair question, and I don't have an answer for you, Mr. Hardeman, because we have not considered that eventuality at this point. Certainly, the work that was done—

Mr. Ernie Hardeman: The reason I ask it is because, obviously, in putting the grandfathering in, that's a lot of money coming out of the industry. If you don't agree to

the other one, then the grandfathering clause would not be appropriate.

Mr. Jeff Lehman: Sure, and we would certainly agree to maintain our side of the agreement. There would be no notion of renegotiating charges already established within the agreement.

The Chair (Mr. Peter Tabuns): Thank you. With that, your time is up. Thank you very much for the presentation.

TOWN OF OAKVILLE

The Chair (Mr. Peter Tabuns): Our next presentation: the town of Oakville, Mayor Rob Burton. Good afternoon, Mayor Burton. As you know, you have up to 15 minutes to speak. If you have time left over, we'll have an opportunity for questions.

Mr. Rob Burton: Thank you very much, Mr. Chair, and thank you for the opportunity to provide remarks on Bill 73.

Today's government has enjoyed widespread support for its award-winning growth plan. And why not? We've all benefited from the focus of this government on helping create strong and complete communities.

The government's own words about its growth plan are inspirational and worth a brief quote. Strong communities must be planned "for growth and development in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life across the province," the government says about its growth plan.

We in Oakville were one of the first municipalities to bring our official plan into compliance with the growth plan. We have found the province to be a good partner, working with us to realize the potential of our urban growth centre.

We believe Bill 73 has been drafted in the spirit of, and in support of, the growth plan. We welcome the many improvements Bill 73 provides to help us achieve the objectives of the growth plan.

You could do more, after the dust settles on this bill.

The municipal tax levy in Oakville will still be carrying 6.5% to subsidize growth. I could do a lot if I wasn't subsidizing growth with 6.5% of my tax levy. I'm confident, given the progress that we've made to date, that we may be able, over the years ahead, to inch forward on our objective that you've heard already from LUMCO and MARCO and AMO and everyone else—MFOA—to make growth pay for itself. I am, of course, a member of LUMCO, and I was at the meeting that endorsed, and voted for the endorsement of, the MFOA position.

I wanted to say that I appreciate the opportunity to be able to share these comments with you. We in the municipal sector have found you good to work with and respectful of the input that you receive from your municipalities. We look forward to the results of your work on Bill 73 and the future work that lies ahead.

The Chair (Mr. Peter Tabuns): Thank you. The caucuses have about four minutes each. It's the government to start: Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Mr. Chair. Good afternoon, Mayor Burton.

One of the things that I like asking municipalities about this bill is, how much money is it worth, these changes? The changes to the development charges: How much more money will they add to paying for growth? Even the process changes: How much will they save your municipality in unnecessary costs for appeals at the OMB and so on? What would be the benefit to your bottom line?

Mr. Rob Burton: That's a delightful question. I asked our planning and finance staffs to calculate that. They came up with the answer that we would save about $700,000 a year, and that's about half of 1% in terms of our levy, so it's significant, especially in a day when any municipality that raises its taxes more than the CPI gets a sharp look from the taxpayer. So it's a significant amount that we're being saved.

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On the other side of the balance, the change to parkland dedication is going to remove about $6 million a year in revenue for the purpose of buying parkland, although that's offset by the fact that we can still require land. As I understand it, we're looking at this change because you want to incentivize us to take land, so—I pledge, I'll take land.

Mr. Peter Z. Milczyn: And the increase in development charges: Have you done any calculations on what that might be?

Mr. Rob Burton: Sorry, I couldn't hear.

Mr. Peter Z. Milczyn: The changes to the Development Charges Act: Have you done any modelling on how much more that might bring into your municipality?

Mr. Rob Burton: Right. That was the $700,000 figure that I told you about. I may not have been clear on that.

The Chair (Mr. Peter Tabuns): Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Chair. Thank you, Mr. Burton, for your presentation. My understanding is that Bill 73 proposes that municipalities prepare an official plan every 10 years instead of five years. Do you think that that move to a 10-year cycle would help add stability and certainty and predictability to the planning system?

Mr. Rob Burton: Yes, I do, and I'm grateful for the change—in fact, most of the changes in Bill 73. To save time, I had said that we support the improvements in Bill 73. If I didn't criticize it, it's an improvement, in my mind.

Mrs. Amrit Mangat: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. To the opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you, Mr. Mayor, for your presentation. It's much appreciated. This is the third day of hearing people present, and I've got a list here of what people were concerned about. I just wanted to check with you to see if—not necessarily because you spoke to them.

One was the freeze on changes after the official plan: In the first two years, you cannot appeal a zoning bylaw

or minor variances or changes in the official plan. What's your view on that? I think we had 14 delegations who all had some concern with, particularly, the minor variances, that you couldn't appeal. You're building and all of a sudden you need a minor variance and, because the bylaw was less than two years old, you can't apply for a minor variance to fix the problem. What's your concern about that?

Mr. Rob Burton: The region of Halton and the municipalities of the region of Halton have all passed resolutions asking for relief from appeals of the compliance with the growth plan. It's an aggravation to do all that work. The province sits at your very shoulder and helps you move your pencil on the paper, it feels like, some days. To then have that subject to appeal is an irksome expense that the taxpayer winds up suffering. We're in sympathy with these changes.

Mr. Ernie Hardeman: So you see the concern of saying that development would be controlled. After you pass the bylaw, you can't apply for a change to get a further minor variance while you're under construction.

Mr. Rob Burton: In Halton, we're very concerned about protecting the taxpayer, and these changes will help protect the taxpayer.

Mr. Ernie Hardeman: The other thing: You mentioned that 6% or 6.5% of your growth is still paid for on the general tax base.

Mr. Rob Burton: No, sir. It's 6.5% of our tax levy subsidizes growth. If I wasn't required to subsidize growth, I could cut taxes by 6.5%.

Mr. Ernie Hardeman: What would you suggest that we would change in the—or do you see it having enough change within Bill 73? Is it enough change to bring that to zero, so growth would pay for growth?

Mr. Rob Burton: Repeal the 1997 amendments to the Development Charges Act and we'll be fine. The cost of those amendments in 1997 is 6.5% of my tax levy.

Mr. Ernie Hardeman: Okay; thank you.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Hardeman. Third party. Mr. Hatfield.

Mr. Percy Hatfield: Thank you, Chair. Good afternoon, Mayor Burton. Thank you for being here again. I used to be a reporter so I always look for a clip, and I heard Mayor Lehman say, "Get rid of the 10% discounts; get rid of the ineligible services." But I didn't hear you say that. I heard you say that you like what they're doing.

Mr. Rob Burton: I'm sorry. LUMCO, which I'm part of, and MARCO met at AMO. We unanimously voted to support the MFOA analysis, which covers every one of those things—in fact, more than what Mayor Lehman said; everything that Chair Seiling said. He was good enough to be very detailed, if somewhat fast-paced, in order to get that all in. That left us, who followed him, with a little more room to relax.

Mr. Percy Hatfield: I get it now. I was just wondering if there was a rift in LUMCO, MARCO and yourself. This is not.

Mr. Rob Burton: No, there's no daylight among us in LUMCO, MARCO or MFOA, for that matter.

Mr. Percy Hatfield: So growth should pay for growth?

Mr. Rob Burton: Growth should pay for growth. We've got to think of the property taxpayer. Paying for growth is the burning platform of the municipal sector. There's another clip for you.

Mr. Percy Hatfield: All right; I'll take it.

The Chair (Mr. Peter Tabuns): Thank you very much, Mayor Burton.

Mr. Rob Burton: Thank you, Chair Tabuns.

SOCIAL PLANNING TORONTO

The Chair (Mr. Peter Tabuns): Our next presentation: Social Planning Toronto, Ms. Wilson. As you've seen, you have up to 15 minutes. Time you don't use will be used for questions. If you'd introduce yourself for Hansard.

Ms. Beth Wilson: Thank you for the opportunity to speak today. My name is Beth Wilson. I'm the senior researcher at Social Planning Toronto. Social Planning Toronto is a non-profit community organization that conducts community-based research and policy analysis, and supports community engagement and capacity-building in local neighbourhoods. Social Planning Toronto works to improve the quality of life of Toronto residents. Our work focuses on income security and labour markets, public education and human development, affordable housing, and the non-profit sector.

I'm here today to ask the committee to make an amendment to Bill 73 that would give municipalities the power to implement inclusionary zoning policies. At present, municipalities do not have the regulatory power to adopt inclusionary zoning policies. In order for municipalities to have this power, the provincial government needs to pass enabling legislation. This would give municipalities the power to implement inclusionary zoning; however, it would not require any municipalities to create those policies.

The city of Toronto has repeatedly asked the provincial government for this power. Most recently, Toronto city council made a formal request to the province to include enabling legislation in Bill 73. I understand you'll hear from Councillor Layton at 4 p.m. on this issue as well. The city of Toronto is quite eager—as we are quite eager—to develop an inclusionary zoning policy for the city in order to create more affordable housing, which is desperately needed in Toronto.

In recent years, several private members' bills have been put forward to provide this enabling legislation, but the Ontario government has failed to pass any of these bills. We ask the committee to do what the city of Toronto has asked and amend Bill 73 to include these powers for municipalities.

I would like to talk to you a little about inclusionary zoning: what it is and why it's important. Inclusionary zoning policies allow municipal governments to use development regulations and the approval process to require developers to create a portion of affordable housing within

their new market developments. Effective inclusionary zoning policies are mandatory policies. They have clear and transparent rules that apply to all developers, they expand the stock of affordable housing, and they have a mechanism to ensure that the housing remains affordable over time.

Introduced in conjunction with housing allowance programs or other subsidies, inclusionary zoning policies can help produce affordable housing for people with low income. Inclusionary zoning is one important tool in the policy tool kit to ensure housing affordability for residents.

Inclusionary zoning also benefits cities and regions by creating mixed-income communities by design. Neighbours living in market housing, below-market and affordable housing live side by side in new residential developments.

Through his Three Cities research, Dr. David Hulchanski from the University of Toronto has documented the disturbing trend of growing income polarization in Toronto. Thirty-five-year trends show the stability of high-income neighbourhoods, the shrinking number of middle-income neighbourhoods, and the massive growth of low-income neighbourhoods, spreading out to the underserved edges of the city.

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This growing spatial divide is also a racial divide, with high concentrations of racialized individuals living in the poor and underserved areas of the city. Inclusionary zoning provides one means to begin to address these disturbing trends while supporting the expansion of affordable housing in new residential developments.

The urgent need for affordable housing in Toronto and across Ontario is clear. As of September 2015, there were over 95,000 households on the waiting list for social housing in Toronto alone. The number of households in need of affordable housing has climbed month after month for several years. In response, there has been only a trickle of new affordable housing. To give you an example, in 2012 in Toronto we had 1,176 new affordable rental units and 408 new affordable home ownership units in that year. We are in no way meeting what the need is out there.

While inclusionary zoning policies are most often used to assist middle-income residents priced out of private home ownership markets, these policies, working in conjunction with housing allowance programs, could also help low-income residents access affordable housing.

Toronto's sky-high home ownership market is out of reach not only for low-income residents but also for many middle-income families. Over the past 10 years, the average cost of ownership housing has increased by 87%, with the average cost of a single detached home at over $1 million and the average cost of a resale home at about $635,000. At these prices, only households with incomes in the top 20% can afford to own.

People who work in Toronto often commute long distances to get to work simply because they cannot afford the high cost of housing. Lack of access to affordable housing in Toronto affects the quality of life of these workers and of their families, contributes to traffic congestion and undermines productivity. Inclusionary zoning policies could be particularly useful in addressing the housing needs of middle-income residents who are priced out of Toronto's expensive home ownership market.

Unlike Canada, the United States has a 40-year history of using inclusionary zoning policies to generate below-market and affordable housing. According to inclusionary zoning expert Richard Drdla, an estimated 400 to 500 US communities have adopted inclusionary zoning. The most recently available data—this is from about 10 years ago—shows that inclusionary zoning has produced between 120,000 and 150,000 units of affordable housing in the United States, probably more since it's from 10 years ago.

Toronto, with its hot housing market, is ideally suited to leverage new residential developments to create affordable housing through inclusionary zoning. Based on the strong residential development in Toronto over the past five years, city of Toronto chief planner Jennifer Keesmaat estimated that 12,000 units of affordable housing could have been created if an inclusionary zoning policy had been in place.

During an average year—unlike the last five—Richard Drdla estimated that the city of Toronto could produce between at least between 1,000 and 1,500 units of affordable housing through inclusionary zoning policies. With continued growth anticipated into the foreseeable future, we need these tools to introduce inclusionary zoning policies. We simply can't afford to miss any more opportunities to create affordable housing.

It's striking that Bill 73, with its focus on supporting smart growth in Ontario communities, does not give municipalities the right to implement inclusionary zoning. Inclusionary zoning policies should be recognized as a key mechanism for supporting smart growth in Ontario. We ask the committee to amend the current bill to include this provision for municipalities as it is urgently needed and long overdue.

Thank you for the opportunity to speak today.

The Chair (Mr. Peter Tabuns): Thank you very much. That leaves us with about two minutes per caucus. Mr. Hardeman?

Mr. Ernie Hardeman: Thank you very much for your presentation.

Just so I understand it: To put inclusionary zoning in is a choice that the municipality makes as to whether they want to do it? Is it normally considered mandated across the municipality or just for certain developments?

Ms. Beth Wilson: What the enabling legislation would allow is for municipalities to choose so that they don't have to implement inclusionary zoning, but they could if they wanted to. There's quite a list of municipalities that would like to have this power and have asked for it, in addition to the city of Toronto. There is the city of London, the city of Thunder Bay, the town of Milton, the town of Blue Mountains, the town of Collingwood and many others that have weighed in and said that they would really like to have these powers.

Mr. Ernie Hardeman: In the process, when they agreed to do it, what is it that would make some of the housing affordable? Is that going to then make the other housing less affordable?

Ms. Beth Wilson: The United States has a 40-year history of inclusionary zoning policies, so there's some really good research on the impact on housing costs. They find that either there's no impact on housing costs or it is very minor. To give you an example of a minor impact: One city that implemented it had a 3% increase in housing costs, but that was over a 25-year period. It's 0.12% annually, a minor increase. Mostly, the research will also say that if you do it right, you can really mitigate any adverse effects.

Mr. Ernie Hardeman: But somebody has to pay the difference between the going rate and the affordable rate. Who is that? Is the municipality who passes the by-law going to make up the difference?

The Chair (Mr. Peter Tabuns): Mr. Hardeman, I'm sorry to say that your time is up. Mr. Hatfield.

Mr. Percy Hatfield: I suppose someone would have to pay regardless if they had to create housing somewhere.

Nice to see you again, Beth. Perhaps you could give us a couple of examples of what might be included in inclusionary zoning—obviously, the number of units or the number of floors in a building that was proposed or something.

Ms. Beth Wilson: Sure. Usually—it may also speak to your question as well—there are cost offsets for the developers. You might have an inclusionary zoning policy that says, "If you are building over a certain number of units, then you would be required to provide a certain percentage that would be affordable." In the States, it's between 10% and 25%. In exchange, there are certain offsets for developers, including density bonusing or some kind of fast-tracking of approval processes that allows them to bring that housing on more quickly, or some relaxation of regulatory requirements. It's a trade-off between the two.

Mr. Percy Hatfield: I imagine that some municipalities might choose not to charge as much in development fees or in permits, or anything like that.

Ms. Beth Wilson: That's right. In the case of Toronto, density bonusing is a big one, so when developers are looking to build higher, that can be the exchange.

Mr. Percy Hatfield: I'm interested in Jennifer Keesmaat's prediction that in the past five years, had we had it in Toronto, we would have had 12,000 more affordable housing units built.

Ms. Beth Wilson: That's right. Her figures were based on what I think is a pretty conservative program for inclusionary zoning. Her figures were based on developments over 300 units. In many cities, the number of units would be more—

The Chair (Mr. Peter Tabuns): I'm sorry to say, Ms. Wilson, that your time is up with the third party. We go to the government. Mr. Potts.

Mr. Arthur Potts: Thank you, Ms. Wilson, for coming in. I'll continue on this theme because I'm really quite interested, as well. You're aware, of course, that the ministry is currently out on a consultation on affordable housing. Would you be participating in that in order to bring these important considerations to that process?

Ms. Beth Wilson: Yes; and, actually, we brought these issues forward when the province first developed its affordable housing strategy five years ago. We said at that time, "It's really important that municipalities have the powers around inclusionary zoning." We provided that input five years ago, and nothing has happened yet. We certainly appreciate any support from the minister on this issue, but we're hoping that you will all look at making an amendment to Bill 73 to really speed up the process.

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Mr. Arthur Potts: To go back to the question that was asked about affordability: The differences come from somewhere. It's my understanding, under the Planning Act, that a municipality certainly has the right to negotiate on a project-by-project basis—density bonus, section 37 and other things that they can do in order to include it. I believe the city of Toronto has done that, for instance, with the great work that was done in Cabbagetown and all those redevelopments.

What is it that makes you think there's not the opportunity currently for municipalities to include inclusionary housing opportunities in developments?

Ms. Beth Wilson: Overall, I think section 37 has not been successful in creating a lot of affordable housing. There's a little bit, and there are some great examples, but it hasn't been a mechanism that has created a lot of affordable housing in Toronto.

Right now, my understanding—when Councillor Layton is here, I'm sure he'll speak to it too—is that if there was an attempt to implement inclusionary zoning at the city of Toronto, developers would take it to the OMB and it would probably not be successful.

The Chair (Mr. Peter Tabuns): Ms. Wilson, I'm sorry to say, you're out of time. Thank you very much.

WATERLOO REGION HOME BUILDERS' ASSOCIATION

The Chair (Mr. Peter Tabuns): Our next presentation is from the Waterloo Region Home Builders' Association: Mr. Douglas Stewart. Mr. Stewart, good afternoon.

Mr. Douglas Stewart: Good afternoon.

The Chair (Mr. Peter Tabuns): As you've heard, I'm sure, you have up to 15 minutes. Time left over will be used with questions from members. If you'd introduce yourself for Hansard, we'll go from there.

Mr. Douglas Stewart: I'm Douglas Stewart. To the Chair and to the members, good afternoon. I'm a volunteer. I am here on behalf of the Waterloo Region Home Builders' Association, where, in 2006, I was the president. I've also been the president of the Stratford and Area Builders' Association, and I am currently on the

board of directors with the Brantford Home Builders' Association. I am also on the Ontario Home Builders' Association as chair of their land development group.

In addition to what I do in my volunteer work, I'm a professional planner with Stantec consulting.

What I hope to bring here today is a perspective that is not the greater Toronto area perspective on how the proposed legislation that is before us today is going to have a significant impact on smaller and medium-sized communities. I may advise that my professional experience is mostly in southwest Ontario.

First, I am pleased to be speaking here, and I hope to give you a bit of an overview that you will take into account.

The Waterloo Region Home Builders' Association has been in existence since 1946. It represents over 220 member companies and is involved in all aspects as it relates to the construction of residential housing and renovation. We are proudly members of the Ontario Home Builders' Association and the Canadian Home Builders' Association.

What I would like to speak to you about is our perspective as it relates to the Smart Growth for Our Communities Act. After my presentation, I'd be pleased to respond to whatever points you wish to bring forth.

It's clear that this piece of legislation has been in a very long consultation process that began in 2013. We, as members, have been involved in that consultation and part of the conversation around land use and the appeals and the development charge consultation. I am informed of what is proposed and I'd like to thank the ministry staff for their commitment to consultation. In fact, they came out and met with many of our members.

When you look at this proposed bill, both the local association and the provincial association brought forth a number of key points: transparency, accountability, equity, and that the legislation cannot and should not simply pile on new taxes.

From the Waterloo Region Home Builders' Association, we're supportive of the policy objectives to support a diversity of housing and higher intensification. As you can imagine, outside of Toronto, infill and intensification has its challenges, but we are doing okay. However, we do see a significant disconnect in land use policy between the province and many of the municipalities.

Despite the Planning Act and the growth plan requiring conformity and up-to-date zoning, many—many—of the local municipalities have their current bylaws out of date by decades. That does not implement and reflect the current provincial policies and objective to support the improved utilization of infrastructure, brownfields and intensification.

I would like to offer to you a good-news story. In Waterloo region, through the co-operation and coordination of our association, both the region and our area municipalities are a good example of how it can be accomplished. As you know, in the Waterloo region, we have major construction of light rail transit, which is running from Waterloo to Kitchener—it's under construction—and an adapted bus route from Kitchener to Cambridge. What we've done in contrast to what everyone else has done is get ahead of the game: put the official plan policies in front, get them in place, and amend the bylaws to implement them long before any applications come forward. This has occurred because of consultation with the industry, local businesses and the community.

It's clear that when you look at our light rail transit system, the public policies and the public regulations are all in place. We're now working towards the future transit stations. It's clear that you've got to get it done and it needs to be done in advance. That supports future investments.

I would now like to speak to the potential impact of the increase of development charges as proposed in the provincial bill. Maybe it will be fine in Toronto. I can tell you that in smaller-town Ontario it's going to have significant challenges. It will become an impairment to support future growth. You put the policy framework in and then you put a restriction in about how the cost is. Putting more taxes on new housing could result in a slowdown, less investment and fewer jobs. Is this what we're all trying to achieve? Is this a sustainable objective?

I can tell you that in Waterloo region, even with all of the policy framework in place and the provincial plan, certain places, such as Cambridge and Kitchener in their downtowns and their uptowns, exempt or provide a waiver of the development charges as an incentive. When you look at the proposed bill, it's only going to increase those development charges.

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But it's also much more. It's a whole suite of things you need to do. Even with the pre-designation and the bylaw in place, the construction of our ION and the DC exemptions in Cambridge and Kitchener, we still have a slower build-out.

This debate about smart growth with the proposed bill won't do much about encouraging the pre-land use designation, the pre-bylaw. What it does is only increase the transit portion of the development charges.

What needs to be done—we're investing in transit, thanks to the support of the government. We have pre-land use designation. We have zoned for high density. We have reduced or exempted the development charges and we offer a broad range of incentives. That's what you have to do outside of Toronto. You cannot guarantee that growth will occur. You only have to provide an atmosphere so that it can be encouraged.

Before I wrap up, I'll just touch briefly on the changes to the minor variances. I was appointed to sit on a group with a number of representatives. We are now scheduling meeting number nine, so there's a lot of consultation there. What I can tell you is that there's a concern when you take away some of the provisions where you cannot apply for a minor variance within the time period of a zoning bylaw and such. What is of concern with that is that it prescribes that we're going to get it correct the first time out. That's not always the case. It does suggest that you understand what you're going to build without the

understanding that there often are alterations and changes. Yes, you could approach the local council and ask for a consideration. Ask yourself, is that what council should be working on, or are there more important matters? Also, what's important is the schedule. It isn't always convenient; it's not always flexible. At the end of the day, you're trying to put restrictions in where I don't think they even add any value.

What I would suggest to you is that changes to legislation that have an effect of putting on one more tax are going to have an economic impact. Putting in restrictions of how and when you can change a bylaw to implement those policies you're trying to create doesn't serve any purpose. It's clear that outside of Toronto, it's not the same, and I think the legislation needs to respect that.

On behalf of our association, we appreciate this.

The Chair (Mr. Peter Tabuns): Thank you very much, Mr. Stewart. We have about 45 seconds per party. We're starting with the third party. Mr. Hatfield.

Mr. Percy Hatfield: It's good to see you again, Douglas. The town of Leamington did away with development fees for a three-year experiment. They're booming. The town of Harrow cut them by 50%. They're doing okay. Is it fair to say that regardless of what the development fee is in any community, people will pay whatever the going price is?

Mr. Douglas Stewart: When you factor in the cost of development charges with all the other associated costs, you're making it far less affordable for someone.

The Chair (Mr. Peter Tabuns): Thank you very much, Mr. Hatfield. Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Mr. Stewart, for your presentation. You made the example of reducing development charges along a transit line. This legislation still leaves a lot of those decisions to municipalities. They can choose to increase development charges, lower them, or waive them. There is nothing in this legislation that tells the municipality that they have to increase them. Would you agree with that assertion?

Mr. Douglas Stewart: Yes, the legislation permits each place to address what they will charge for. I think what I've seen in all of the presentations that I've been at is that there's not one place that's saying they're not going to take advantage of what the legislation will propose. It's going to have a significant impact. It's going to apply.

In our quick review from our home builder association, the fact is that the proposed legislation could add between $6,000 and $8,000 on top of what is in place.

The Chair (Mr. Peter Tabuns): Mr. Stewart, I'm afraid you're out of time.

We go to the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. It's much appreciated. I want to point just quickly: On the minor variance issue, I think we all realize that minor variances need to be available during the construction because that's when you realize that you're one foot short of the property line. Of the presentations up till today, we had 17 people who presented, all of whom agreed that that needed to be opened up.

One of the concerns that came from the city of Toronto—and again one of the differences—was that there were people applying for minor variances to increase the building by four storeys. In Oxford, that's not considered a minor variance. Do you think that that's maybe the problem, that we make sure that it's clearly defined what is "minor"?

The Chair (Mr. Peter Tabuns): Mr. Hardeman and Mr. Stewart, I'm sorry to say that you have used up all of your time.

Mr. Ernie Hardeman: Thank you.

Mr. Arthur Potts: We have a few extra minutes. Would it be possible to give him a couple of minutes extra?

The Chair (Mr. Peter Tabuns): If it's the will of the committee.

Mr. Arthur Potts: I would be interested to hear the answer to that question.

The Chair (Mr. Peter Tabuns): Okay.

Mr. Douglas Stewart: In answer to your question, there are two aspects.

We tend to focus on those people who are proposing an infill and intensification. A significant portion of the minor variance applications in smaller towns is the mom-and-pop. Are we restricting the mom-and-pop from trying to do something they're trying to do? That's one.

Two, it's structured today under the Planning Act that there are requirements for an evaluation: Is it in conformance with the purpose and intent of the official plan and with the purpose and intent of the zoning bylaw? Is it minor? The four tests offer that opportunity. If it can be substantiated, taking the four tests into it, that you can increase it significantly, as you suggested, it should be approved.

The Chair (Mr. Peter Tabuns): Okay. Thank you very much.

CITY OF HAMILTON

The Chair (Mr. Peter Tabuns): Our next presentation is the city of Hamilton: Mr. Jason Thorne. Mr. Thorne, as you've heard, you have up to 15 minutes. If you'd introduce yourself for Hansard, we'll go from there.

Mr. Jason Thorne: Thank you very much, and good afternoon, Chair and members of the standing committee. My name is Jason Thorne and I'm the general manager of planning and economic development for the city of Hamilton. My remarks this afternoon are going to emphasize a few of the highlights of the comprehensive comments that my city council approved back in the summer, specifically related to the Planning Act aspects of the proposed Bill 73 reforms.

I want to begin by saying, as you I hope are all aware, that Hamilton is growing. Hamilton is experiencing a bit of a boom right now, and the foundation of our comments on Bill 73 is about keeping that growth and keeping that boom happening. We've seen record building activity in recent years. We're on track once again this year to exceed $1 billion in building permit values in the city; that would make five out of the last six years that we hit that $1-billion mark.

Our industrial vacancy rates are sitting at less than 2%; they were more than triple that just five years ago. Downtown office vacancy rates are at less than 12%; they were nearly 20% just four years ago. House prices are increasing in Hamilton as well: From August of this year to August of last year, house prices in Hamilton increased by 16.6%, the highest rate in the entire country. By comparison, Vancouver was up 12.2% and Toronto up 10.3%. We're now looking at how we're going to grow our city to accommodate about another 250,000 more people, to 780,000 over the next 25 years.

This is a good thing. Hamilton is a city that wants to grow. We're currently undertaking a number of planning initiatives to enable that growth: updated the city-wide zoning; a new downtown secondary plan; a development strategy for our waterfront lands; a city-wide growth strategy; and, of course, thanks to a significant investment by the province in LRT, a number of studies around the design and zoning of a new LRT corridor downtown.

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All of these initiatives are being undertaken with an eye to maintaining the growth and momentum that Hamilton is now enjoying, and the reforms that are proposed in Bill 73 will help us get there. There are a number of very positive improvements to the planning system that are being put forward and, for that, the city of Hamilton would like to thank the government and the staff who have put those amendments together.

There are also some areas where the city thinks that some minor changes to Bill 73 could provide municipalities like Hamilton with some additional tools that will help us achieve our growth goals. My presentation this afternoon is going to focus on a couple of those areas.

First, there are a number of very positive improvements in Bill 73 that would give municipalities greater control over development in our communities. Hamilton strongly supports the provisions in Bill 73 that would prohibit appeals of OP matters related to the province's population and employment forecasts, vulnerable areas identified under the Clean Water Act, greenbelt areas, protected countryside areas, settlement area boundaries approved in OPs. Bill 73 would also prohibit global appeals in which applicants appeal the entirety of an official plan. These are all very positive steps. These are all steps that are going to significantly help municipalities maintain control over development within our communities.

There is one proposed amendment that I know is intended to strengthen municipal development control, but the way that it's currently drafted does cause some concern. The bill proposes to freeze appeals for two years, following the adoption of a new OP or comprehensive zoning bylaw. While I understand and appreciate the intent of this provision, in practice it may potentially cause some unintended consequences. For example, in Hamilton, our official plan and our zoning bylaw are structured in such a way that it anticipates that minor changes may be needed to be made on things like density provisions for certain housing types, zoning around parking requirements, parking standards and so on. To provide no avenue through which these sorts of amendments can be made, even when they're supported by planning staff and council, could put a bit of a chill on development, and obviously none of us wants to do that.

Hamilton, in our comprehensive comments, has provided some suggested revisions that would allow applicants to seek amendments and allow councils to consider them, but where the council does not support the amendment, then it would not be subject to appeal. This modification, the city believes, would meet the intent of the proposed changes, while avoiding the potential for holding back developments over minor issues.

Another positive change proposed in Bill 73 is to create what planners have been starting to call the pause button in statutory approval timelines. Meeting the 120/180-day statutory timelines is becoming increasingly difficult, given the growing number of issues, studies, analyses and policies that have to be taken into account. It's leading to situations where the potential for non-decision appeals is always looming over the heads of municipal councils.

The pause button is a novel way to address this issue. It would allow municipalities and applicants to mutually agree to pause approval timelines for up to 90 days. This is a good idea, but to be truly effective, it needs to be strengthened. First off, the bill, as currently written, would allow either party to terminate the agreement at any time and restart the clock. This undermines the value of the pause button. Second, it only applies to OPAs. This is problematic because, often, our OPAs run concurrently with zoning bylaw amendments and with subdivision approvals, so it means that the clock can be paused on one aspect of the application while it's still running down on others.

To improve the value of the pause button provision, Hamilton is proposing that the ability to terminate the pause agreement prior to the agreed-upon date should be removed and it should be extended to apply to zoning bylaw amendments and plans of subdivision.

The issue of non-decision appeals raises another matter, as well, which is not currently addressed in Bill 73. Under the current Planning Act, when an appeal is made of a council decision, the OMB must have regard for that decision. That's a good thing. But non-decision appeals are not treated the same way. We've seen cases in Hamilton in which an application is working its way through the approvals process, it goes beyond the 120/180-day period, and the applicant is okay with that because we're working with them to make their application acceptable and to make their application go forward. However, once an applicant sees that the staff is recommending against their application, in some cases, rather than allow it to proceed to council and risk a refusal decision, the applicant can immediately then flip it to the board. Of even greater concern, if the planning committee votes to deny an application, the applicant can flip it to the board prior to that committee decision being ratified by council, sometimes, just a few days later.

In both of these cases, the matter is considered to be a non-decision appeal. In these scenarios, even though

planning staff have already stated their positions and reviews—in some cases, the planning committee could have already endorsed that refusal—those positions would carry no weight at the board because the council did not ratify it and, therefore, it's considered a non-decision. The public can be particularly upset by this.

In Hamilton, our process is that we make a report on a planning application with our recommendation, we release that publicly, and then a few days later, it goes to planning committee, and that's where the public hearing is held. If at that point, the applicant decides to appeal for a non-decision because they don't like the refusal and they're past the 120/180 days, that matter doesn't go to planning committee and the public doesn't have the opportunity to provide their comments at a public meeting.

To remedy this, the city of Hamilton is proposing that even if a matter is appealed to the board for non-decision, local councils still be empowered to review the application, to hold a public meeting and adopt a position and, most importantly, that that position also have weight at the board; in other words, that the board also have regard for municipal council decisions on non-decision appeals.

Finally, on the issue of appeal timelines: that Hamilton continues to take the position that the time frames in the Planning Act need to be reviewed. Our goal is always to work very closely with applicants to find ways to make applications work. As I said in my remarks, we want development to happen in our city, but the ability to have a back-and-forth dialogue with applicants, to allow applicants to make modifications along the way to respond to our comments—all of which I would consider to be essential to good planning—is hindered because that clock is always ticking. Longer timelines, or at least the ability to restart the clock when there are significant changes to an application, will make it much easier to work with applicants to create better forms of development.

Those are the main issues I wanted to raise at the committee this afternoon. There are other features of the bill that Hamilton has expressed support for. These include changing the OP review timelines to every 10 years, making similar changes to the PPS review timelines, providing alternative measures for obtaining public input on planning matters, and providing for alternative dispute resolution mechanisms. All of these represent very positive steps in the right direction for the planning system in Ontario.

I do want to conclude with two last points about steps that I hope the province will continue to take that aren't yet reflected in Bill 73. First is the issue of inclusionary zoning. Hamilton currently has more than 5,000 households on the waiting list for affordable housing. The downside of that renaissance that I was talking about is that affordability is becoming an increasing concern in Hamilton and inclusionary zoning is a critical tool that we need in our tool box to help address this gap. It's a central recommendation of our housing and homelessness action plan, and it was explicitly noted as a recommendation that my council wanted to make as part of our comments on Bill 73.

Second is the issue of OMB reform. The changes proposed in Bill 73 are a start to reforming the appeals process. As I said, Bill 73 has a number of good-news stories in that regard, but the city continues to hope that the province will follow through on its commitment to undertaking a comprehensive review of the OMB. We look forward to having input into that review.

That concludes my remarks for this afternoon. I'd like to thank the committee members for your time and I'd like to congratulate you and the government and the staff at the Ministry of Municipal Affairs and Housing for a bill that I believe will have a very positive impact on the planning system in Ontario.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Thorne. The first question goes to the government. Mr. Milczyn. You have about two minutes per caucus.

Mr. Peter Z. Milczyn: Thanks, Mr. Thorne, for your comments. Certainly Hamilton is a very exciting story these days.

You mentioned quite a number of aspects of this bill. Would you concur that it is going to give your municipality more time to thoughtfully review applications, more time to ensure that your vision for your community can get enacted?

Mr. Jason Thorne: It does create the potential to have additional time. As I said, the idea of the pause button, as we're starting to call it in planning circles, does provide benefit. It gives us the opportunity to be sitting down with an applicant and say, "You know what? We both agree we need a bit more time to work this through." Rather than rush to council with the refusal recommendation because we're afraid of that clock running out, let's take additional time, up to another 90 days, to have that back-and-forth.

That's a very good step. My concern is that if either party can just terminate that at any time, it's really not a very strong tool, because if those discussions aren't going well, then either party can pull out, the clock starts ticking again immediately and we don't have that opportunity for further discussion.

Mr. Peter Z. Milczyn: Mr. Thorne, I hope you appreciate that the changes in this bill regarding appeals of official plans don't prohibit a municipality from making a change to an official plan. They simply are intended to stop an outside party from undermining an official plan where the ink is still not dry.

Mr. Jason Thorne: Yes, I do appreciate that and I understand a municipality could be the one to initiate. The types of amendments that we sometimes see, especially after a new OP or zoning is put in place, where it's impossible to envisage and contemplate every context that could happen in a community—there are some that are regularly supported by staff, supported by council. To have to have those initiated by the council—it would be simpler to be able to have the applicant initiate them and have council consider them. Where I really like the intent of what Bill 73 is doing is that if it's not supported at the municipality—and this is what I know upsets the public, that they go through an exercise of participating in an OP

and new zoning, and six months later, somebody is making an application, councillors are opposing it and it goes to the OMB and it gets approved.

Being able to still allow it to be considered but not go forward to the OMB if the council's not supportive I think would really hit the intent of what's being suggested, while still allowing some minor things that may come along the way to proceed through the process so we aren't holding up development.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Thorne. Next question to the official opposition. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I just want to go to that part about the approval process where council doesn't make a decision and it's appealed to the Ontario Municipal Board. You suggested that there should be something put in that in fact council could consider it following the appeal and that would then go to the board too?

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Mr. Jason Thorne: That's right. What would be useful is, when those cases where an appeal is made for a non-decision are going to the board, the council process and the public process can continue on, if the council so wishes, and council can still adopt a position on that matter that's now going to be in front of the board with the benefit of that full public process. We can do that voluntarily now, but that decision would not have weight at the board. So what we're looking for is to have that decision, have that position, still have weight at the board, the same as if it had been made within the 120/180-day appeal period.

Mr. Ernie Hardeman: Going back to the government's question on the length of time, you said that it needs to be mutually agreed upon. That's the same as saying it doesn't exist. "Mutually agreed upon" means you can do just about anything you want, and it's usually when you'd really need that time for one party or the other. Could you just talk about that a little bit more?

Mr. Jason Thorne: Yes. I think the idea of mutually agreeing upon the pause button initially is a good one. Once you've agreed that you're going to pause for whatever the time period is—60 days, 90 days—that time period should then be set in stone and the process should be allowed to have that, unless both parties mutually agree it's not needed. But to have one party be able to pull out midway through that, whatever it is—90-day extension—does undermine the value of it because it means you can never count on it. It means that my planning staff who are working with an applicant on an application can't count on the fact that they've got an extra 90 days. They think they have an extra 90 days—unless the applicant decides to pull out.

The Chair (Mr. Peter Tabuns): Mr. Hatfield.

Mr. Percy Hatfield: Good afternoon. Welcome. Thank you for being here.

Mr. Milczyn from Etobicoke–Lakeshore has a beautiful private member's bill on inclusionary zoning. Some of us are hoping to see it enacted, word for word, in this legislation. You spoke in favour of inclusionary zoning. Had you the ability to consider inclusionary zoning in Hamilton, what impact it would have on affordable housing?

Mr. Jason Thorne: The key impact is it gives us another tool to work with. When I've been discussing this in the community, and it is a very common thing that's brought up in a lot of our public meetings—inclusionary zoning is something that the citizens of Hamilton are really very anxious to see—that is not a silver bullet. It is not going to solve the affordable housing crisis, but it will be a very significant step forward because it gives us one other tool that we can use to require affordable housing out of new development. I would suggest that we'd be looking for some flexibility in how it's applied. The Hamilton real estate market is very different than the Toronto real estate market. The ability to leverage affordable housing out of private development is probably more limited in the Hamilton market than it is in the Toronto market, but there are situations in terms of size of development and certain geographies within Hamilton where it would give us a means to at least start to chip away at that backlog we have right now of affordable housing supply.

Mr. Percy Hatfield: You mentioned you have 5,000 people on the waiting list for affordable housing in Hamilton. How many are already housed?

Mr. Jason Thorne: I apologize; I couldn't give you that number.

Mr. Percy Hatfield: If you had one improvement to make to the amendments that you talked about today, what would be your number one priority?

Mr. Jason Thorne: The pause button is a very significant step. It could be a very positive improvement in the planning system if it is modified. I focused a little bit on some of the modifications we want to see. There are a number of things that should just be taken as is in the bill that are very positive: the 10-year OP reviews, the limits on appeals to certain matters that affect areas of provincial interest. Those are really significant steps. I didn't speak to them a lot here because the city of Hamilton has endorsed them and wasn't suggesting any changes. Those will be very powerful and probably of a great deal of assistance to municipalities.

Mr. Percy Hatfield: Do you agree that growth should pay for growth 100%?

Mr. Jason Thorne: I do agree that growth should pay for growth, yes.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Thorne.

Mr. Jason Thorne: Thank you.

FEDERATION OF NORTH TORONTO RESIDENTS' ASSOCIATIONS

The Chair (Mr. Peter Tabuns): Our next presenter is the Federation of North Toronto Residents' Associations: Geoff Kettel and Cathie Macdonald.

It's good to see you. As you've heard, you have up to 15 minutes. Any time that's left over will be divided amongst

the parties for questions. Please introduce yourselves for Hansard. Take it away.

Ms. Cathie Macdonald: I am Cathie Macdonald, co-chair of the Federation of North Toronto Residents' Associations. Geoff Kettel is my co-chair.

Thank you for the opportunity to speak with you today about Bill 73, on behalf of FONTRA. FONTRA is an umbrella organization for residents' organizations interested in the planning and development of our city. We've now got about 31 different residents' associations as our members. We basically cover the area between Bathurst and Don Mills, north of Bloor.

I'm going to be commenting generally on Bill 73 and Geoff is going to talk specifically about committee of adjustment issues, which are a huge component of what we get involved in.

FONTRA supports three main principles that we see in Bill 73. First, changes to speed up official plan approval processes: We really need clear policies. For us, unduly long processes result in confusion and lack of clarity. Therefore, we support provisions like the prohibition of global appeals, the removal of the mandatory five-year review for employment land policies and restricting appeals for OP policies that conform with provincial policies.

Secondly, we support changes to increase efficiency in the development approval process, as this means less time and less work for all of us volunteers. We support the introduction of development permit processes—the city of Toronto is currently undertaking this—and other measures like alternative dispute resolution and the freezes on minor variances.

We also support changes to increase transparency, which helps us better understand what's going on and have better access to the information that we need. We therefore support requirements for reporting on money collected under section 37, for providing better explanations and notices of decisions, and for including information in the official plan on alternative measures for providing notices and obtaining views of the public.

The proposed changes in Bill 73 aim to address province-wide issues. We're working in the city of Toronto, where member organizations are confronted with huge development pressures, project complexities and institutional realities, including the probably too major role played by the Ontario Municipal Board. We look forward to having discussions about that in the future. These issues appear to be inadequately taken into account in Bill 73, but we recognize that some of these matters may be better dealt with in the City of Toronto Act.

We'd like to see the provisions for new official plans relating to the moratorium of global appeals and extending the mandatory review periods to 10 years apply also to general amendments, because we're doing so many amendments to our so-complicated official plan. These general amendments are related to policy for reviews like heritage and housing and neighbourhoods and such matters. We believe municipalities should decide relevant timeframes as different policy areas may require different reviews at different times without the need of a new plan.

We'd like to see population and area-related density caps in the official plan. This will help better ensure infrastructure and other supports being in place and will provide more certainty to residents and to the development industry.

We think the development permit system should not be imposed by the minister. Municipalities should decide when and how to introduce such systems, as their needs vary so much and the staff level of expertise needs to be in place.

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We also believe that one planning advisory committee should not be imposed on a municipality. Toronto has so many different processes, and one committee would be spending every hour of every day on all these kinds of matters.

I would now like to turn this over to Geoff to talk about minor variance issues.

Mr. Geoff Kettel: Thanks, Cathie.

One of the provisions in Bill 73 is subsection 28(1), concerning "the committee of adjustment shall authorize a minor variance," but in addition, to satisfy the requirements of that subsection, the minor variance conforms with other criteria. That's in the bill.

The Ministry of Municipal Affairs and Housing has established a provincial working committee. They invited a number of different interests to be involved. FONTRA is involved; FUN is involved, the Federation of Urban Neighbourhoods: MIRANET is, in Mississauga; and the federation of citizens of Ottawa is involved. The four of us have basically caucused together and collaborated in a submission to the ministry, which is contained in the submission that you have.

Just to summarize, we focused on the minor variance issue, which, as Cathie says, is a pretty hot issue in stable neighbourhoods in Toronto, at the very least with the committee of adjustment. There are literally thousands of minor variances coming through the city of Toronto, and several hundred in North York.

The three main areas that we hit: One was the four tests; secondly, protecting neighbourhood character and the question of "Does it fit?"; thirdly, municipal support to the C of A.

In terms of the issue about putting in a new regulation under the act, we weren't very supportive of that. We want to try to make the system work the way it is. Previously, submissions made by our organization plus CORRA, in light of the DeGasperis decision, were to enhance the four tests, and we would still submit that as being an appropriate way to go, rather than confusingly adding more tests to the issue.

In terms of neighbourhood character, that is a real front-and-centre issue for us. As a result of the poor application of the tests by committees of adjustment, you can detect the gradual erosion of the character of these stable neighbourhoods: affecting the rhythm of the street; tall, monster homes on tiny lots; and the intrusion of integrated garages where they were not characteristic of the street. It appears that the incidence of demolitions, rather than

merely renovations, is increasingly common. That's responsible for much of the erosion.

We feel that there is provision within the official plan for the municipalities to put in neighbourhood-protective wording, so that the committee, and subsequently the Ontario Municipal Board, will be able to use that. We are aware that the city of Toronto is currently enhancing its provisions in that regard, as is Mississauga. The city of Ottawa has gone a slightly different route; they have created a bylaw dealing with stable neighbourhoods.

We would see the provincial role being to emphasize to municipalities, having identified areas where protection of neighbourhood character is a priority, their obligation to have in place strong OP policies for neighbourhoods, that speak to the importance of preservation of neighbourhood character. The ministry should research, evaluate and provide guidance, training and support to municipalities in methodologies for determination of neighbourhood character, such as streetscape analysis methodology, and incorporation of that methodology in their official plan and zoning guidelines.

Finally, the municipal support to the committee of adjustment: It's kind of variable. There are a number of issues there. In our opinion, in the hierarchy of planners' attention, neighbourhoods tend to take a back seat to city centres, the downtowns, to the commercial avenues and to the industrial areas. Staff reports tend to be written on only a tiny percentage of applications and the planning resources applied to the C of A tend to be the most junior. Indeed, our council resources are sparse for defending committee of adjustment decisions. When you get a decision to not approve something, you expect council to support its own administrative tribunal. They don't always do that. They're very concerned about the dollar, which they should be, but sometimes, councils resist supporting the committee of adjustment at the OMB. That's a problem.

The province can be helpful in this regard, in directing the municipalities:

—to direct their C of A to rigorously apply the four tests; and

—to ensure that they are prepared to defend and uphold their OPs and their zoning bylaws at the C of A and at the OMB;

—to ensure that sufficient properly qualified staff are assigned to support the committee of adjustment so that applications are properly reviewed; and

—to properly advise applicants about the Planning Act requirements with respect to minor variances; and

—finally, to ensure that all appointed C of A members are qualified and properly trained.

There were actually three aspects that this committee was looking at. Minor variances was the major one. The other things were notices and complete applications. We did make a comment, not part of this written report. Our caucus did recommend that increased attention be given to assisting in rental accommodation, that renters be given proper notice of planning applications in their areas. I have personal experience of this, where there are 30,000 people not knowing about what's happening to their neighbourhood. Landlords are not under any real discretion to inform tenants. Therefore, there's just a lack of knowledge. That's something that should be looked at. We haven't seemed to have made a lot of impression with that issue at the ministry in that regard. Thank you.

The Chair (Mr. Peter Tabuns): Okay, Thank you very much. We have about two minutes left. We start with the official opposition. You've got about 45 seconds.

Mr. Ernie Hardeman: I just want to go to your latest comment, that renters should be notified about what's happening in their community. Any suggestions of how you would put that into legislation? These renters are, in fact, in a lot cases, not there for a long period of time. There's a lot of them, at least, who would move and so forth. How would the municipality make sure that they were notified properly of events taking place in their neighbourhood?

Mr. Geoff Kettel: It is a conundrum, and I think that's why the ministry hasn't jumped on it. I think that putting some legal onus on landlords to post notices in elevators, slip notices under doors, probably a notice board in each building, that kind of thing—that surely could be done.

The Chair (Mr. Peter Tabuns): Your time is up.

Third party: Mr. Hatfield.

Mr. Percy Hatfield: Welcome. Thank you for being here. What would your definition be of a "minor variance"?

Mr. Geoff Kettel: I think there was universal agreement on the committee that there's no such thing as a mathematical formula for this. A minor variance in downtown Toronto has been considered three floors on a 45-storey building, whereas adding on extra height in a stable neighbourhood can be very much not a minor variance. It really has to be looked at in context of the character of the neighbourhood, the fit of what is being proposed, and just fitting into the neighbourhood. That is a judgmental thing. But we think, with proper training and, really, a push from the government to have members better qualified to understand planning and some of the character issues, that would enhance that determination.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Last question. To the government: Mr. Milczyn.

Mr. Peter Z. Milczyn: Do you think that these changes, notwithstanding C of A issues, will go a long way to providing more certainty for residents and municipalities that their vision will actually be implemented for some period of time?

Ms. Cathie Macdonald: I think these changes are mainly better-suited for others, not for the city of Toronto. Other kinds of steps need to be taken. Because of the complexity of this city and the policies it's not a simple matter. For example, a planning advisory committee can't really deal with all the issues of the current city of Toronto. I was a planner with the old city of Toronto when it had a planning board, and it played a very active

role and dealt with all the major planning issues. I just couldn't see that happening with the amalgamated city.

1600

The Chair (Mr. Peter Tabuns): I'm sorry to say you're out of time, Mr. Milczyn.

Thank you very much. It's good to see you both again.

MR. MIKE LAYTON

The Chair (Mr. Peter Tabuns): Our next presenter is Councillor Mike Layton.

Mike, as you've observed, you have up to 15 minutes. Time left over will be given to the parties for questions. When you get comfy, introduce yourself for Hansard.

Mr. Mike Layton: My name is Mike Layton. I'm a Toronto city councillor. I think you have my prepared remarks in front of you. I'll try to stick to them.

I'm honoured to present to you today regarding the Smart Growth for Our Communities Act, in the hopes that I can make the case for expressly extending the power of municipalities to use inclusionary zoning as a tool for securing affordable housing in new development. While the act holds many important changes to Ontario's planning system, I believe it's missing one key point that will relate directly to the healthy growth of our cities: Inclusionary zoning gives municipalities the power to include, in the municipal zoning bylaws, specific requirements for affordable housing to be built as part of new development proposals.

I have represented ward 19, Trinity-Spadina, in the city of Toronto as the city councillor since 2010. My neighbourhood includes the areas bordered by Bathurst to the east, Dovercourt to the west, Dupont to the north and Ontario Place to the south. Like many neighbourhoods in downtown Toronto, my community is a growing one, with thousands of new housing units opening every year. The neighbourhood I represent includes Liberty Village, Fort York, King Street West, Dupont Street, Queen Street West, College Street and Bloor Street West, including the new proposed development at the historic Honest Ed's site. All of these areas are experiencing significant growth. All of these areas are helping implement the Greenbelt Plan, the Places to Grow Act, helping our economy grow, adding important housing units to our city.

In June 2015, Toronto city council unanimously supported my motion requesting that the province amend Bill 73 to give the city of Toronto permission to use inclusionary zoning. This is one of many times that we have formally asked for a regulation to allow us to use inclusionary zoning, a tool that is already provided for in the City of Toronto Act but which we have not had the authority to implement.

I would like to emphasize three points to you today:

—first, that inclusionary zoning will increase the affordable housing stock in municipalities, filling a growing need in neighbourhoods all across our community, and building more complete neighbourhoods that will all help us work to overcome the inequalities that exist in our city and society;

—second, that inclusionary zoning will give the land development industry more certainty in the development process, making investments more predictable and less risky; and

—finally, that inclusionary zoning is nothing new. It is a proven policy that has demonstrated it can get results.

A growing number of families are spending an increasing amount of their monthly income on rent. Home ownership is quickly getting out of reach for families living in Ontario, and Toronto in particular. In Toronto, there are 168,000 households on the social housing waitlist. These are families that need and deserve more affordable, safer and better housing options. A recent CBC report on real estate prices revealed that the average price for a detached home in Toronto has risen by 12% in the last year, to reach $1 million in October 2015.

Inclusionary zoning would empower municipalities to make responsible land use decisions that would have lasting benefits for the city and the province.

Providing more affordable housing goes deeper than our ability to pay. It helps our communities overcome the inequalities that currently exist by encouraging a mix of incomes in new buildings and neighbourhoods. It simply builds a more just and stable community.

I grew up in a mixed-income co-op, a fact that the Toronto Sun would not let my family forget for many decades. But those who understand how co-ops work, and I know many of you do, coming from the municipal sector—they work by bringing different groups of people together. We may have paid a different amount in our monthly rent, but we did the cleaning of the hallways, just like every other family did on their part of the rotation. We got to know our neighbours, those with high incomes and those with low incomes. It didn't matter when everyone was coming home at the end of the day with their groceries, taking their kids out to play in the park. It simply was a more enjoyable and better way of life for those of us living there.

Social Planning Toronto estimates that a minimum of 1,000 to 1,500 units per year of affordable rental and home ownership would be created in the city of Toronto with such a program of inclusionary zoning.

Despite the city of Toronto's repeated requests for the power to enact inclusionary zoning over the last decade, the province does not permit Ontario cities the authority to use inclusionary zoning as a tool to build more affordable housing. Meanwhile, our city is desperately in need of more affordable housing stock.

At its meeting on Monday, April 27, 2015, Toronto's affordable housing committee requested that the city approve a submission to the province of Ontario's Long-Term Affordable Housing Strategy consultation, and that submission reiterated the city of Toronto request for inclusionary zoning powers so that we can ensure more affordable rent and home ownership units are built throughout the city. Then in June 2015, Toronto city council supported my motion to request that the province amend this Bill 73 to give the city of Toronto permission to use this inclusionary zoning tool.

While this is not the only solution, it is a low-cost tool to begin filling the gap in affordable housing stock in Ontario cities, that relies on leveraging the wealth that's being created through development to build affordable housing.

Land development can be a complex and risky venture. Municipalities have different standards, different regulations and different costs. Even in planning departments and amongst elected officials within a municipality, there can be very different expectations for developers on development sites. Providing certainty in the development process can help developers limit their risk and improve their ability to judge their investment.

Inclusionary zoning lays out a clear expectation for development on a site before an application is made, perhaps even before a bid is made, on the value of the property. Despite what some in the development industry might have you believe, studies by the National Center for Smart Growth Research and Education and the Furman Center for Real Estate and Urban Policy have shown that since the 1970s, inclusionary zoning for affordable housing has had no impact on house prices or the level of development.

If expectations are clear, the developer can evaluate the costs prior to purchasing a site or submit a proposal to a municipality, and municipalities can be assured of a steady increase in affordable units.

Over 400 municipalities in the United States, including Chicago, San Francisco, Washington and Denver, have used inclusionary zoning to create thousands of affordable units. Since the early 1970s, municipalities have been setting rates for the number of affordable units in new developments. By mandating 10% to 20% of its units in all new developments to be affordable, one municipality alone created 11,000 affordable units.

Fundamental to the inclusionary zoning policies in other cities is that they are mandatory and units are constructed on-site. Unlike parks dedications or some of the uses of section 37, it's not setting aside money so that you can build it somewhere else; it's creating that mixed community.

Inclusionary zoning should not be seen as a replacement for existing and much-needed expansion of social housing supports and funding, but it is another tool to help fill a growing gap in Ontario's housing market. All levels of government need to commit additional resources to ensuring the availability and quality of affordable housing for everyone. Inclusionary zoning is just one tool to ensure that the great wealth that's created through our new development also contributes to the health of our communities.

Finally, I would just like to reinforce that we have seen motions to this end on the floor of Queen's Park before. We should be doing everything we can to move those forward. I believe, given that what we're talking about here in this bill is building strong communities, this is certainly one of those changes that could help us accomplish that.

Thank you very much for your time. I believe I was under time there, so there might be time for questions.

The Chair (Mr. Peter Tabuns): You're fine. Thanks, Councillor.

It's about a minute and a half per caucus. Mr. Hatfield, if you'd like to proceed.

1610

Mr. Percy Hatfield: Welcome back to Queen's Park. It's nice to see you again.

As you've mentioned, Michael, there have been in recent years at least five or six bills—I think six, counting Mr. Milczyn's—on inclusionary zoning. Why is it you think that despite having all the bills in front, being supported, going to committee and just languishing there and the city of Toronto again asking for something—why is it that the government hasn't acted?

Mr. Mike Layton: I don't think I'd speculate as to why the government hasn't acted. I think that there are those in government who have put forward and realized the benefit of this. I believe—and we have felt this at city hall, trust me—that the development industry has a rather significant lobby, and they've used that to help reduce their development charges at the municipal level.

It's difficult to overcome those arguments about, "This will impact and actually drive up housing costs." Well, the fact is that we've seen, or at least the research that we have here shows, that it won't and that it doesn't in the end. I think that's something we need to take home.

We're helping developers create an enormous amount of wealth when we up-zone properties. I think it's important for us to keep perspective and to say that as that wealth is created, we need to make sure that we're building cities that can last the test of time.

Mr. Percy Hatfield: I think there are, as you say, more than 400 communities in America that have done it. We need someone in Canada to lead the way, I would take it.

Mr. Mike Layton: They've done it quite successfully. If we could walk away from here knowing that we're going to be creating 1,000 new units or more on an annual basis—it's estimated that the city of Toronto alone could create between 1,000 and 1,500—if we could walk away with that on an annual basis, it's not going to be the silver bullet, it's not going to address all of our homelessness and affordability issues, but it certainly would start chipping away at that wait-list.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. To the government: Mr. Milczyn.

Mr. Peter Z. Milczyn: Good afternoon, Councillor Layton. Thanks for your presentation. You did say that the city of Toronto did make a submission to the minister's consultation on the Long-Term Affordable Housing Strategy?

Mr. Mike Layton: Yes, we have. I believe we also were hoping to make a submission on this bill, and should the bill on inclusionary zoning continue to move forward, I will also be here cheering that on as it comes.

Mr. Peter Z. Milczyn: There's also the review of the City of Toronto Act ongoing, where the city of Toronto

did have the ability conceptually to do inclusionary zoning, but it didn't have, I guess, the regulations behind it to do that. But that review is also ongoing.

Mr. Mike Layton: Yes, and I believe that changes to allow for inclusionary zoning are included in the city of Toronto's pitch on that level.

Mr. Peter Z. Milczyn: The final comment or question I was going to put to you: In this bill, the community development permit system is being brought forward. Of course, we had a development permit system before but, again, without the regulations to allow to enact it; now it could actually be enacted. That system as well could be used by a municipality to mandate the provision of the construction of some affordable housing in those neighbourhoods that are covered by a community development permit system.

Mr. Mike Layton: It could. I think there would be two issues with that. One is on the appeal mechanism. Again—

Mr. Peter Z. Milczyn: Well, there are no appeals to a community development permit system.

Mr. Mike Layton: To individuals, but to the overall—it's my understanding that there still could be appeals to the overall development permit area, not to individual proposals.

But I would say that's the cautionary issue around that. There may be some neighbourhoods that would for any reason opt not to include an affordable housing component. I think that would be wrong. I think that having a city-wide standard will allow us to ensure that every community is a mixed-income community, and no matter if you're developing it in Etobicoke, Scarborough or downtown, you're contributing to the affordable housing mix. I think that's one piece that we might lose in the affordable housing—

The Chair (Mr. Peter Tabuns): Councillor, I'm sorry to say you've run out of time.

I'll go to the opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much, Councillor, for your presentation. I just quickly first wanted to look at the City of Toronto Act. You said it's already in there, but you weren't given the authority to implement it. Is that just because they didn't proclaim that section, or is there something else in there that prevents you from doing that?

Mr. Mike Layton: While I've been educated as a planner, I'm not much of a lawyer, and so I wouldn't want to get too deep into this. My understanding, as it has been explained to me, is there's a conditional zoning provision within the City of Toronto Act that just about says that you can put conditions on zoning, but without a regulation specific to the affordable housing component, city staff and city legal staff are a little reticent to put this to the test because it could get challenged, and we're not as sure-footed as we'd like to be.

Mr. Ernie Hardeman: You said the studies have proven that in fact, inclusionary zoning does not increase the price of housing. You've also told us that the housing in Toronto has gone up quite dramatically. I have two sons who live in your ward—one lives in your ward and one outside.

How do you explain where the money comes from to pay for providing affordable housing within that development? If it's not going to increase the cost of the housing, who is going to pay?

Mr. Mike Layton: My understanding is that different jurisdictions have taken it in different ways. Some have included, as part of the inclusionary zoning, these increases in density that have linked increases in density in neighbourhoods to the amount of affordable housing that's going in. That would just make it a little bit more solid than section 37—the use of a community benefit clause.

I suspect, though, that developers, in their speculation of the land value and in the costs of building, absorb some of that cost because they're garnering an enormous benefit and reaping these benefits with the sale of these condos. Typically in one of these deals, it's sold several times before a project actually gets to the end point. I suspect that it's a bit of the cost of the buildings.

The Chair (Mr. Peter Tabuns): Councillor, I hate to say this, but you're out of time.

Mr. Mike Layton: Thank you very much.

The Chair (Mr. Peter Tabuns): You're welcome.

Mr. Percy Hatfield: He hates to say it, but he's smiling as he says it.

The Chair (Mr. Peter Tabuns): I try to be friendly when I cut people off.

1468863 ONTARIO INC., QUEENSVILLE PROPERTIES

The Chair (Mr. Peter Tabuns): Okay, next presentation, then: 1468863 Ontario Inc., Queensville Properties: Mr. Noble Chummar and Mr. Alan Duffy. If you'd all have a seat.

As you've heard, you have up to 15 minutes for presentation. If you'd introduce yourselves for Hansard before you start.

Mr. Noble Chummar: Thank you, Mr. Chair. With your permission, I have one of our articling students, Jacqueline Richards, who helped us with these submissions. I've asked her to attend as part of the experience of being here.

I'd like to thank you for the opportunity to speak to you with respect to Bill 73, and to advise you that we are here specifically for one particular provision in the act as it relates to the Development Charges Act.

I'd like to now introduce Mr. Al Duffy, who is a former mayor of the town of Richmond Hill. He will identify why my client is interested in proposing an amendment to subsection 9(4) of Bill 73, as it relates to providing the minister or the Lieutenant Governor in Council the authority to exercise discretion to incent development and developers to take into account smart growth and transit-oriented developments.

We believe that the current system does not provide a regime that allows for developers to take smart planning into account. We think that by adding a simple provision

to this bill and to this act, it will allow the province to achieve its objectives of making sure that, for lack of a better word, dumb planning doesn't occur by putting, say, a monster home or something like that in a place where more intensified development should actually be.

On that note, I will pass it to Al Duffy.

Mr. Al Duffy: Thank you, Mr. Chair and members of committee. Noble mentioned that I was mayor of Richmond Hill. Unfortunately, I was there up until 1989. I just missed development charges; they came in right after that. But we got along fine. We had money in the bank and we took care of things. We had levies, but nowhere near what you have today.

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I want to talk to you about a couple of projects that I'm involved in now: One is Queensville, and the second one is up at Langstaff, at Highway 407 and Yonge Street.

The Langstaff Gateway community is a very dense community, a complete community, at the intersection of Yonge and Highway 407. It has been designed by a world-famous urban designer out of California. He indicated that this is probably the finest site that he has ever worked on. It has five modes of transportation either in place or planned. Nowhere else in North America has that. We put together what I believe is probably the largest project in North America: 15,000 residential dwellings, 20,000 jobs, all the retail, restaurants—everything you need for a complete community, to the point that we don't even have enough parking for the residents. They are going to have to take transit; they're going to have to deal with it that way. It has a planned subway, the Yonge Street subway. Right now, there's a tremendous amount of work going on on Highway 7; the province has put about $1.2 billion into it. It seems that we're going to bring all those people together with no place to go because the subway isn't there. Certainly, it seems to me that it's going a little backwards. We should reverse that, but maybe it's too late for that. This site is 43 hectares, just a little over 100 acres. The growth plan calls for about 200 people and jobs per hectare. We're a little over 1,000, so it's just because of that site.

I'm also involved in a project called Queensville. We put that together a lot of years ago for a lot of reasons. It has taken time to get there. It has about 10,000 residential dwellings and about 8,000 employment opportunities—a little less than the Langstaff site. It sits on 3,000 acres. It's ground-related housing. It doesn't have access to transit like the Langstaff site does. It's one of those sites that's typical of what you see—maybe a little bit denser than some—in the suburbs. The interesting thing is that although it's 3,000 acres, it pays a lot less in development charges than the Langstaff property. For the Langstaff property, development charges alone, using today's rates, are about $650 million, a little over $300 million for Queensville; 3,000 acres versus 100, or 43 hectares versus 1,200. If you took the Langstaff property and spread it out like you do in the suburbs, like the development you see, it would likely use 4,000 acres. I can almost justify those dollar values for 4,000 acres; I have trouble for 100. So we believe that there is an incentive needed for that.

Right now, just so you think about it, development charges in the suburbs—and I was on both sides of the fence there. I looked at three municipalities, and development charges in all of the municipalities I've looked at are equivalent to about 10 to 12 years of back taxes. They're paying the equivalent of what people paid over a 12-year period for development charges.

So I think the incentive is needed there. I think the growth plan is good. It tells you what to do; it gives you opportunities where there's transit. But if we drop it down to the lowest number, transit isn't going to work. Nothing is going to work but building a lot more roads like Highway 7, with a massive amount of cars on it and a little opportunity for transit. We've got to reverse that and get up to it so that it's live-work, and you can't do that at the low densities.

That's pretty well what I have to say, Mr. Chair. I would be really pleased to answer questions.

Mr. Noble Chummar: If I can just add for the record, Mr. Chair, I'd like to read verbatim so that it goes onto the record what our proposed changes are. We're suggesting that clause 9(4) of the proposed act be amended by adding the following clause, which would be a sub 4:

"For the purposes of section 60" of the Development Charges Act, "when prescribing services, specific areas, and prescribed classes of developments and services for determining area-specific development charges, the Lieutenant Governor in Council may exercise its discretion to take into account the need for smart growth and transit-oriented, complete and compact communities by incentivizing targeted urban intensification where it serves the public interest."

We believe that by adding this particular provision, it would allow the province of Ontario to achieve its ultimate objective of building smart communities.

Thank you for your time.

The Chair (Mr. Peter Tabuns): Thank you. With that, we go to the government. Mr. Potts?

Mr. Arthur Potts: Thank you for being here today and for your presentation. Help me understand better. The development charges opportunity here is flexibility in what municipalities want to charge. It's my understanding that will allow them to reduce development charges, maybe along a transit strip, in order to incent people to come into a transit corridor, and then raise them, maybe, on other parts in order to disincent people to be in communities where a reliance on more expensive roads, sewers and water supply systems would be of less benefit to the municipality. How is it you don't see what we're doing here with the flexibility being built as meeting the objectives?

Mr. Noble Chummar: I might just start with that you're correct, Mr. Potts, in that the legislation as drafted certainly does contemplate this. This is the government's intent. The government's intent is, if this act passes, to give the municipalities the ability to make decisions as they see fit.

What we are proposing is to also give the Lieutenant Governor in Council, i.e. the province of Ontario, the ability to take a look at areas that they've already identified as smart growth areas, or any other particular area that is in need of urban intensification, and to make a decision based on principles that are contained in your own public planning policies. I don't know if Mr. Duffy has anything to add to that.

Mr. Al Duffy: Mr. Potts, I think that's a very good question. As Noble has just said, we're looking at the growth nodes, growth centres, corridors, and anywhere where there's massive transit, where you have a lot of investment in transit. But we're now seeing along those corridors that instead of giving some incentive, in fact, what happened is that the developers are just having to downsize because they cannot afford to build the high-rise buildings. There is so much more involved—underground with parking and all of those things. The easiest thing to sell anywhere is a house with two garage doors; you can do that anywhere.

Municipalities are making a lot of money either way, I believe. They're covering their costs. We didn't hear that from a lot of speakers today, but they don't seem to be in trouble. I did it before when we didn't have development charges and we made our town work. When you have to, you have to, and you do it.

The Chair (Mr. Peter Tabuns): Mr. Potts, I'm sorry.

Mr. Arthur Potts: All right.

The Chair (Mr. Peter Tabuns): Mr. Hardeman, you have about two minutes and 20 seconds.

Mr. Ernie Hardeman: Thank you very much for your presentation. I just want to follow up on the last question. The issue of the difference in cost of developing one area over another, of course, affects different developers in one area over the other. Are you suggesting that there should be something put in place that would even it out, so there was some way through the Development Charges Act you could actually give a fair deal regardless of where it was going to be developed, so you could develop at similar cost?

Mr. Noble Chummar: On that note, and Mr. Duffy can answer this after me—

Mr. Al Duffy: I think I can. Oh, go ahead. Are you suggesting—

Mr. Noble Chummar: Yes, I was just going to say I think the purpose is to be agnostic in terms of who owns the land. I mean, that's not how one ought to operate and plan from a planning perspective. But it's to look at transit areas, to look at urban centres within a municipality, to respect the municipality's own plans and general zoning.

To answer your question, no, I don't think that there's a goal here to pick one area over the other. It's to pick the right area over another, and to incentivize whoever owns those lands to build appropriately and to build in an urban-intensified way.

Mr. Al Duffy: It's really to deal with the growth plan itself. The growth plan itself identifies a series of growth nodes throughout the greater Toronto and Hamilton area. It's within those growth nodes where the most transit is. That's where you want to get intensification. We think you need some incentive to do that. That's really what we're talking about.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Peter Tabuns): Mr. Hatfield.

Mr. Percy Hatfield: I guess I'm looking at it from the other way. Isn't the incentive already there, that the government or governments together have built the transit lines or are building the transit lines in order to encourage you to build the housing for people who would make use of the transit?

Mr. Noble Chummar: If I can respond to it first again, a lot of the government announcements on these transit lines in intensified areas are exactly that. They're just announcements.

Mr. Percy Hatfield: No.

Laughter.

1630

Mr. Noble Chummar: What we feel is, though legislatively a mechanism like this could actually incentivize the development in these corridors, the reality is that a lot of these development charges get passed on to the consumer and they get passed on to homeowners who, if we're talking about incentivizing a single parent with a family, passing on an additional $20,000, $25,000, $35,000 to that consumer doesn't make sense. Frankly, it makes it unaffordable.

As obtuse as this sounds, this provision or this legislation, even as it's written right now, actually incents affordable housing.

Mr. Percy Hatfield: Should growth pay for growth 100%?

Mr. Al Duffy: I think there's a shared responsibility. Growth brings a lot of improved services to communities, as well. You wind up with better fire protection because a lot of communities—Queensville is going from a part-time fire department to a full-time fire department. There's got to be some contribution. They're getting better water service, they're getting better sewer service, they're getting better recreation services. There's no pool in some of these areas, and development brings that.

I think it's got to be shared and I think that's why the government looked at it originally and said there should be a share in there. I truly believe there should be. Are we building too much? Yes, probably, but people demand better. We've got to look at the long term and can we afford to keep it.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. We've come to the end of the time.

ANGUS GLEN DEVELOPMENTS LTD.

The Chair (Mr. Peter Tabuns): The next presentation: Angus Glen Developments Ltd., Mr. Smiley. Sir, as you've heard, you have up to 15 minutes to present. There will be questions if you have time left over. If you'd like to introduce yourself for Hansard.

Mr. Neil Smiley: Thank you, Mr. Chairman, members of the committee. My name is Neil Smiley and I am a partner with Fasken Martineau DuMoulin law firm here in Toronto and represent Angus Glen Developments, a long-time fixture on the Markham, Ontario, development scene.

It's a distinct pleasure to be here today to speak to you about a focused and critical area of Bill 73 regarding development charges that I respectfully submit requires your committee's and the government's immediate attention.

Before I start, let me tell you a bit about myself and, in particular, Angus Glen Developments so you have some context for the remarks that I'll be making to you.

I've been practising real estate and development law for 25 years at Fasken Martineau and have extensive experience with real estate transactions as well as with land use, development and planning issues for both small and large-sized developers. Before becoming a lawyer, I was a professional urban planner for a Toronto-area municipality. My comments to you today regarding Bill 73 as it relates to development charges come from an informed place, from the trenches of the daily grind of interpreting and navigating planning legislation and how it impacts developers' investment decisions from project to project and from municipality to municipality.

As far as my client, Angus Glen Developments/Kylemore Communities has established a reputation for being an industry innovator and builder of superior homes and communities. Kylemore is also headquartered in Markham, Ontario, where it has built more than 1,000 homes in the Angus Glen community, surrounded by two pretty good golf courses. Residences range from boutique condominium suites to elegant townhouses, executive detached homes and inspired custom-built homes.

But most importantly, in 2013, Angus Glen/Kylemore was recognized by BILD, the Building Industry and Land Development Association, with the prestigious Places to Grow Community of the Year, low-rise. The award recognizes the community that's the best example of smart growth, environmental preservation, recreational amenities, streetscapes and architecture. Angus Glen Developments is synonymous with smart growth and arguably one of the first developers in the GTA to embrace the concept of new urbanism while providing for planned complete and compact communities well before provincial policy statements and the growth plan brought smart growth into our day-to-day dialogue.

I will speak to you and focus only today on the Development Charges Act. If I could leave you with only one takeaway, members of the committee, from my presentation today, it would be that with respect to the proposed specific changes to the Development Charges Act, Bill 73 has unfortunately missed the mark in promoting the very smart growth for Ontario's communities, the mandate that the name of the legislation serves to protect.

In particular, there is a dangerous disconnect on the one hand—and I think you heard it from an earlier speaker—between all the hard work, good planning work, that predates this bill through Ontario's provincial policy statements, the Places to Grow Act, the growth plan, those policies that encourage intensification of existing urban areas in certain earmarked locations to slow urban expansion; all of that good stuff on the one hand and on the other, between the current development charges regime that in no way encourages, promotes or incentivizes the development of the very thing you are looking for—the intense, compact and transit-oriented projects, particularly in the urban growth centres—the unthinkable result being a failure, I would suggest to you, to slow urban expansion beyond the urban areas and into the whitebelts and beyond.

To best illustrate the point, I wish to focus for a few minutes on the urban growth centres that are identified in the province's growth plan, some 25 locations that the province has earmarked for, let's say, special treatment, areas that the province is counting on as lightning rods for intensification and redevelopment of existing urban areas to meet critical density and employment targets into year 2031, while at the same time keeping urban expansion in check.

Angus Glen Developments has a substantial interest in one of those identified urban growth centres—I think you heard about it just before—the Langstaff Gateway growth centre located in Markham. I use that centre as an example, but my comments to you today would apply equally well to other growth centres across the province, for which the province has identified the need for intensification. Simply put, the province identifies in the growth centres those key places it wants and needs intensification to go, but it has not created any incentives which might be better characterized as safeguards in the development charges regime to level the playing field with development sites that are not within such growth centres, but which either pay the same development charges per unit on similar-sized parcels or—dare I suggest—consume much more land with lesser-density projects, and pay significantly less development charges as a result.

Moreover, the straight-line, one-price-fits-all development charges for higher-density projects, I would suggest, is causing developers to push—imagine the irony—for lower densities, rather than pursue the higher density that the provincial plans would support. This disconnect, I suggest to you, is taking hold across many growth centres, with development charges, particularly in the 905, outpacing the market and turning the economics of such projects potentially on their heads.

If one reads the current debates on this bill—I appreciate that there were extensive debates so far—there are a number of members who acknowledge that the extra costs of development are being pushed onto the home-buyer, making such home building unaffordable to the average buyer. But while affordable housing is getting out of reach for many, what the current development charges regime is actually doing is making the higher-density product imprudent for some developers, in many cases, to pursue, with all its associated costs and charges, particularly the magnitude of these development charges. In the 905, development charges are soaring, even making the city of Toronto fees, high by anyone else's stan-

dards, pale in comparison, and in many cases making intensification in the city of Toronto proper the choice of many developers, even those who cut their teeth in the 905 in the 1990s and 2000s.

Have this picture in mind for a moment: The development charges for a single-family home in Markham are almost $70,000; in Vaughan, they are $65,800; while in Toronto, they are $36,000. The development charges for an apartment condominium unit—let's say, one that you can turn around in of 650 square feet or more—are $45,000 in Markham, $42,000 in Vaughan and an approximate average of $17,500 in Toronto.

Is it that the 905 municipalities have capital growth-related and service costs that are double or near triple that of the same costs in the city of Toronto? I don't believe so. A week doesn't go by where we don't hear something about the stifling costs of deteriorating infrastructure here in Toronto. So how is it that the 905 has such staggering development charges? How much longer can the 905 market sustain the stifling DCs—some two or three times that of Toronto—where the same units in the 905 cannot be sold for anywhere near the upside market prices in the city of Toronto? In the words of some members during your debates, do you simply chalk up these staggering costs of the DCs truly to the cost of growth paying for growth? Well, committee members, I respectfully suggest to you that the day has come, through Bill 73—we have the chance here—that smart growth should not be paying the same charges that as-is traditional land-gobbling and—mind my words—stupid growth is paying.

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Growth that is centred to the growth centres earmarked by the province should—let me restate that—must be encouraged and incentivised with a preferential development charges regime. It would make eminent sense to treat a development that harnesses the province's growth strategy by building vertically on an acre of land differently than the development that eats up 50 to 100 acres of land horizontally for singles or towns.

As an example of a provincial growth centre, the Langstaff Gateway centre comprises some 47 hectares or 100 acres of land in the Highway 401 area between Bayview Avenue on the east and Yonge Street on the west. It's not a greenfield site; it's not a place where there are no services. It's a brownfield site where there's running water, municipal infrastructure and the like.

Many tout the Langstaff Gateway area as the leading growth centre in North America and the city of Markham, and a place for, perhaps, as built out, 48,000 or so residents and up to 30,000 jobs. The city of Markham and the region of York have embraced the province's Langstaff Gateway growth centre designation, and each has recognized the high-density, employment and mixed uses in their official plans to support this transit-oriented growth centre.

But the development charges in Markham's growth centres and in other 905 municipalities simply do not make sense and run at cross purposes to the government's intensification objectives to curtail urban sprawl. How can it be, members, that the development charges in a growth centre are the same as development charges outside of growth centres? You've identified those key places where you want development to happen, but the municipalities are able to charge the exact same amounts outside versus inside. How can it be that the development charges for a growth centre that is on brownfield lands, lands that are serviced, lands that are running water—how can they be the same as development charges on lands that aren't in a brownfield area? There are millions of dollars for the environmental cleanup, yet the development charges are exactly the same.

Ladies and gentlemen, the disconnect between real smart growth and the development charges regime is real, and is not only impacting the affordability of housing for the consumer, but also the resolve and ability of builders to upfront the enormous costs and assume the high-stakes risks involved.

If I leave you with a sense of appreciation of this disconnect, or even if I raise a question in your mind, I'm hopeful that you will use the committee's deliberations to address this disconnect in either a change to Bill 73 or a specific regulation to ensure that our development charges regime is aligned with and promotes your provincial policy, that is, the province's current strategy to promote more intense and compact growth, and complete communities where people both live and work.

I respectfully submit to you in conclusion that where your minimum growth targets for these growth centres are being surpassed, the message be loud and clear to the municipalities and the development community that such smart growth, growth where the province really wants to see it, is truly being promoted and will be treated economically favourably under Bill 73 so as to discourage the sprawl that none of us can afford to see.

Thank you, members of the committee. If you have any questions?

The Chair (Mr. Peter Tabuns): Thank you, sir. There's about 45 seconds per caucus. We start with the official opposition. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. My question really is, if there is a direct relationship between the cost of growth and development charges, then how can this bill or any other bill deal with the issue that in one municipality, it costs less to develop than in another municipality?

Mr. Neil Smiley: It's a good question, member. I think where I'd like to see Bill 73 go is to tell and send a message to the municipality that where they have the flexibility to impose differential development charges, they're one and aligned with you, the province or the current legislation, that in those growth centres, in those intensification areas, that's where we want that next development to go, not in the farmer's field.

The Chair (Mr. Peter Tabuns): I'm sorry to say that you're out of time with this questioner.

We go to the third party. Mr. Hatfield.

Mr. Percy Hatfield: We have a different perspective on development fees because in my part of the province,

in Leamington, they've done away with them in a three-year experiment, and Harrow has cut them in half.

Are you having trouble selling the homes you're building and getting the cost of the development fee out of the new buyer?

Mr. Neil Smiley: I think, member, you've hit it on the head. I think what's happening is that these high-density intensification, very sexy, for lack of a better word, developments aren't receiving the traction in the marketplace because the upfront costs are so great. The 905s are particularly a place where you'd like to see some preferential treatment to get those projects off the ground.

Mr. Percy Hatfield: What would it take? What would be the incentive for your employer?

The Chair (Mr. Peter Tabuns): I'm sorry, Mr. Hatfield, you've run out of time.

We go to the government: Mr. Potts.

Mr. Arthur Potts: Yes, thank you for being here. Tell me what your fix would be.

Mr. Neil Smiley: There are a lot of fixes, but my fix, member, would be that if a developer is playing the game—and what does that mean? If he's meeting the density target and exceeding it. You've identified growth centres and you've identified so many jobs and people per hectare. If he or she is beating those minimum standards that you've set, there should be a discounted number, an incentivized number on the development charge.

It makes no sense that a cup of water full, a condo this tall, pays the same development charges in a growth centre as when I spill this water on this desk to a subdivision—pays the exact same amount.

Mr. Arthur Potts: And does Mr. Chummar's amendment get to that?

The Chair (Mr. Peter Tabuns): Mr. Smiley and Mr. Potts, I'm sorry to say we've run out of time. Thank you very much for your presentation today.

CONDOR PROPERTIES LTD.

The Chair (Mr. Peter Tabuns): Our next presentation is Condor Properties Ltd., Sam Balsamo. Mr. Balsamo, welcome. You have up to 15 minutes. If you'd introduce yourself for Hansard, and it's all yours.

Mr. Sam Balsamo: I'll just set my timer. Thank you. My name is Sam Balsamo from Condor Properties Ltd. I thank you for the opportunity of making this delegation or presentation to this committee on what we think is an incredible opportunity to assist the growth plan in providing the proper tools.

We at Condor Properties Ltd. had embraced the growth plan when it came out and we believe in its vision and, as a result of that, have been one of the major developers that have assembled the land and bought the Langstaff Gateway community development to a point where the approvals have been met so that we can achieve what we think is the vision of the province in the intensification corridor.

We've learned a lot throughout the way. If you ask me if we've built the first building, the answer is no. I think a lot of that has to do with the development charges and also, under the Planning Act, the park land dedication. So collectively between the two, it's stifling growth.

I think the growth plan vision of compact communities is in jeopardy as a result of that, because in isolation, the policy and doctrine cannot be realized without providing the tools to do so by aligning other acts, like the Development Charges Act and the Planning Act to name a few, with the plan of the growth plan; or in addition, other ministerial departments, like education, to consider alternative forms of facilities like urban vertical schools. I know that's not the subject matter of Bill 73, but I hope that later on, there could be some additional tools that can be provided to assist the growth plan.

The simplest way to describe the status quo is that we have a vision to create and develop urban communities and environments within the growth plan, but that vision lives within the suburban rule book of laws and policies. We have to begin to create an urban rule book in its entirety.

The Smart Growth for Our Communities Act, Bill 73, is a good start. The following are my comments on areas of focus that should be considered given the current opportunity to get the tools right.

Firstly, the development charges should not reward low-density development and stifle high-density urban intensification centres. Secondly, current park requirements by the municipalities, in conforming to the Planning Act, are prohibitive and stifle the economic viability of the high-density intensification centres.

Before I talk about the two points, I just want to put the growth plan in its appropriate context. The summary of the growth plan, to better understand our comments on the Development Charges Act modifications, is as follows.

The growth plan establishes a new vision for planning in the greater Golden Horseshoe. It establishes that the province, as a follow-up to the greenbelt—for the purposes of reining in urban sprawl in favour of denser mixed-use, complete communities.

The emphasis on intensification in existing urban areas is within the urban growth centres and intensification corridors identified in the growth plan. The model of growth is in direct contrast to the growth that prevailed prior to the growth plan, meaning urban sprawl.

Intensification projects are more efficient, beneficial and challenging. Intensification encourages and utilizes less land resources. Low-density development demands on new infrastructure are a lot more exceeding than on intensification. Low density, therefore, is more inefficient and more expensive.

So the vision of the growth plan is correct. Is it happening? The answer is no. Why? Because we need new tools.

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Development charges and parkland dedication and/or cash in lieu are creating substantial roadblocks for the development of the intensification nodes identified in the growth plan. More density has created large windfalls of cash, or potential windfalls of cash, to the municipalities, or potential windfalls disproportionate to the economic

burden that such intensification nodes present to the municipalities or the regions. We are in a position where such taxes create a negative land value scenario, thus discouraging intensification and encouraging low-density development.

The results are a municipality using the tools that they've got, and they get in the way of intensification. There are outdated development standards for parks, schools, community centres etc. that don't conform to the urbanization model, and it's simply a suburban rule book in an urban environment. The current system supports low-rise density developments and punishes intensification, for lack of a better word.

Pressures to expand the urban areas within the white-belt will continue if we don't get the tools correct, and the cost of housing will continue to skyrocket due to the limited supply of land and the ineffectiveness of the growth plan implementation to allow for affordable housing to take place and to meet the supply curves. The constraint of land and the inability to execute intensification nodes leads to a shortage of housing supplies. In the face of increased immigration and housing demands, this leads to higher home prices. Higher home prices are not so much about the low-interest-rate environment as the lack of supply.

Let's talk about the development charges and why the current role of development charges in determining what gets built is not intensification. Development charges subsidize the lowest density housing forms while penalizing the highest forms, as I've previously said. This is a direct result of increased densities on a per-hectare basis and the application of the same formula. For example, in Markham Gateway, there is a block within that gateway that's 0.75 hectares that requires relatively limited new road or servicing. It would generate $30 million in development charges, which is the same as the 29 hectares of land under a low-density scenario that requires more resources. This has created an economic and policy barrier to the intensification and the realization of the intensification nodes.

Markham Gateway, as you heard, or the Langstaff Gateway, is a significant intensification node with 15,000 resident units and 3.5 million square feet of office, commercial and retail on approximately 130 gross acres, net 100 acres. The equivalent low-density scenario requires over 4,400 acres of land. Notwithstanding the examples, the DCs for low rise are less than the high rise, thus creating an environment contrary to the intent of growth, where we are subsidizing, promoting and encouraging low rise.

I think a large part of that is because of the municipality's and the region's application of the average-cost approach to calculating DCs. Development charges are contributing disproportionately to the increased cost of the average dwelling. The average-cost approach leads to inefficiencies. We need a substantially increased enumerator and to add more units to the denominator, being the hectare. This leads to the average cost of being subsidized by the density nodes as a result of the increasing amount of density within a small area.

An example of applying the current methodology is that in the Markham Gateway community, we would generate almost $15 million to $20 million in residential development charges per hectare compared to $1.7 million per hectare in a community known as Wismer Commons in Markham, or $1 million in the Queensville community. That's staggering in terms of the differential, and I would suggest to you that the economic burden on the intensification nodes is significantly less for the municipality than the urban sprawl approach.

So how do we restructure the development charges? We need to encourage existing urban and urban-designated lands to develop more efficiently in accordance with the growth plan principles. We need to better reflect the true cost of low-density development and abandon the average-cost approach, given the existence of two new worlds: a low-rise development and a high-rise development world in significant intensification nodes, thus leading to two different structures, i.e., an urban rule book and a suburban rule book.

The urban growth centres identified in the growth plan should be given priority with a focus of promoting the maximum intensification possible, well beyond its targets. One possible methodology is to cap the development charges at the targets set in the growth plan, and bonus for those exceeding the growth plans.

On the Planning Act and parks, there is a similar analogy. Without getting into the scenario, there have been certain circumstances within the regional municipality of York and some municipalities where they've not only applied the Planning Act approach of one per 300 but also applied specific amounts, which basically led to a penalty for the developer to go ahead and try and meet intensification notes.

Specifically, we were part of a development where we had high density by right and we had about 18 to 20 storeys where we could have done, maybe 3,000 units, and we went in and went for downzoning in order to allow for only 1,500 townhouses. Between the development charges and the parkland dedication, it created a negative land value where it was actually costing us money to do that development.

That is an environment which is completely inconsistent with what the growth plan intentions are. Quite frankly, that is not an environment that we think should continue. The opportunity is now, under Bill 73, to not only fix the development charges but also to deal with urban parks and an urban environment with respect to parkland dedication.

In conclusion, the Smart Growth for Our Communities Act is welcome and it's a start to creating the tools required for an urban rule book. Both the Development Charges Act and the Planning Act should encompass discretion for the minister to apply a specific set of guidelines to promote and encourage intensification in those intensification centres identified in the growth plan.

My suggestion is that the discretion of the minister is probably appropriate because the necessary studies would need to be done in order to ensure the bonusing component with respect to targets that exceed the minimum set in the growth plan, as opposed to a blanket formula that may or may not apply in all circumstances. We need to get away from the average-cost approach and deal with specific communities, specifically in the intensification corridors.

Thank you for your time.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Balsamo. We've got about a minute and a half per party. We're starting with the third party: Mr. Hatfield.

Mr. Percy Hatfield: If I can talk about parkland dedication first—thank you for being here, by the way. You're of the opinion that—what?—you're paying too much cash in lieu for not providing parkland?

Mr. Sam Balsamo: In an intensification environment, the answer is yes.

Mr. Percy Hatfield: Isn't more parkland in an intensification project—doesn't it make for a better quality of life and a more enjoyable place to live?

Mr. Sam Balsamo: I thought that until I heard Peter Calthorpe, who was the urban planner and a renowned worldwide planner who worked with us. He basically said that when you're trying to create a transit environment and an urban environment, it doesn't necessarily mean that the park has to be right next door. There has to be connectivity to a park network.

Mr. Percy Hatfield: A park network?

Mr. Sam Balsamo: A park network. Therefore, a contribution towards that park network may make sense. But to the full burden that it is as a suburban network, it does not make sense.

Mr. Percy Hatfield: But somebody has to pay for it.

Mr. Sam Balsamo: Somebody has to identify what the park network should be and a proportionate amount should be paid for by the community; that's correct.

Mr. Percy Hatfield: As far as the development fees go, you're obviously of the opinion that you're paying way too much for those.

Mr. Sam Balsamo: That's a subjective answer, but I would say yes. As it relates to the intensification corridor, I think the numbers speak for themselves. When you have $15 million to $1 million per hectare, it just cries that there's a problem here. When you have 4,400 acres of land, I realize that we need to—

The Chair (Mr. Peter Tabuns): Mr. Balsamo, I'm sorry to say that your time is up with this questioner.

We have to go to the government: Mr. Potts?

Mr. Arthur Potts: Thank you very much for being here.

Municipalities set the development charge.

Mr. Sam Balsamo: That's correct.

Mr. Arthur Potts: Is it your submission that the province should be directing them about discounting in high-density areas as opposed to low-density areas?

Mr. Sam Balsamo: I would suggest that the province should set parameters on what they should look for in criteria in order to differentiate them.

Mr. Arthur Potts: This bill is one of four pieces of legislation dealing with the development industry. Did you make submissions to the Crombie coordinated review? I think these issues will continue to be developed in future reports.

Mr. Sam Balsamo: I myself directly have not, but our organization has, and we'll continue to.

Mr. Arthur Potts: All right. This bill, specifically on development charges, is there to try to provide the flexibility, to incent. I get your bit about the average-cost approach. The penny has dropped about why one hectare with 40 properties on it might be more expensive than 40 properties on 40 hectares, if you're using the same—but wouldn't the municipality be the best agent for making that change, making the correction?

Mr. Sam Balsamo: It's challenging—how do I put this? The person who needs the revenue is not the one you go to to discount the revenue.

Mr. Arthur Potts: All right, fair enough.

1700

The Chair (Mr. Peter Tabuns): Okay. Thank you. To the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. We've been hearing quite a few presentations. There seems to be a bit of a theme running here, that somehow this legislation is the growth plan. I guess the government does play with the titles of the bill. This is actually just an amendment to the Planning Act and an amendment to the Development Charges Act. The growth plan is a totally different piece of legislation. It relates to the previous presenter who, when we were talking about using the development charges to direct growth by lowering them where you wanted the density—of course, this bill doesn't allow or doesn't provide for that to happen.

I would agree with you and I'd like, maybe, your opinion on that. If it's directly related to the cost of servicing the new growth, the building you're building, should they not be less for multi-residential? Because obviously it's not going to cost as much per unit to serve as the low-density areas. Should the development charges be balanced to actually pay for the service that they need, as opposed to an overall picture of what the developer is building?

Mr. Sam Balsamo: I'll answer that question in two parts. Number one, we understand that Bill 73 only deals with the Development Charges Act and the Planning Act but, as I suggested, these are enabling tools. The growth plan, in and of itself, in isolation, will not work unless the enabling tools allow it to. That is why you haven't seen the staggering growth in the 905 that one would have. We understand the differentiation, but the Development Charges Act and the Planning Act are tools in the tool box, no different than—I made the comment about education. It's hard to get the—

The Chair (Mr. Peter Tabuns): Mr. Balsamo, I'm sorry. We've run out of time for your presentation.

Mr. Sam Balsamo: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. I appreciate it.

ONTARIO STONE, SAND AND GRAVEL ASSOCIATION

The Chair (Mr. Peter Tabuns): Our next presenter: the Ontario Stone, Sand and Gravel Association, Mr. Scott and Ms. Bull. If you would introduce yourselves for Hansard, you have up to 15 minutes. The time that's left over will be taken up with questions from the members of the committee.

Mr. Mike Scott: Thank you, Chair and members of the committee. Good afternoon. My name is Mike Scott. I'm the manager of planning and policy for the Ontario Stone, Sand and Gravel Association. With me is Mary Bull, lawyer at Wood Bull LLP. Mary is a specialist in land use planning matters and works frequently with aggregate licensing matters. Wood Bull is a member of the Ontario Stone, Sand and Gravel Association, and Mary participates with OSSGA committees on land use planning matters. In front of you, you should have the letter that we submitted during the last commenting period. My presentation today will be a reiteration of our points submitted in that letter.

The Ontario Stone, Sand and Gravel Association is a not-for-profit association representing 280 sand, gravel and crushed stone producers and suppliers of valuable industry products and services. Collectively, our members supply the substantial majority of the 164 million tonnes of aggregate consumed, on average, annually in the province to build and maintain Ontario's infrastructure needs.

OSSGA appreciates the opportunity to provide comments on Bill 73. The proposed bill, we feel, is a positive step forward in encouraging more meaningful public participation in the planning process.

OSSGA has one concern with the proposed bill, and that is the two-year moratorium related to official plan and zoning bylaw amendments. OSSGA believes this moratorium will impact the long-term availability of aggregates and is inconsistent with the provincial policy statement, particularly policy 2.5.2.1 of the PPS which states: "As much of the mineral aggregate resources as is realistically possible shall be made available as close to markets as possible."

Unlike other land uses, most municipal official plans and zoning bylaws do not pre-designate or pre-zone for aggregate uses. Instead, they require site-specific amendments to local official plans and/or zoning bylaws to establish an aggregate use. Aggregate uses are treated differently in official plans and zoning bylaws. They are really unique circumstances in terms of planning. A requirement of the Ministry of Natural Resources and Forestry licensing process is that local official plan and zoning compliance is obtained prior to a licence being issued. This ensures that municipal concerns are addressed.

Therefore, it's neither prudent nor realistic to contemplate that site-specific aggregate amendments would be either deferred or considered as part of a general OP review process. The process, generally, for obtaining an amendment to an OP or zoning bylaw for an aggregate licence is lengthy and very complex.

In terms of the consequences of delay, obtaining a licence under the ARA, as stated, in making an amendment to an official plan and a zoning bylaw to permit a new aggregate operation requires extensive studies, consultation, and a review by the provincial government, municipalities and other agencies, such as conservation authorities. Deferring applications for two years could result in unacceptable delays in an already lengthy process and a delay in making aggregates available, contrary to the provincial policy statement.

Including the site-specific amendments in an OP review is therefore cumbersome and unworkable for both the proponent of the site-specific amendment and the municipality trying to update its official plan. The review of OPs is not designed to facilitate the complex and lengthy time frame which an amendment for an aggregate application requires. In addition, the amendment process is focused on site-specific issues related around environmental considerations, traffic, noise and other factors, where an OP is centred generally on policy issues for a large geographic area.

OSSGA is proposing a pretty simple solution to this. We're looking for some flexibility in the bill. We're just asking that aggregate applications be exempt from the policy stating that amendments not be made in the two-year period. OSSGA understands the proposed changes in this bill; we just feel that aggregate applications fall out of the spirit of this proposed change. Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. We have about three minutes per caucus. We start first with the government.

Mr. Arthur Potts: You're going to go?

The Chair (Mr. Peter Tabuns): Ms. Mangat?

Mrs. Amrit Mangat: Thank you for your presentation. My question is, do you think that citizen engagement is important on the planning advisory committees?

Mr. Mike Scott: Sorry, could you just repeat the question?

Mrs. Amrit Mangat: Citizen engagement is important on the planning advisory committees? Citizen engagement: Is it?

Ms. Mary Bull: I don't think OSSGA takes a position on the planning advisory committees, but citizen engagement in the planning process is always a good thing.

Mrs. Amrit Mangat: How can that enhance planning decisions? Can you throw some light on that?

Ms. Mary Bull: With respect to aggregate matters, through the public participation process—I apologize for my voice—issues are often raised and addressed during that process. That's why the Aggregate Resources Act and the Planning Act already have significant requirements for input from the public.

Mrs. Amrit Mangat: So how can we increase public engagement, in your opinion?

Ms. Mary Bull: I can give you my personal opinion on that. I don't think it's necessary to do that. I think

there are plenty of opportunities for public engagement in the planning process. The issue that OSSGA is bringing today has to do with the two-year moratorium on bringing applications to amend official plans and zoning bylaws in a system where, almost without exception, official plans and zoning bylaws don't pre-designate or pre-zone those properties. So the rationale for the moratorium doesn't exist for aggregate applications.

Mrs. Amrit Mangat: Thank you.

The Chair (Mr. Peter Tabuns): Thank you. The official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much. I just wanted to talk a little bit about the freeze on applying for amendments to an official plan and the zoning for gravel extraction. It seems to me that there are two separate processes. I would suggest that whether it's housing or whether it's extraction, if you're doing an official plan with a municipality, where the aggregate is is a known fact. You would think you would immediately, in the original official plan, designate properties that have extraction possibilities as gravel extraction. Even though they're not zoned for that at the present time—they may still be farmland—it would seem that only a site-specific zoning bylaw would be required after that to make it an extraction site. Why is it you're concerned that you can't tell less than two years ahead that you might someday want to take gravel out of that area?

Ms. Mary Bull: Sir, we wish it was that lands were pre-designated in official plans for aggregate. You're correct that one knows where those aggregate sources are today. Most official plans might identify in a schedule that this is an aggregate area, but they specifically require that there is a site-specific official plan amendment if you want to extract those areas. Therefore, you have to make a site-specific application. It's never part of the comprehensive official plan process.

1710

Mr. Ernie Hardeman: In my area, it seems that all the land that has gravel extraction possibilities, or the primary ones at least, are already designated in the official plan even though the farmer who's farming it has no interest in mining it at this time. It's the zoning that's required when they want to actually get a licence for it. I'm just curious as to why the official plan couldn't designate it at least that much ahead.

Ms. Mary Bull: The official plan could do that, but they do not. As a matter of practice, municipalities do not do that. I can't think of a single one where you can go and it says, "You can put aggregate on this land without an official plan amendment." Municipalities want to have the control of understanding all of the site-specific issues—the traffic, the environment, the hydrogeology—and so they always, even if they identify it as an aggregate area, require a further site-specific official plan amendment process.

Mr. Ernie Hardeman: Okay. Thank you.

The Chair (Mr. Peter Tabuns): Mr. Hardeman, you're out of time.

We'll go to the third party. Mr. Hatfield.

Mr. Percy Hatfield: I'm just wondering whether you've had any conversations with the municipalities, either through AMO or anybody else, where they would either agree with you or disagree with you that deferring applications for two years could mean unacceptable delays in a process that's already cumbersome and unworkable.

Mr. Mike Scott: We have not had any conversations with AMO or municipalities. If I were to hazard a guess, I think municipalities want the process to be as efficient as possible. During an aggregate application, there's a lot of formal and informal negotiation, so that file could sit with a municipality for a long time and—

Mr. Percy Hatfield: As you say, if they want the process to be as efficient as possible, wouldn't it benefit municipalities to work with you on this specific item rather than put something in there that's going to be cumbersome? Wouldn't that benefit you to have that conversation?

Mr. Mike Scott: Absolutely, yes, it would. Unfortunately, we haven't had that conversation with them, but I think it would definitely benefit.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much.

CO-OPERATIVE HOUSING FEDERATION OF CANADA

The Chair (Mr. Peter Tabuns): Our next presenters, then: Co-operative Housing Federation of Canada, Brian Eng and Aaron Denhartog.

Good afternoon, Brian. You have up to 15 minutes, as you probably heard. If you'd introduce yourself for Hansard. Take it away.

Mr. Brian Eng: Thank you very much. My name is Brian Eng. I'm director-at-large of the Co-operative Housing Federation of Canada.

CHF Canada is the organized voice for affordable housing co-operatives in Canada. Our membership is composed of over 900 housing co-ops across the country, with over 250,000 members, half of which are located in Ontario.

CHF Canada and its Ontario region deliver education programs and provide services to co-ops to maintain and improve their governance and management, ensuring that they continue to be viable business enterprises and successful co-operative communities. We advocate with government on behalf of our members to maintain effective relationships, leverage funding for providing affordable housing to all income levels, and expand the stock of affordable housing in the co-operative sector. Co-operatives are a proven model of delivering affordable housing and building successful communities.

We are here today to urge the committee and ultimately the government to make changes to Bill 73, Smart Growth for Our Communities Act, 2015, that we think would make it possible for more affordable housing to be developed and for the co-operative housing sector in Ontario to expand. We're specifically recommending that the committee amend Bill 73 to add changes to the Plan-

ning Act that would allow for municipalities to implement inclusionary zoning practices.

The committee has probably already heard from a number of individuals and organizations, and will no doubt hear from more, about the value of inclusionary zoning as a way of leveraging the growth happening in our communities for more affordable housing. CHF Canada has previously advocated for inclusionary zoning in our pre-budget submission to the Standing Committee on Finance and Economic Affairs. Over the past years, we have also advocated for it in individual meetings with the Minister of Municipal Affairs and Housing, other government ministers and members of provincial Parliament from all parties.

Inclusionary zoning is a proven tool that provides affordable units throughout our communities and can be used to provide the units and other resources necessary to provide for a full range of housing needs.

Inclusionary zoning is now used in over 400 communities in the United States, including big cities that use it in urban redevelopment as well as smaller suburban communities. The goal of inclusionary zoning is to leverage the growth being experienced in the private sector to provide units that are available to eligible households at costs below market. When used in conjunction with other public policy tools such as housing benefits and supplements, inclusionary zoning can be used to provide housing at a wide range of household incomes.

The social and public policy benefits of inclusionary zoning are clear. Mixed-income neighbourhoods add to the vibrancy of the social fabric of our communities. People have the opportunity to live and work in the same neighbourhoods, reducing the environmental and social stress of commuting and resulting in increased social integration in all neighbourhoods.

Studies have shown that there is little or no impact of well-designed inclusionary zoning on development outcomes. There's no additional cost that is passed on to those households acquiring market units. Development does not stop. It appears that developers continue to be profit-making businesses. They adapt to new public policy obligations as they always have in the past, and smart municipalities work hard with developers to make sure that there are fair and equitable cost offsets to ensure the continued viability of private sector development.

In exchange, significant increases in the amount of affordable housing can be achieved. Jennifer Keesmaat, chief planner for the city of Toronto, estimates that even a modest inclusionary zoning program in that city would produce 1,000 to 1,500 units of affordable housing per year. Currently, other programs are producing less than half of that in most years and often next to nothing.

It is true that there is a commitment from the new federal government for funding programs to meet housing needs. However, it is also clear that, at least for the foreseeable future, this funding needs to be prioritized towards the social housing stock for development and redevelopment, as well as to providing income and other supports for low-income households to access adequate housing. There will continue to be a gap in providing affordable housing to middle-income families that are priced out of the new housing market and even the resale and rental market in larger urban centres.

The Co-operative Housing Federation of Canada is particularly interested in seeing inclusionary zoning implemented because we believe, based on the American model, that it has the capacity to increase the supply of affordable rental housing by developing programs that allow the non-profit rental sector to become the owners and operators of the affordable units. It is not uncommon in the US to see IZ programs stipulate that a certain portion of the units developed must be offered to the non-profit sector.

We've seen a very small number of units developed using existing programs like section 37 and the Affordable Housing Initiative, but the limitations of these types of programs have become abundantly clear, and the municipalities and the non-profit sector need new tools in order to make a more significant impact. We look forward to working with municipalities to develop similar programs and anticipate a modest growth in the co-operative housing sector.

In conclusion, we would like to reiterate that we believe that any legislation moving forward that is dealing with issues of growth must be more explicit about the responsibilities of government in making sure that affordable housing is created and providing the full range of tools necessary to make this happen. Inclusionary zoning is an important tool that municipalities need to increase the supply of affordable housing and have a positive and lasting impact in our communities. We urge the committee and government to amend Bill 73 to provide those powers to the municipalities. Thank you very much for your time.

The Chair (Mr. Peter Tabuns): Thank you very much. Members of the committee, it's about two and a half minutes per caucus. We'll start with the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I think that inclusionary zoning makes a lot of sense in most of the province, but I just want to get to the Toronto presentation that we got. When they were talking about how the average home price was around $1 million in some areas, how do you get a portion of that development to affordable rent without increasing the cost of the other units within the development? Somebody has to pick up the tab. One can say that the developer will take a lower profit margin, but they already competitively have a right to take that lower profit margin today, or the ability to do that, but the marketplace seems to say that that's how much those houses are worth.

Mr. Brian Eng: Right.

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Mr. Ernie Hardeman: It makes them less and less affordable to the people who need them, but they do it anyway. Wouldn't that automatically happen too? If you had an inclusionary zoning market or lower rent, it would just automatically increase housing prices in Toronto for the

people who today can afford them but would no longer be able to afford them?

Mr. Brian Eng: It certainly doesn't seem to be the case in the programs in the United States. The model uses a set of cost offsets—density bonusing, reduced development charges and fast-tracking—in order to make sure that the development industry still retains the capacity to be a viable business. We're not asking them to offer all of their units at an affordable rate, but we're saying that there would be an obligation to provide a percentage of the units. In the United States, 10% to 15% is common.

As I say, the Furman Center for Real Estate in New York did a study of the San Francisco program over the course of about 10 years and found that there was no significant increase in the market housing charges that they could attribute to inclusionary zoning; there was no drop in the number of units that were developed. Certainly in the mature programs in the United States, they seemed to have worked this out, and I think we have a lot to learn.

The Chair (Mr. Peter Tabuns): Mr. Eng, I'm sorry to say you've run out of time with the opposition. Mr. Hatfield?

Mr. Percy Hatfield: Thank you, Mr. Chair. Welcome, Mr. Eng. Thank you for coming in. You're a director of an organization with 900 housing co-ops across the country. When you talk about inclusionary zoning to your counterparts on the board and so on, what do they say across the rest of the country?

Mr. Brian Eng: I think that in any of the areas of the country that are experiencing the kind of growth that we are, particularly in the Golden Horseshoe area, which is where the bulk of our co-ops in Ontario are—in BC, in Montreal and even to a certain extent in Halifax, wherever there's growth, they see the value of inclusionary zoning as a tool to expand the stock of affordable housing and potentially to expand the stock of co-operative housing.

Mr. Percy Hatfield: And have they adopted that tool?

Mr. Brian Eng: The only place where there is a provincial policy in place is in Manitoba. Vancouver has a sort of inclusionary zoning program that created some additional land banking, and there is now a new co-operative being developed on that land in partnership with Vancity credit union and the BC Non-Profit Housing Association. There are some small advances being made in other parts of the country.

Mr. Percy Hatfield: How widespread do you think it would be in Ontario if municipalities had that option at their disposal?

Mr. Brian Eng: I've heard that up to 40 municipalities in Ontario have expressed interest in this in one way or another, either through resolutions of their council or letters that were provided in support of bills that have been passed. It's certainly something that any municipality that's experiencing growth—I know, for instance, that at one point the town of Milton expressed interest because of their huge greenfield growth and the fact that virtually none of it is affordable, and being able to do this does make some sense.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. Government? Mr. Potts.

Mr. Arthur Potts: Thank you, Mr. Eng, for coming here today. I'm a great believer in how the Co-operative Housing Federation and co-operative housing can help contribute to alleviating affordable housing crisis issues in Canada.

In my previous life, I worked a lot with Riverdale Co-operative; my daughter lived in the Broadview co-operative with her mother and family. I appreciate you coming down here and advocating on the inclusionary housing piece.

This bill is probably not the right place for it. We do have a whole affordable housing strategy. Have you had a chance to have engagement in that process?

Mr. Brian Eng: Yes. We've also made submissions to the original affordable housing strategy in support of inclusionary zoning and to the updates. Our material will also support inclusionary zoning.

Mr. Arthur Potts: I think it's very important. I hesitate to figure out how the Chair would rule, but if an amendment were to come forward for inclusionary housing, this bill—my guess is it's out of order. There's nothing in the bill specifically that you could address or attach it to at this time, but your comments are very well placed and I hope they'll find carriage at another time in the next piece of the puzzle.

Thank you for being here.

The Chair (Mr. Peter Tabuns): Okay. Thank you very much.

ACORN CANADA

The Chair (Mr. Peter Tabuns): Our next presenters are ACORN Canada: John Anderson and Alejandra Ruiz Vargas. Please have a seat and introduce yourselves for Hansard. You have up to 15 minutes.

Ms. Alejandra Ruiz Vargas: Hi, everybody. How are you today? I really appreciate the time and the opportunity to be here. I know this is Bill 73 that we are doing the deputation on today. I'm going to tell you why I say that later. Thank you and I'm going to start.

I'm here representing ACORN. My name is Alejandra and I'm going to speak about the important issue of inclusionary zoning. ACORN is a group of working people who are fighting for social change. We need inclusionary zoning included in Bill 73 because there is a housing crisis in Ontario, and because Torontonians need hope. We need dignity and we want to stop this stratification.

As you know, stratification allows neighbourhoods to become like ghettos. In this moment we are seeing a little bit of that. I was in a meeting maybe two weeks ago, and they spoke—one of the professors at U of T did research. They are showing how Toronto is going there in 2025. They showed a big ghetto of low-income people and a small area of high-income people, with the middle class almost gone. We should worry about that, because it's

happening. It's not a fable. It's something that is happening right now.

I work in the housing sector. Quite often I have to house people. Certainly my clients are on Ontario Works and on Ontario Disability Support Program. Maybe people don't see that inclusionary zoning will help this type of population, but I think this will have endless possibilities. I work as a housing worker, and my agency can't even put one of these persons in touch with some buildings—and you know they are managed. There are possibilities. There are auctions with inclusionary zoning. The population that this will impact will be people like myself: working Torontonians. I make $48,000 a year, but I'm not able to buy a home. Other people who are my friends or people who are members of ACORN never will be able to afford a home in Toronto. We work in Toronto, but we are not able to live in Toronto? This is my question.

There are other populations that are people who have been able to have a mortgage, but they are poor. They are mortgage-poor. If they even buy a chocolate bar—they're not able because they will be out of their budget. This would be a solution for these types of populations. It's about 60% of Torontonians that I've described right now.

We in ACORN have been doing this campaign since December 2014, but when we heard from the Liberals in January 2015 that they're going to add inclusionary zoning to one bill, we were so excited. We said, "Finally, they get it." But then, the bill vanished. Now, with Bill 73, there is an opportunity to add inclusionary zoning and give relief to people because we need to wake up, thinking there is help out there; because when you wake up and you know all your money is going to rent, it is really difficult to wake up in the mornings.

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My last statement: Until we treat the housing crisis as a hurricane, as a natural disaster, as a catastrophe, we are not going to get anywhere. So please, I encourage the government, the Liberals, to add inclusionary zoning in Bill 73. Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much. We go to questions from the committee. We have three minutes per caucus.

Mr. Hatfield, third party, you're first.

Mr. Percy Hatfield: Welcome. It's nice to see you again. Thank you for advocating for affordable housing in Ontario and for that matter, I guess, across the country.

You mentioned that we have an affordable housing crisis in Ontario. Most of the media attention that we get in the bubble at Queen's Park is about Toronto, so sometimes we concentrate on Toronto more so than the rest of the province, but that's understandable since the housing crisis in Toronto is far worse than the rest of province.

From your perspective—I know it's only one tool in the tool box, inclusionary zoning—what else could this government be doing to put other tools out there to fight the crisis in affordable housing in Ontario?

Ms. Alejandra Ruiz Vargas: In my perspective, we need to first of all not allow landlords to put high rents. If you're paying $1,000 for a place, it should be looking like a palace, shouldn't it? What I see is that people come up with the money, but they do not receive the service. I think I got off-topic, sorry. Sorry, this is from my work.

For affordable housing, we should start to build, too. That idea that I heard from people is tiny houses; that you don't need to use too much space and you can build a decent house with little space and not too expensive. To lower the costs, like Habitat for Humanity does, for example, they pool people and they build with donations and they build with human power, people who want to volunteer.

But being honest, we need money, of course. I heard this comment two weeks ago about what happened in BC when they had a natural catastrophe. They spent $6 billion helping 75,000 people to have housing. We have the money. I don't know how you can pull it together, but we have the money. When a catastrophe happens—

The Chair (Mr. Peter Tabuns): Ms. Vargas, I'm sorry. You've run out of time with Mr. Hatfield.

We go to the government: Ms. Mangat.

Mrs. Amrit Mangat: Thank you for your presentation, ma'am. I understand that inclusionary zoning is very important. It creates just and stable communities, as you said. But having said that, I'm sure that your organization, ACORN, is aware that our government has announced the Long-Term Affordable Housing Strategy. During the consultations, your group must have submitted submissions. Have they submitted their submissions about inclusionary zoning?

Ms. Alejandra Ruiz Vargas: Can you repeat the last part, sorry?

Mrs. Amrit Mangat: Our government has announced the Long-Term Affordable Housing Strategy. During the consultations, I'm sure your group had submitted their submissions about inclusionary zoning. Have they submitted?

Ms. Alejandra Ruiz Vargas: Yes.

Mrs. Amrit Mangat: Okay. Thank you.

The Chair (Mr. Peter Tabuns): Other questions? No? Okay. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. It's much appreciated.

We've heard a lot during the presentations about inclusionary zoning to solve the housing problem. I had the privilege of being critic for the Ministry of Housing, and I know there are 168,000 people in Ontario waiting for supportive housing of some kind or for support in providing housing for them.

As you mentioned, the biggest problem we have with the need for housing is in Toronto. I just have trouble understanding, or even believing that in fact, with inclusionary zoning, we can bring the value down enough for any of that housing to become housing that can be afforded by the people whom we're talking about who need the housing.

I think it was mentioned by one of my colleagues the last day we met that, yes, of course, at some point somebody is going to have to help support the rent that it's going to take to live in that housing. I totally agree with

that. I just don't think in Toronto the answer is inclusionary zoning; yet, in other parts of the province, it may very well be. When the price of housing is considerably lower you don't have to bring it down a lot, so you can do that with density or with other benefits to the developer and they can build housing.

We have public housing now where it's partly subsidized or it's supported housing. So it seems to me that we've got to do other things. I think the issue of the housing panel report was mentioned by Mr. Potts: that that we need to deal with how we're going to provide that housing. I just don't believe that this is the venue to do that because I don't believe that where we really have the need, that that part would be—I just can't imagine anyone increasing the density enough in Toronto to make up for the difference in the price of what you can afford to pay on low income to what people are presently paying for housing.

But we do thank you very much for coming in and presenting to us—

Ms. Alejandra Ruiz Vargas: And I can comment to that or no?

Mr. Ernie Hardeman: Oh, you can add as much as you'd like as long as my time doesn't run out.

Ms. Alejandra Ruiz Vargas: Okay.

The Chair (Mr. Peter Tabuns): You've got 30 seconds.

Ms. Alejandra Ruiz Vargas: Oh, 30 seconds? Okay. The inclusionary zoning, as you say, is one thing. But we need to start with something, because when we're going to start with something, we are thinking, thinking and thinking, planning, planning and planning and speaking and speaking—but when are we going to really do something? So I start with this, and if something goes wrong—I don't know. I don't think it will go wrong because we saw this in New York. We are people. They are only born in the USA. I wasn't born here, but we are Canadians. It worked with them, with their people. It has to work here—that we are people. Because at the end we need to supply the affordable housing and this is a good tool. Anyway, the developers never give the city anything—

The Chair (Mr. Peter Tabuns): Ms. Vargas, I'm sorry to say, you've used your time.

Ms. Alejandra Ruiz Vargas: I'm sorry. Okay. Anyway, thank you.

The Chair (Mr. Peter Tabuns): Thank you very much for your presentation.

ONTARIO FEDERATION OF AGRICULTURE

The Chair (Mr. Peter Tabuns): The last presentation, then, is the Ontario Federation of Agriculture. Gentlemen, you have up to 15 minutes to make your presentation. If you would introduce yourselves for Hansard, then you can take it away.

Mr. Mark Reusser: My name is Mark Reusser.

Mr. Peter Jeffery: My name is Peter Jeffery. I'm a policy researcher.

Mr. Ben LeFort: Ben LeFort, also a policy researcher.

Mr. Mark Reusser: Good afternoon, ladies and gentlemen. My name is Mark Reusser. I'm a farmer from Waterloo region, and I'm a director with the Ontario Federation of Agriculture. You should have been distributed our presentation. I will go through an abbreviated form of it.

We appreciate the opportunity to make this presentation today. Bill 73, the Smart Growth for Our Communities Act, 2015, proposes a number of changes that will impact Ontario's farming industry. I will begin with comments on the amendments to the Planning Act.

OFA supports amending subsection 3(10) of the Planning Act to extend the review period for policy statements such as the provincial policy statement, the PPS, to 10 years after the policy comes into effect. This change aligns these reviews with reviews of the greenbelt, the Oak Ridges moraine and the Niagara Escarpment plans.

However, given that the most recent provincial policy statement review took nine years to complete, OFA is concerned that the review process could take years to finalize. Therefore, we recommend that the Ministry of Municipal Affairs and Housing ensure that each review be limited in duration.

Amendments to subsection 8(1) make it mandatory for the upper-tier and single-tier municipalities to have a local planning advisory committee. OFA supports this change, with the added provision that at least one member of this committee be an active farmer where agriculture is a significant land use in the municipality.

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OFA supports amending section 16 to require municipalities to publicly consult in a prescribed way on the official plan amendments and revisions, zoning bylaws, plans of subdivision and consents or severances.

OFA also supports the amendments to section 24.2, section 24.5 and section 26, placing new official plans and zoning bylaws on a 10-year review cycle. OFA supports bringing more rigour to the appeals process, as allowed in section 17, with the caveat that the Ministry of Municipal Affairs and Housing will need to provide potential appellants with guidance on enunciating how a decision is inconsistent with, fails to conform with or conflicts with a provincial plan or the official plan.

The proposed amendments to section 45 on minor variances would require the proposed variance to conform to prescribed criteria. Developing criteria to guide applications, municipal decision-makers and the OMB on what constitutes "minor" in a variance application is long overdue. OFA looks forward to working with MMAH and other stakeholders on this development.

OFA also wishes to take this opportunity to advance an additional issue. From time to time, we see municipal councils and/or committees of adjustment grant severances that are contrary to the provincial policy statement, the local official plan or both. Local citizens can't be expected to know the content of the PPS, a regional land use plan and the official plan, nor expected to be the

watchdog for the municipality. Ontario needs a better way to deal with these situations.

Relying on appeals to the OMB is inadequate. Perhaps the Ministry of Municipal Affairs and Housing should develop a decision-tree system to screen out applications that run contrary to the provincial policy statement or the local official plan. Any application that is deemed contrary is denied summarily and not brought to council and/or committee of adjustment.

With regard to the proposed changes to the Development Charges Act, OFA has only one recommendation: that an amendment be made to provide a statutory exemption to farm structures from all development charges. The majority of municipalities in agricultural areas have already chosen—for good reason—to exempt farm buildings from development charges. A statutory exemption for farm buildings will remove endless debate on a competitive disadvantage for farmers who live in a municipality without an exemption.

OFA is pleased that the Ministry of Municipal Affairs and Housing has acknowledged the need to protect agricultural land in its provincial policy statement. Providing a statutory exemption for farm structures from development charges removes financial disincentives to keeping land in production.

OFA appreciates the opportunity to address these issues with the committee today. I just want to reiterate three of our asks. They are:

We need a better definition of what constitutes a "minor" variance. What does "minor" really mean? Municipalities need help in this regard.

Secondly, development or any other application that contravenes a provincial act such as the PPS should not even come to municipal councils; they should be summarily kicked up somewhere else. Municipalities don't have the time or the knowledge to deal with provincial acts. That's the responsibility of the province.

And finally, farm buildings need to be exempted from development charges. I will use the argument that we use out in the countryside, and that is, chickens don't read library books and pigs don't play hockey.

Laughter.

Mr. Mark Reusser: Therefore, development charges should not be charged for farm buildings.

Thank you very much. We're glad to accept questions.

The Chair (Mr. Peter Tabuns): We have about two minutes per caucus and we'll start with the government. Mr. Potts.

Mr. Arthur Potts: Thank you, Mark and guys. I don't know where to go with that. That's just too funny to start with. But I get it.

I want to focus on a piece of your submission. Most of this surrounds farmland protection, and I'm delighted to see this, particularly the piece where you talk about getting a farmer on a local municipal planning board where agricultural lands are significant. How would we describe "significant" here? Is it a percentage? How are we going to narrow that down a little?

Mr. Mark Reusser: Perhaps the first criteria is that they be a legitimate farmer, and that they be a member of a recognized general farm organization. That would be a start.

Mr. Arthur Potts: I don't qualify.

Mr. Ernie Hardeman: Here, here.

Laughter.

Mr. Mark Reusser: I'm sorry. Do my staff have anything to add to that?

Mr. Peter Jeffery: No. Defining what would be—

Mr. Arthur Potts: Municipalities could have so much land base. Maybe you even want to talk about what percentage of the land base is zoned agricultural. A percentage of zoned agricultural within a municipality is I think where we would go with this.

Mr. Peter Jeffery: I think that might be the most appropriate way. Pick a reasonable threshold where the majority of the land is—

Mr. Arthur Potts: Now, we know Mr. Currie is involved with our review on the board with the Crombie panel. We're delighted to have his participation there as we do the whole coordinated land planning. I know these points are being made very strongly at that level and will be coming forward most certainly in future discussions.

Go ahead. You have something to comment on that?

Mr. Mark Reusser: No. Again, I'll just say we do appreciate the fact that the government is now recognizing that farmland needs protecting. We're beginning to see this in proposed legislation and we're grateful for that and think that it's a great idea.

Mr. Arthur Potts: Your comments about severances and how we can maintain—so police the opportunity, because I'm assuming that's true; also what's coming from protection of farmland so we're not severing prime agricultural land for development purposes.

Mr. Mark Reusser: The government has laid out in the PPS when severances can occur and when they can't. Unfortunately, sometimes things slip through.

A provincial act has mandated that this is what it is. It's unfair to ask municipalities to spend time and effort defending something that should be defended by the province itself. These are provincial acts. Some municipalities are simply incapable because of a lack of money to spend time going to the OMB, hiring lawyers and so on. It should be the responsibility of the province to do that.

Mr. Arthur Potts: Thanks for bringing these points.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Potts. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I just want to go back to the policing of the provincial policy statement, shall we say. I've had considerable time on municipal council, on land division committees and so forth. I found that most of the time, the challenge was the agriculture representatives on the land division, and there were generally more agriculturists than there were city people because most of the severances were in the rural area. They did from time to time—in fact, I even saw when the urban people on the county council

took it to the Ontario Municipal Board because land division granted one against the policy statement.

Who would agree, other than the Federation of Agriculture, with making the province responsible for overseeing the working of their land division committee?

Mr. Mark Reusser: I don't think that is what we're recommending. We're simply saying that when there is a provincial law, it really shouldn't be up to the municipality to defend that law. The municipality should simply say to the applicant, "That does not conform with the PPS. We will not consider it."

Mr. Ernie Hardeman: Well, that's the way it is now. They're supposed to do that. But who wants us to police that? I mean, every one where it happened, the municipality said yes.

Mr. Mark Reusser: Unfortunately, yes.

Mr. Ernie Hardeman: So there's no other place to appeal that than the Ontario Municipal Board.

The other one I wanted to touch quickly on is the appointment of an agriculturalist on the advisory committee. My position is that in Oxford's case and a lot of other rural communities, the committee is redundant and doesn't work, because if it's a five-member advisory committee, four of those are going to be elected officials and they're going to do what they want when they go back. The advice is going to be irrelevant. It just creates more red tape.

I would agree that if we're going to have it and we're going to appoint one person rural, it should be a farmer, but I still think that unless we find a better way of making it work in Oxford and most of rural Ontario, that system isn't going to work.

The Chair (Mr. Peter Tabuns): Mr. Hardeman, I'm sorry to say you've run out of time.

Mr. Hatfield.

Mr. Percy Hatfield: Mark, guys, welcome. The beauty about being a member of provincial Parliament and being on this committee is that you're always learning something new. I didn't know until today, for example, that a majority of municipalities in agricultural areas have already chosen to exempt farm buildings from development charges. Is there a percentage that we can point to?

Mr. Ben LeFort: Yes. Approximately 60% of municipalities that have a development charge bylaw currently provide an exemption for agriculture.

Mr. Percy Hatfield: The reason for that, I take it, is that if I put a farm building on my farm, I'm not generating growth. It's new infrastructure but in no way is it generating growth in my community.

Mr. Ben LeFort: That's right. Our position has always been that farm residences should be treated like another residence. However, farm structures are not creating that capital growth and therefore should not be subject to development charges. Otherwise, we're extracting more than that farmer's fair share for his contribution to the capital expenditures in a municipality.

Mr. Percy Hatfield: And when we talk about growth and smart growth, how important should it be for us to recognize the evaporation, if you will, of farmland in Ontario?

Mr. Mark Reusser: I'll answer that. It's approximately 350 acres per day, every single day, in Ontario. Ontario's arable land constitutes only 5% of the land area of the province. If we want to continue to have land that produces food for our citizens, we need to protect that land. Simple as that. You can't farm rocks up in northern Ontario.

Mr. Percy Hatfield: I get that. Some 350 acres a day—again, one of these learning things. I didn't know that. You probably knew that.

Interjection.

Mr. Percy Hatfield: But if we're losing 350 acres a day of arable farmland—I mean, obviously not sustainable—how do we stop it?

Mr. Mark Reusser: It takes a strong government to stop it and laws that are enforced, and, I think, acknowledgement by the citizens of Ontario that farmland is a non-renewable natural resource and needs to be treated as such.

Mr. Percy Hatfield: Thank you.

The Chair (Mr. Peter Tabuns): Thank you very much for your presentation today.

Members of the committee, I have a question for you. I think you've been polled on this. As agreed to by the committee, the deadline for the research officer to prepare a summary is at 4 p.m. this Thursday, November 12. I've been advised that he can prepare the summary for last week's meetings but not for today's by that date. Are members in agreement to receive a summary of today's presentations by Monday, November 16 at 4 p.m.? And I have to say that's also dependent on Hansard being available in time. The committee is agreeable?

Mr. Ernie Hardeman: I understand there's no other choice.

The Chair (Mr. Peter Tabuns): Well put, sir.

A reminder, then, that the deadline to file amendments to Bill 73 with the committee Clerk is at 10 a.m. on Thursday, November 12, 2015, as agreed by the committee.

The committee is adjourned until 2 p.m. on Monday, November 16, 2015.

The committee adjourned at 1753.

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