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**Official Report
of Debates
(Hansard)**

HE-46

**Journal
des débats
(Hansard)**

HE-46

**Standing Committee
on Heritage, Infrastructure
and Cultural Policy**

Regional governance

**Comité permanent du
patrimoine, de l'infrastructure
et de la culture**

Gouvernance régionale

1st Session
43rd Parliament

Thursday 18 January 2024

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43^e législature

Jeudi 18 janvier 2024

Chair: Laurie Scott
Clerk: Isaiah Thorning

Présidente : Laurie Scott
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON HERITAGE,
INFRASTRUCTURE
AND CULTURAL POLICY**

**COMITÉ PERMANENT DU PATRIMOINE,
DE L'INFRASTRUCTURE
ET DE LA CULTURE**

Thursday 18 January 2024

Jeudi 18 janvier

The committee met at 1000 in the Crowne Plaza Kitchener-Waterloo, Kitchener.

REGIONAL GOVERNANCE

The Vice-Chair (Ms. Teresa J. Armstrong): Good morning, everyone. Thank you for being here today. I would ask all of you take a seat. We're going to start.

We're here today as the Standing Committee on Heritage, Infrastructure and Cultural Policy and we'll now come to order. We are meeting in the city of Kitchener to conduct public hearings on the study of regional governance. We are joined by staff from legislative research, Hansard, and broadcasting and recording. Please wait until I recognize you before starting to speak. As always, all comments should go through the Chair. Are there any questions before we begin?

Today's presenters have been scheduled in groups of three for each one-hour time slot, with each presenter allotted seven minutes for an opening statement, followed by 39 minutes of questioning for all three witnesses, divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of four and a half minutes for the independent member of the committee. Are there any questions?

MS. MELISSA DURRELL

MR. NICHOLAS ERMETA

MS. KAE ELGIE

The Vice-Chair (Ms. Teresa J. Armstrong): Now I will call upon the first three presenters today: Melissa Durrell, Nicholas Ermeta and Kae Elgie. Please come to the presenters' table.

If you have an agenda, we're going to follow the presenters in order. The first presenter I'll start off with is Melissa Durrell. You will have seven minutes to present your presentation, and you may begin.

Ms. Melissa Durrell: Thank you for having me here today. My name is Melissa Durrell, and I'm a business owner. I own a strategic communications company in Waterloo and a business accelerator in Cambridge. I'm also a community volunteer and I'm with an informal group of concerned citizens who have been interested in

improving municipal governance in Waterloo region. I'm also a former journalist who had the opportunity to cover Waterloo region's vibrant community and I believe it gives me a unique perspective, and it's what I would like to share with you today.

When I first arrived in the region to work for CTV, which was CKCO at the time, I brought with me a passion for politics. For six years, I was in the thick of it, covering everything from city hall to elections, provincial and federal, and also some federal funding announcements, provincial funding announcements—you name it. My role gave me access to the decision-makers, community advocates, and an interesting understanding of the inner workings of this community.

I vividly remember my early days, when the news producer warned me that Waterloo region can be a confusing place, and he wasn't talking about Weber and King, which cross three times. He was talking about each city and township, and their own personalities and the competition that existed between them. From building heights to businesses, the communities were often pitted against each other. As for the news, on any given week, there were eight council meetings, eight budget processes—and I'm not complaining about the work, but I regularly remember saying out loud in the newsroom, "This does not make sense."

Prior to coming to Waterloo region, I worked as a reporter in Sudbury, a community that had just amalgamated its seven municipalities and regional government. I covered some of the transition for CTV, reporting on the complexities and the challenges. And while there were many obstacles to overcome, leadership in Sudbury knew that that two-tier structure wasn't working for the people that they served, and they changed it. They had to go through the messy middle to get where they are today, and the city and the people are better for it. Ottawa is better amalgamated; so is Toronto and so is Hamilton.

I'm not here to go over the cost implications or service delivery; there are others that will get into those logistics. I'm here to talk about our community—the people who live here, the businesses who invest here and the organizations that make Waterloo a great place.

After my journalism career, I was elected to Waterloo city council in 2010, serving two terms. In this role, I got to know many of the people that are going to be here today,

speaking in front of you, and they care deeply about Waterloo region.

I also got a first-hand look at our current government structure and how it was failing. Higher taxes were impacting their quality of life, complex and confusing bureaucracies were limiting their civic participation, and the division of responsibilities made it harder to hold our politicians accountable. I was one of them.

For the business community or those looking to invest here, we were slow to move applications forward and get shovels in the ground. Our healthy competitions for new companies or investment opportunities often stood in the way of our progress. But what was probably the most concerning for me as a city councillor and even today as a business owner and a resident is the lack of alignment on how we are as a community and how we should grow.

What's even more frustrating is that we've been unwilling to do anything about it. We're Waterloo region. We have a reputation for innovating, for being agile and changing the game when things aren't working. Yet when it comes to how we function as a government, we are stagnant, unwilling to fix what's broken, eager to maintain the status quo.

I want to make it clear: I have a lot of respect for our local politicians and the staff. They are doing an incredible job. We've managed to attract companies like Shopify, Google and Amazon, and some incredible small retail and restaurants. But I believe our success has not been because of our complex and fragmented bureaucracy, but it's been in spite of it.

Staff turnover and movement between municipalities and regional government is certainly one of our biggest challenges. Kitchener and the region often have larger budgets and hire from Waterloo, Cambridge and the townships, and there is nothing wrong with that. I remember an amazing Waterloo employee going to Kitchener: higher pay and more responsibility—I get it. But if we didn't have eight different planning departments competing against each other for talent, maybe it wouldn't be so difficult to get our applications moving.

From a taxpayer's perspective, we have our own set of challenges. Our cities have grown together, literally, with homes on borders, resulting in citizens paying taxes to both cities depending on their front and backyards. It happens on John Street, in uptown Waterloo and downtown Kitchener.

The best and most personal example I can give for one city happened in my own neighbourhood. One street was ripped up twice over four years, and not just a little dig—a down-to-the-pipes dig. The first was the city of Waterloo, upgrading our pipes, sewer and water systems, which was great. We needed to have it done. But less than a year later, after they buttoned up the asphalt, the region ripped up all that new asphalt once again as it was moving pipes for a water treatment plant.

How does this happen? I asked that question, of course—a former journalist. The city wanted to get it done and didn't know when the region was actually going to greenlight the water treatment plant project. So what happened

was, my neighbourhood was ripped up for more than four and a half years. I actually had a digger sitting on my front lawn for quite some time.

Look, I know this project could have been done better and could have been done all at once, but this is what happens when we have two layers of government that don't often coordinate. At the end of the day, that often happens.

With LRT phase 1 complete and phases 2 and 3 on the horizon, we're very grateful for the transformative impact it's had on our region. It's stimulated economic development, it has reduced traffic congestion, and most importantly, it's connecting our community. But as I look ahead, our community is gearing up for the next major investment, and that's a super hospital. The current discussions revolve around location—

The Vice-Chair (Ms. Teresa J. Armstrong): Just 30 seconds remaining.

Ms. Melissa Durrell:—and this is not a healthy competition. It's a sign that our boundaries are no longer serving us, because Kitchener wants it and Waterloo wants it.

As we move forward with this regional government review, we have unique opportunity to address the evolving needs of our community, to put a framework in place so we can identify a shared vision for Waterloo region and the path to get there. If we started fresh, we wouldn't design a two-tier system with eight local governments and 59 politicians. We would create a system that actually works for the people it's supposed to serve. I've seen amalgamation work in other cities, and each of those cities has come out of that process more efficient and unified, providing more effective governance and responsible service delivery.

Waterloo region has the opportunity to go through the messy middle to become a strong, united city, the 10th largest city in Canada—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much for your presentation, Ms. Durrell.

We'll go to the next presenter, Nicholas Ermeta. You'll have seven minutes, and I'll give you a 30-seconds-remaining notification.

Mr. Nicholas Ermeta: Good morning. My name is Nicholas Ermeta. I am disclosing that I do currently represent ward 8 on Cambridge city council and was first elected in 2010. However, I am making it clear that I am only speaking as a Cambridge resident. I am not representing the Cambridge mayor, council or city staff. My comments today are my own as an individual, though I will add that the area mayors are calling for strengthened local communities, and I do support that aspect of that, so I want that to be known.

1010

Many thanks for this opportunity, and strong kudos for listening to all opinions on this subject. I want to start out by saying that I oppose Cambridge amalgamating into a Waterloo regional megacity. To me, the evidence is quite clear that regional amalgamations have been a failure:

costs went up and local autonomy disappeared, which, to me, is a lose-lose outcome.

Many academics have written that the reduced costs from amalgamation never occurred, that decentralized governments are actually associated with lower costs, and that healthy competition does result in better services and it gives businesses options to locate in the municipality that best fits them while staying in the same area.

The Fraser Institute came to the conclusion on amalgamation that, whether the amalgamations were done in a larger city or small rural areas, the savings never did materialize; that taxes did not go down, they went up; and in cases such as the town of Essex, where they were able to have a better lid on the tax increases, debt increased significantly, by as much as 45% in some situations.

Cambridge has a different culture than either Kitchener or Waterloo. We have a very unique identity. We identify as Cambridge, and there are many concerns in the community that regional policy has been slowly eroding our uniqueness and identity, and residents do want the city to have a much greater say than it does now.

I believe we need more independence in order to move projects along quicker and better respond to the needs of the residents who live here. My ask of the province today is to make the city of Cambridge a single-tier municipality, either as a stand-alone municipality similar to Barrie, which is of similar population, or within a services board model.

I would like to spend some time talking about a joint services board between all seven local municipalities. The town of Oakville's staff and a consultant have published a report that would outline some potential ideas that could be considered. I realize it is new to Ontario. I don't have all of the answers, but I do believe that report contains a lot of valuable information that we could look at and that we could customize to fit the needs of this area. Every region is different, but I do feel that we do have similarities with Halton region that could be applied here.

The report leaves the option of some regional services being transferred to "a municipal corporation operating as a utility company, owned by one or more municipalities, and generating rate-based revenues." This municipal corporation would be run separately and maintain separate finances from the municipality. Business decisions such as investment for growth would be "driven by market forces including demand, competition, internal capabilities, regulation, pricing, etc." Of course, there are services that this would not apply to, and those services would not be considered for this segment. However, it is an option that might fit some service levels that could at least be reviewed. Associated regional funding would be made available to the city and townships for any services they download from the region.

The report goes on to state, "Various models could be implemented including options around ownership and governance of municipal corporations and services boards. These could include, but are not limited to, partnering with only one other municipality for" a joint services board "or municipal corporation to any other municipality that may

not have an ownership or decision-making interest." For example, if we were to apply that to this region, the townships might want a services board for regional roads, whereas the cities may want to maintain all regional roads within their boundaries. This could be an option that could be looked at.

According to the report, governance and service levels would be agreed upon, and each municipality would contribute their share of services delivered. Each municipality would pay for what they get, essentially. And the current Waterloo region assets and debt ownership would transfer to the affected municipality but be operated and managed by the board.

The report also states that there could be "a single entity providing enabling operations to all the service boards and municipal corporations to leverage economies of scale and an element of standardization in process and service levels," and that this could include one of the local municipalities delivering these operations on behalf of the services boards and municipal corporations for a given fee. Also mentioned in the report is that a single-tier model may allow funding models related to those services currently provided by the region to better reflect actual cost drivers, as opposed to using market value assessments, for example, the proportion of the region's total revenue that is provided by the city's taxpayers.

Under a services board arrangement for Cambridge, I recommend that the city of Cambridge maintain all services that it currently operates. I do not want the city to give up any more services. As far as what services we would be able to take back from the regional government, I believe that would require further consultation with the community, because residents may have different opinions and I do believe we need to hear from our city residents to know what services they would want the city to pick up—

The Vice-Chair (Ms. Teresa J. Armstrong): Just 30 seconds remaining.

Mr. Nicholas Ermeta: Thank you—but there are a number of options, which I have included this report, that could be considered as part of that.

Also, I just wanted to say that I have complete trust and faith in the strong competence, efficiency, knowledge, talent and wisdom of Cambridge city staff to successfully do this far beyond your expectations. When the region no longer exists, the city will be accountable for all services, as well as to fund and deliver programs effectively, whether they are run by the city, services board or municipal corporation. It's about letting Cambridge people make decisions for Cambridge.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you so much for your presentation.

We'll move on to the next presenter, Kae Elgie—I hope I'm saying that right. You have seven minutes and please begin.

Ms. Kae Elgie: And the microphone is working?

The Vice-Chair (Ms. Teresa J. Armstrong): Yes.

Ms. Kae Elgie: Okay. Like others, we are here to look at this question today: Is the two-tier government in these

regions supporting or hindering the construction of new homes and the provision of effective local governance more generally? That's the question you've been asked to advise on.

To introduce myself, as I put on my slide: I'm a citizen of Waterloo region. I'm not a politician, I don't have investments in real estate development or a real estate investment trust, but I am an engaged citizen. I know Melissa very well from our time on Waterloo council. Currently, I'm a member of Waterloo Region YIMBY and Architectural Conservancy Ontario, where we met some of you at Queen's Park. I'm also a member of the Union housing co-op, and a donor and supporter of a couple of not-for-profit housing providers like the Working Centre and Beyond Housing.

I have a little problem with the question we're asking. Just "more new homes"? I feel it should be "more affordable new homes." And I do have problems with Bill 134's definition of "affordable," which basically means that anyone working full-time at a minimum wage would not qualify for housing. It's essentially what you're saying, and I have problems with that because it says it's only affordable for the top 40% of income earners. And so, in Waterloo region, in the 2021 census, that means you need 2.7 people living in a household working full-time at minimum wage to be able to afford it.

But that's not really the question today, and admittedly my colleagues in YIMBY feel the market will take care of this. That's the thing. They feel like increasing the supply is the key thing, because, eventually, a lot of supply and demand will drive down the prices for rent and for housing purchases.

But on the other side, I think if I were a REIT manager or a developer, why would I lose money? Why would I purposely build something that I knew was not going to make money? And, in fact, you'll see what happens. So my conclusion is that we need more funding for governments and not-for-profits to build the affordable housing we need. I think the question is a little bit skewed.

But nevertheless, we're talking about if it's hindering the construction of new homes. In Waterloo region, around me, I see a number of projects that had been approved—here is one that was approved when Melissa Durrell was on council: Launch was approved in 2018, and it was going to provide 321 units of housing and 367 bedrooms, but in 2022, the developer came back with a new proposal, saying market conditions had changed. They had to revise it, so it wasn't quite as luxurious or as fancy. He was offering us a lot of benefits; those were reduced, but it was still 234 units and 366 bedrooms. Since then, the previous building, the Waterloo post office, has been demolished on the site, and we have a very lovely hoarding around it, but there's still nothing in there, and it says it's inactive on the city's website.

1020

Here's another one that was approved back in 2018, for 216 units, 252 bedrooms. It's still inactive. Nothing has happened. This map, you can see, of the ones—just this little section of uptown Waterloo. All the ones in purple

have been approved, but nothing has happened. There's one under construction, and that, incidentally, is—the owner-developer is the Waterloo region credit union.

So I don't feel that it's government that's slowing things down, and I don't feel that changing the form of government is necessarily going to give us more housing.

I do feel that if we do want new housing, we need good infrastructure. That's why I feel the region, the way it was set up, was brilliant. I think the people who designed the region of Waterloo back in 1971 realized that they would need a very large tax base to be able to support these big infrastructure projects like the light rail transit, like a good sewage treatment system—because we're on the Grand River, and we've got Brantford and Caledonia and Dunnville below us; we don't want to poison those citizens.

We also need a really good water treatment system. We get our water, mostly, from groundwater here, so it's really, really important that we protect it. It's a challenge to pipe it from Wilmot township into here—and that's where I think the region was really good in funding that, but also managing it.

As far as amalgamation, I bring up that point again—Brock University professor David Siegel said there has never been an amalgamation that has saved money for taxpayers, so the money savings aren't there. But in my opinion, the two-tier governments have forced us to be innovative in a way that you just don't get when you have a single tier. It has forced us to recognize that it's pretty different trying to serve the needs of a high-tech worker living in a 42-storey condo in Kitchener, versus the Old Order Mennonites in Wellesley and Woolwich townships.

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Kae Elgie: Okay.

I think our big accomplishment is in planning our environmentally sensitive areas. That's the key thing that the region has delivered, is on planning, and developed guidelines for us on cultural heritage landscapes, libraries.

So in my opinion, unequivocally, the two-tier government is supporting the construction of new homes and the provision of more effective local governments.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentations.

Now we're going to move to the round of questions, and we'll start with the official opposition. MPP Burch, you have seven and a half minutes.

Mr. Jeff Burch: Thank you to all the presenters for some very thoughtful presentations—three very different points of view, which is a great way to have a conversation.

I want to start with you, Kae. Thank you for directly identifying the question the committee is asking, which is kind of focused on housing, and also for pointing out the problems with the definition of affordability, which the opposition certainly brought up—I think the government is actually working on that definition, which is a good thing—and also for recognizing the importance of infrastructure. We've heard region after region after region—the big problem is infrastructure, especially water and

sewer, and it's hard to imagine a lot of that happening in these regions without regional government, because of the tax base and the amount of investment that's required, as you mentioned.

I want your comments on the issue of Bill 23. As you know, the cities lost \$3 billion to \$4 billion of revenue, from the DC changes, mostly—and set up a \$1.2-billion fund for municipalities to access, based on meeting their housing targets. The problem is, with the housing targets, that the criteria for municipalities is foundations poured, which they have absolutely no control over. So municipalities are not being made whole because they're applying for a program that they can't meet the criteria for. You kind of alluded to that when you talked about, is it the government or is it others?

One of the solutions is a sunset clause or a use-it-or-lose-it policy for approvals. When the city goes through all the time and expenses of doing those approvals, there should be some limit on developers and builders to get shovels in the ground. Would you agree with that kind of solution?

Ms. Kae Elgie: It's probably a good thing, but it's a challenge. It's a structural challenge, because you can't be a developer and stay in business if you're putting up housing that nobody can buy. So I really feel like we need to be shifting housing money towards governments themselves building it, and not-for-profits. I think that's how we got a lot of housing in the 1980s, when there was a lot of money coming for co-op housing, a lot of people in housing co-ops. There's one just next door to you here, practically.

I feel that, unfortunately, it's not an easy answer and I don't know how to do it, but I really can't—I just see the split, you know?

Mr. Jeff Burch: So there's a variety of tools—you called them sticks and carrots—and one of the things you feel we need to get back to is the government being more directly involved and incentivizing co-op housing, public housing.

Ms. Kae Elgie: Yes—well, building it and owning it, even. There was a lot of deeply affordable housing built in the 2000s, but it was built by developers and they guaranteed it would be affordable for 20 years. Twenty years came up, and it went for sale on the private market, because I know the Union co-op tried to buy one of those units and we just couldn't afford it. I'd love to say, "Yes, just make those developers build it regardless," but that's not fair.

Mr. Jeff Burch: And you referenced the study by David Siegel from Brock University, which is right down the street from my house in Niagara, and I know Professor Siegel.

I want to just switch over to Melissa and get your response, because it kind of contradicts what you said about savings. There are other reasons to amalgamate—there could be functionality and other things—but all of the evidence points to the fact that amalgamations do not really save money or decrease taxes. In many cases, government becomes more expensive as it gets bigger. Smaller units,

as I think Nicholas referred to, are often more efficient than big government units. What would you have to say about that?

Ms. Melissa Durrell: Well, I think there are other people who can talk more about the taxpayer base than I can, but what I can tell you is that it's about efficiency. As far as I'm concerned, we really have no idea what it's going to look like when we do this to Waterloo region. I know that Councillor Ermeta talked about having all these joint committees. That creates more bureaucracy.

In a simple word, one of the things I wanted to ask you guys is: If we could start from scratch, would we actually create this system? And I think if we all sat here today and said, "This is what we're looking at," we would never create this kind of system.

I appreciate the fact that you have a fiscal responsibility in mind. I think that's important. I think there are a lot of efficiencies that can be found, and I think one government around all of us, making us a stronger community, will actually—we might not see tax savings. Inflation happens. There are so many other elements that come into it. Everything costs more these days. That is one of the things that is reflected on our tax bills.

But I don't actually think we should be making that decision based on 3% to 6% of what a tax increase could look like. I think we need to be looking at what the next 50 years for our community look like. And right now, this system is not working for us.

Mr. Jeff Burch: How much time do I have left, Chair?
1030

The Vice-Chair (Ms. Teresa J. Armstrong): A minute and five seconds.

Mr. Jeff Burch: Okay. So we've traveled around to different regions, and Durham comes to mind, where my friend MPP Coe is from. All the mayors came to the committee. They talked about how great the region was. Everyone is happy with the way it's working.

Then you go to other areas. I'm from Niagara—a similar kind of flavour to what I'm sensing here in Kitchener. What is it about this area—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Jeff Burch: —that doesn't lend itself to two-tier government, because it is popular and does work in other areas?

Ms. Melissa Durrell: We have amazing politicians here. We have a lot of politicians here. We have a lot of bureaucrats here. I would say that as they come to speak to you, of course they love the teams they've built. They love the bureaucracy that's built. They're not going to tell any of you that we should get rid of all their staff. No one is going to do that who is currently elected, so you're not going to hear that. You're going to hear it from the citizens who have to deal with the systems that are in place. You can hear—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

Just a quick reminder to the presenters to please allow the legislative broadcasting staff to control your mikes. That makes it run a little smoother.

We'll move to the independent member, MPP McMahon, for four and a half minutes.

Ms. Mary-Margaret McMahon: Yes, and I don't have as much time, so we need to be speed talkers a bit. Thank you all for coming in and thank you for welcoming us to your beautiful neighbourhood. We can stamp our passports later.

My first questions are for Melissa and for Nicholas. I first of all compliment you and laud you on your opposing opinions, but you're sitting cordially together. There is no arm-wrestling and whatnot, so there must be something good in the water down here.

Melissa, you have interesting experience in your lifetime and a whole array, but you were mentioning about how the businesses are slow to move things forward because of this current governance model and the lack of alignment. I'm wondering if you can just elaborate on that. What do you see specifically as slowing things down? If you have any examples or just general ideas.

Ms. Melissa Durrell: Well, both of the people who are on the panel with me talked about competition, and I think healthy competition is an important aspect, but what concerns me is that this healthy competition means that we're competing against ourselves and we're not competing against other communities, other cities.

With the healthy tech community here in Waterloo region, we should be competing against New York City, Silicon Valley. These are the places that we should be focused on, yet when we have tech companies coming here, we're competing against whether they're going to be in Kitchener, Cambridge or Waterloo. Our academic departments are putting resources towards that. That's not healthy anymore. We're not growing because of that. It should be one voice, putting them into the best place.

For businesses, there is healthy—I mean, I can absolutely tell you that as an uptown city councillor, I would beg people to come to uptown for retail and restaurants, despite the fact that they might be looking at other cities. Sorry, Cambridge and Kitchener, but we did this on a regular basis. It's not working for us anymore. We need to be thinking as one full city so that we can grow properly together.

Ms. Mary-Margaret McMahon: And I think it was you, Melissa, who was mentioning the hospital. Everyone wants the hospital?

Ms. Melissa Durrell: Well, Cambridge has a hospital right now, so this is really a debate between Kitchener and Waterloo.

Ms. Mary-Margaret McMahon: Okay.

Ms. Melissa Durrell: And, actually, some of the townships might even be involved in it as well. We're looking for, hopefully, maybe between 44 to 50-plus acres of land. There is a committee that has been working on this. But I can tell you that I've had conversations with a lot of people, and people from Waterloo want it in Waterloo, and

people from Kitchener want it in Kitchener. There is that line, once again.

Ms. Mary-Margaret McMahon: It sounds like Wasaga Beach and Collingwood, a bit.

Nicholas, thank you for coming in and sharing your thoughts. You were mentioning about Cambridge and that it really has a unique character and needs to be on its own. I'm wondering if you can explain to us more about that in detail. What's the character of Cambridge?

Mr. Nicholas Ermeta: Well, thank you for the question. A lot of it comes down to our heritage. We have a very unique heritage in Cambridge with the limestone buildings and the church spires. We have rivers that run through our city. The residents of Cambridge want a different kind of development. They don't want high-rises all over the place, as you see in most cities throughout Ontario—or at least most major cities. They want development to fit in more with the character, such as mid-rise buildings, and having a better mix of old and new, rather than getting rid of heritage. From our perspective, I would say a lot of it is our heritage, and the fact that—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Nicholas Ermeta: —Cambridge still feels like a small town, while being a mid-size city.

Ms. Mary-Margaret McMahon: And what's the population of Cambridge right now?

Mr. Nicholas Ermeta: Approximately 146,000, I believe. I'd have to look at the exact number.

Ms. Mary-Margaret McMahon: Are you born and raised there?

Mr. Nicholas Ermeta: I was born in Hamilton, but I grew up in Cambridge, since 1992.

Ms. Mary-Margaret McMahon: Well, your love for your community shows. Thank you.

Mr. Nicholas Ermeta: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

We'll move now to the government side. Seven and a half minutes for MPP—Rae.

Mr. Mike Harris: You should know his name by now.

Mr. Matthew Rae: Come on, Chair. We're spending so much time together.

Thank you to all the presenters. It's wonderful to be in Kitchener today—the closest commute, for me, at least, just down the road; I represent Stratford, as many of you know. As you all know, the minister tasked this committee with reviewing regional governance in the fastest-growing regions, so the Golden Horseshoe, obviously, and also Simcoe and obviously the region of Waterloo are included in that as well.

Really, the main three things we're looking to help support and advance are:

—obviously housing—we're in a housing crisis; we hear that in every region we go to;

—housing-enabling infrastructure, which my colleague MPP Burch already brought up, which we hear often, and I'm sure we'll hear as well today; and

—then, obviously, ensuring efficient provision of services for our local constituents. As I say, there's only one taxpayer, and we all serve that one taxpayer, so ensuring those services are provided in the most cost-effective and efficient manner.

My question is for Nicholas. I know you're here as an individual, but if you're able to, I was wondering if you could elaborate on whether you believe the government should look at bringing forward a use-it-or-lose-it policy.

Mr. Nicholas Ermeta: I appreciate the question. I would say I am open to the idea. Obviously, we need to consult with all segments of the community and hear what the public has got to say and what developers have to say. I believe it is a policy that certainly is worth looking at.

In Cambridge, we're doing quite well with housing starts, at least from the low-rise perspective. The high-rises, or the mid-rise, even, are slower to be developed, so there might be some financial implications of why the development is not happening, or developers may not be able to sell the units because they cost more. But from a low-rise perspective, we are doing very well.

I would encourage the government to look at all options. If you feel that might speed up construction, I think it's worth looking at.

Mr. Matthew Rae: Thank you. I know that in Bill 23, there were many options we put forward in that legislation, as well, around planning; around appeals, specifically third-party appeals; around minor variances—we removed that ability, as well.

I was wondering—again, I know you're here as an individual, but if you're able to, what are your thoughts on looking at potentially expanding those abilities around third-party appeals?

Mr. Nicholas Ermeta: Do you mean, like, to the OLT?

Mr. Matthew Rae: To the OLT. Do you believe that the government should look at limiting them, to the OLT? We've heard from other regions where the OLT is an issue for some of their developments.

Mr. Nicholas Ermeta: It is. I would like to see more decisions made in Cambridge. I would like to see council have a greater say over the decisions, because we represent the public and there is buy-in from the public, so I believe that the OLT should have less power and that the municipality should have a greater say.

Mr. Matthew Rae: I defer the remaining time to MPP Harris, Chair.

Mr. Mike Harris: Thank you, everybody, and everybody in the audience, for being here today. I know these are important discussions that we've certainly been deliberating on for many years here in the region.

I wanted to start with Kae. You had a lovely presentation. Several high-rise developments—we're obviously seeing intensification targets that are trying to be met within the downtown cores of municipalities, but I want to talk a little bit about single-family homes and development, more so into the periphery of the region and into our townships.

One of the things that I've been a big proponent of is making sure that we have housing for everyone. I'm not

sure if you know, but I'm a family of seven and I can't fit into one of those large-scale high-rise buildings in downtown. So I think it's important, as we look through the planning process, to make sure that we have housing options for everyone: development on the east side of Kitchener and into Woolwich township, of course the southwest of Kitchener, and then into some of our smaller settlement areas in our townships.

1040

How do you see the planning process working between the region and those local municipalities? What I've seen is a lot of delays, so—

Interjection.

Mr. Mike Harris: Delays, yes. Because you have two congruent, redundant processes that are going at the same time, where a developer or home builder, whether it be a not-for-profit or a commercial builder, has to liaise with both planning authorities on either side.

Bill 23 will take care of some of that. We are, as far as I know, the only region in Ontario where there isn't delineated authority of planning of subdivision for our lower-tier municipalities. I think Kitchener is the only one that has the ability to do that.

So I just wanted to get a few of your comments on that, and then if we have some time, we may move on to you guys.

Ms. Kae Elgie: Okay. Well, I think you're right about the fact that most of these high-rises have been one-bedroom or one-bedroom and den. It's something citizens have pushed for, and I think council has tried to do. And planners have tried to do that too, but the economics aren't there.

I think we do need other things, but I have to say, my bias—I'm a big supporter of local food. I spend about \$100 a week on my food budget—without a lie—because I rely on local produce that I buy at the farmers' market, so I do not want to see that farmland go. I definitely don't. And that's where I think it works so well with the region—that we've been able to work that kind of thing out and say, "Okay, we'll have limited areas where we do that."

I'm very sorry that the regional official plan we worked so hard on got turfed out, but I hope planning comes back to the region because I think it is a way to kind of plan that systematically. I think all the municipalities I know—Kitchener has done this, Waterloo has done it and so on. We've tried to streamline the planning process, and I think the policy implications are just so important for us.

I think that it can be done. I appreciate that it's challenging. I now sit on the Waterloo committee of adjustment, so I know we're getting those reports from that, and I know staff are trying to coordinate it. I'm sure, if I were the proponent, I would find it frustrating, but I know, from the conversations I hear, that they are doing their best to do that.

Mr. Mike Harris: How much time left, Chair?

The Vice-Chair (Ms. Teresa J. Armstrong): Forty-nine seconds.

Mr. Mike Harris: Okay.

So you would be in favour, in one way or another, of seeing a more streamlined approach to planning and having one planning model rather than having it at both levels of government.

Ms. Kae Elgie: Well, I'm really supportive of the region's role in planning, and I feel that to work through—yes, we have a streamlined model, but we collaborate on it. I don't think it's fair that one municipality gets to impose it. Because it's like in a family: If there's seven kids, do you always let the big brother, the oldest one, speak for the rest of them? No, you want to hear each one's opinion and you want to work it out, because otherwise, you just have fights.

Mr. Mike Harris: True.

Thank you, Chair.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

We'll move to the official opposition and MPP Burch for seven and a half minutes.

Mr. Jeff Burch: I just wanted to go back to Melissa and just kind of push back a little bit on where we left off. You had mentioned politicians often don't want to put an end to their own jobs, which—I appreciate that comment. But we've travelled around, and we have heard from other municipalities that are supportive of two tiers, and it's not just the politicians. There's some polling that they have, citizen satisfaction, where it's pretty obvious that the system is working, that it's supported.

So I'm going to ask again: What do you think it is about this area, in your opinion, that two-tier government does not suit this area? What is peculiar about this area?

Ms. Melissa Durrell: Well, I think, from my perspective, it is—and one of the reasons why I wanted to walk through a little bit of my journey in this region as a journalist: It was very difficult to cover the municipal politics in this area. So that's one way. And how do most people learn about what's happening at city hall? I mean, other than Kae, who comes to council, most people are learning about it when they read it in the newspaper or they see it on the news. That's where a lot of the news is coming from. So for the journalists to be able to cover this community properly, it does cause issues.

From a councillor perspective, I can tell you on a daily basis that in order to my city and my ward stronger, I was very singular-focused on it. I think that kind of competition, we can say, might be healthy, but I actually think it's impeding it now. I shouldn't be competing with Kitchener or Cambridge or the townships for events that are happening, or when we have events happening on the same night and we're trying to get people into our cores and we're competing against each other. There needs to be some coordination around that as we try to get our retail in our cores back in business again.

From a business perspective, yes, I do work with some developers, and I can tell you that it is a very frustrating process to go through the system, where you're dealing with the city level and then the regional level. We've heard from businesses that want to come into this region; it's very difficult to be able to come into this region. You're

getting economic development departments from all three trying to entice you to come to their community. You've got the separate BIAs, business improvement areas, doing the same things. I mean, it's just causing a lot of confusion.

When we take a step back, what do we all have in common? David Johnston said it himself, the Governor General: "What's in the water in Waterloo?" I appreciate that you brought that quote forward. This is a really incredible community. I came here from Sudbury, where the mining issues were happening. I came to this community and BlackBerry was popping. It was an incredible community to be in. There's just so much innovation, education; the MIT of Canada is the University of Waterloo. We have so much to offer, but we need to be doing it with one single voice. That's where we're falling down right now. And for strength to move forward, we need to go there.

Mr. Jeff Burch: Okay, thank you.

Coming from a two-tier region myself, it's fairly traditional for business organizations and sometimes the larger businesses to see government as an impediment, whereas the average citizen likes to have a local councillor who they can call up if they're having problems with the way their tax dollars are being spent or they need something in their community. And so, with a big amalgamation, you obviously lose some local democracy.

I'm going to turn to Nicholas; I haven't asked him a question yet. You mentioned that area mayors are calling for strengthening local communities. I thought you might want to mention that, and just the whole issue of local democracy and how it could be affected by structural changes to the two tiers.

Mr. Nicholas Ermeta: I believe, to strengthen local democracy, we should have more decision-making at the local level. I have a principle that decisions affecting our individual cities and townships should be made by people residing and paying taxes in those municipalities. Certainly anyone can comment, whether they live in the municipality or not, but I believe the decisions should be made by people living in those municipalities.

There is duplication, like in planning, for example, as we heard. That's why I believe the cities and townships should have full control of planning, and the region should be left out of it. Regional roads would be another one. The townships can decide whether or not they want to keep their regional roads, but I believe in the cities, we should be doing it all.

Mr. Jeff Burch: There has been a different, I would say, pace of change in the different regions with respect to the government's direction that planning authority be moved from the region to lower-tier municipalities. When we were in Niagara, my neck of the woods, they were quite happy about that piece of the government legislation, and there was a lot of movement and they were happy about that change. In other areas, I've noticed, it hasn't moved as quickly.

As a councillor, have you noticed a movement of that planning authority, being moved from the region to lower

tiers, getting rid of planners at the region and hiring more at the local level, which is happening in some other areas?

Mr. Nicholas Ermeta: Certainly there has been discussion about it, but I believe it's not moving fast enough. I am excited that the province is looking at it, or considering it. For a lot of the regional planners, there can still be jobs for them at the local level because the work still needs to be done, but I believe it would be a lot more efficient if that's in the cities' hands. We know our community the best. We know how to take the provincial policies and to implement them at the local level in a way that is acceptable and where there is public buy-in so that projects are less controversial and we still get the work done fast.

Mr. Jeff Burch: Okay. I think I have less than a minute left. You presented the idea of utility boards, and people call them different things, but the criticism of that is they're not accountable democratically because there are no elected officials if you have a region that's basically a utility model. How would you respond to that?

1050

Mr. Nicholas Ermeta: Good question. Well, my position is that—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Nicholas Ermeta: Sure. The power would be very limited, decisions would be made by the local municipalities, and the boards would implement the decisions made at the local level, so there would be accountability.

Mr. Jeff Burch: Okay. Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): We'll transfer over to the independent member. MPP McMahon.

Ms. Mary-Margaret McMahon: Okay. I will ask Kae some questions if that's okay. I really appreciate all your advocacy on the housing front and beyond, probably. In my former life, I used to be at many city council meetings and whatnot as "Joe Resident" for the environment, a crusader. So it's a tireless job, but people do, whether they say it or not, value you—it's a valuable job.

I really liked your presentation and I liked you showing us those developments that were in the works and then not in the works. That happens in Toronto; in my area, we had—a big hole, we called it, affectionately—a big hole in the ground for 12 years at one site way back in the day. Very frustrating.

You were talking a bit about some of the holdups, and we've heard from other politicians and residents in different areas about holdups, but what specifically—first of all, do you think it has anything to do with the tribunal backlog, or developers not coming in and getting their site plan approvals, or developers not coming in and getting their building permits or anything else you can think of?

Ms. Kae Elgie: I do think that the tribunal hearings do it, and it has been very frustrating to me to watch a number of local developers use the "time's up" clause, if you like, so that after they have spent a lot of time and staff at the regional level, and local levels have spent a lot of time reviewing the application, then they just deliberately refuse to reply to the last little questions and do that. That's really frustrating to me.

But where are the delays coming from? I think it's because they're complicated projects. These projects are quite complicated. I was at Waterloo council recently and they told of the time they have shaved off that. We've had very few of the "time's up" appeals in Waterloo, which I'm proud of, but it's challenging. Again, I really appreciate the work that the region staff did on figuring out the difficult things, and I like the fact that we do get the local control over it and we do have the say. I think the work that the region did was figuring out those policies and figuring out the framework, figuring out an implementation guideline, which I mentioned. But particularly for us, doing the work to identify those environmentally sensitive landscapes and protecting the thing, it just gave such a good framework for people. You couldn't just do that—I mean, yes, you'd have to form some other kind of collaborative body like a joint planning board or something to have that same thing, but this has the authority, and I think people really respected it, respected the different roles and acted accordingly.

But of course, as Melissa points out, you can always do things more efficiently and look for that, and begrudgingly, I do think that the "time's up" appeal has forced the municipalities to do that. We appreciate the money from the province to help us do those studies to improve our efficiency. I think that has been a good thing.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Mary-Margaret McMahon: Yes, we have 30 seconds. I have two questions but I'll just ask you maybe one. What types of housing are you looking at and would be best for your neighbourhood? Because there's talk about the single-family home, Beaver Cleaver-style, white picket fence is not going to work nowadays, in 2024.

Ms. Kae Elgie: Well, you've asked me a very interesting question—Melissa's smiling—because I live in a heritage conservation district, and 10 years ago I would have been so opposed to changing it. Now, I see the value of gentle intensification. I really do, because—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you. I'm going to have to cut it short. Thank you to all three of you.

We'll move to the government side, and I'll ask MPP Pang to start the questioning, for seven and a half minutes.

Mr. Billy Pang: Thank you for the presentations. I'm so glad that we have two city councillors here—

Ms. Melissa Durrell: Former.

Mr. Billy Pang: Former. But there's no such thing as "former," right? Once you're engaged in politics, you're always there.

There was a question on development charges. Both of you, what do you understand about the development charge exemption in Bill 23, the More Homes Built Faster Act? Maybe from Nicholas.

Mr. Nicholas Ermeta: I believe at the city, speaking as an individual—and I'm sure a lot of my colleagues agree as well—that development does need to pay for itself. While do want rates to be competitive, and to be fair to all parties involved, the growth does need to pay for

itself as well. So while I'm always open to considering anything that you put forward as far as exemptions and stuff, I want to ensure that the services are paid for and that the municipality is not going to go broke, because that falls on the taxpayer.

Mr. Billy Pang: I think you understand that not all development is exempted, only particular, selected—

Mr. Nicholas Ermeta: Well—
Interjection.

Mr. Billy Pang: Yes, maybe Melissa.

Ms. Melissa Durrell: I know we had a time in Waterloo where we were doing this at a municipal level, and it was a shot in the arm for development in our community. I think that's probably one of the reasons we saw so much development in uptown. I think it's a really good tool to have. I'm totally in favour of development charge exemptions when appropriate and where needed, because I do think it does allow developers to move faster.

Mr. Billy Pang: For the record, the exemption for the development charges is for the creation of affordable residential units, attainable residential units, and also for non-profit housing developments and for inclusive-zoning residential units only. So not all development is being exempted, only partially. I hope all municipalities will look into what the ratio is of these types of buildings in their own municipalities that are being developed, and what the impact of this was.

I want to pass the rest of my time to MPP Harris.

Mr. Mike Harris: Nicholas, I want to give you a little bit more of an opportunity to talk about planning. Feel free, whether you want to put a city of Cambridge lens on it as a councillor or just as a private citizen. What I was mentioning to Kae is that Bill 23, once proclaimed, will allow local municipalities here in the region to have more say over what happens with their planning, which I personally feel is very important.

We are the only regional municipality in Ontario that does not delegate planning authority already for planning a subdivision—and I think there's some waste water and couple of other parameters around it—to the lower-tier municipalities. I know my colleagues here in the room don't like when you say "lower-tier," but for today it is the technical term we're going to use.

Maybe talk a little bit about what that would mean for the city of Cambridge and how that will be able to eliminate some red tape and spur on housing development within the borders.

Mr. Nicholas Ermeta: Thank you for the question, and the comment as well. It all comes down to "time is money." I believe that if we can get these projects approved faster, it can be more cost-effective to do it. I believe that what you're proposing would streamline the process significantly and it would save a lot of time. It would give the municipalities more power to be able to help the developers come up with plans that fit the community, that have the public's support, so that we can address those concerns head-on and have good consensus in the community.

I do get a lot of calls from developers about projects that the city has approved. They ask me, "Why can't I get

a shovel in the ground yet?" I would look it up and it would be because the region hasn't approved the condominium yet, or whatever needs to be approved at that level. I believe that it would save a lot of time, it would save a lot of money and it could get these projects in the ground faster.

Mr. Mike Harris: Sure.

Melissa, I know there's probably only a couple of minutes left, but if you want to touch on that?

The Vice-Chair (Ms. Teresa J. Armstrong): Three minutes.

Ms. Melissa Durrell: I can talk fast. The premise here is that we're just assuming that there will still be two levels. So I'd like just to say, if there was one level, we wouldn't lose our unique identities because the planners would be familiar with what those unique identities are for each of those planning committees. Just like in uptown Waterloo—it's going to be built differently than it is going to be built out in Laurelwood or other suburbs in Waterloo. The same thing would be going if we were talking about the entire region as one city; those planners would be understanding of what those areas would look like. Of course, we'd have zoning and an official plan to guide that.

1100

So the argument is there; yes, it's creating extra bureaucracy. If we can move forward and say, "What would it look like with only one system?" then all of the things that we're saying, with those municipalities, would still exist within one city; they would just be very specific to those different areas. I'd still be an uptowner. You'd still be a Galt—are you Galt or Hespeler? I don't know which one you are.

Interjection.

Ms. Melissa Durrell: You'd still be a Galter. We'd all still be—

Mr. Mike Harris: It's like back to 1973 all over again. We're not going to do this today.

So, then, from a governance model for that one city—what would that look like? The way that things happen now, where you have local municipalities that want to see sustainable growth happen—I'm thinking more in the townships, where they're pretty good at planning that. And to Mary-Margaret's comment: It doesn't have to be that white-picket-fence, beautiful single-family home, but like it or not, people need those as well. What we see right now with a lot of the planning is that there's a really big focus on intensification and not as much on those smaller planned subdivisions—not necessarily that are encroaching onto farmland, but that are already within the municipal boundaries. So how do you see that dynamic working? You say the planners would understand, but what we're seeing now is, planners want intensification, and we've seen that reflected by the region, but then when you look at what the lower-tier municipalities are asking for, it's almost the opposite in a lot of cases. How would we navigate that in a one-city model?

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Melissa Durrell: I think that there are some assumptions being made on your behalf. I've worked with some of the local planners in the township areas. I don't think we can say all planners want towers. I don't think that's the case. It's what suits the communities best. And I think that, if we were one city, those planners would understand. That's why we have the tools in place of our official plan and our zoning bylaws. So those things would be—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you, everyone, for your questions and your presentations and answers.

GREATER KITCHENER WATERLOO
CHAMBER OF COMMERCE
MR. MICHAEL HARRIS
TOWNSHIP OF WELLESLEY

The Vice-Chair (Ms. Teresa J. Armstrong): Now we'll move on to the second round of presenters. I'll call upon Greater Kitchener Waterloo Chamber of Commerce, Michael Harris, and township of Wellesley.

You will have seven minutes for your presentation—again, just a reminder that the broadcasting staff from the Legislative Assembly will control your mikes.

The first presenter is Greater Kitchener Waterloo Chamber of Commerce. Ian McLean, president of Greater Kitchener Waterloo Chamber of Commerce, you may begin, and you have seven minutes.

Mr. Ian McLean: We are “greater” because of Woolwich township. I just wanted to point that out.

Thank you, and good morning. I'm grateful to the Standing Committee on Heritage, Infrastructure and Cultural Policy for undertaking this study on regional governance, and for hosting this public consultation in Kitchener to hear from stakeholders.

Our chamber recognizes that this issue is challenging. There are strongly informed people of goodwill on all sides of this topic across Waterloo region. To be sure, this diversity of views is reflected within our own membership and the business community.

With that in mind, our submission is not going to endorse a desired, specific structure, whether one-tier, two-tier or something else. Instead, we will focus on the problems and challenges with the current system that need urgent attention and must be modernized, regardless of how elected officials or politicians at any level of government view them.

From a historical context, it was 50 years ago that the region of Waterloo was formed, and its composition—one regional government with seven lower-tier municipalities—has remained unchanged for the most part. In the half-century since, our population has exploded. Our businesses' markets are globalized to a degree unimaginable in 1973. Our cities and townships are increasingly pushing up against each other and we have a system of government unchanged since bell-bottoms were popular.

In and of itself, the age of our governance structure is no argument for radical change. But after 50 years and all the changes in how the world works through that time and the concerns being brought forward by our members and the business community and the broader civic society, we have to believe that better is possible.

Waterloo region is one of Canada's fastest-growing communities. From our current population of about 600,000, we anticipate to be soon past a million residents, by 2051 if not before. With each updated forecast, we're expected to pass that milestone sooner and sooner.

We are blessed in Waterloo region with a barn-raising community spirit. We have depended heavily on that over the last 50 years in establishing co-operation between our eight levels of government. While our leaders should be lauded for many of the important improvements to collaboration between governments, we have to note that these agreements never come quick enough, that there is an opportunity cost to the lost time of getting to decision-making, and that Waterloo region has lost opportunities—we know that—due to our political structure.

When you think about the issues that we are challenged with, from housing and the number of housing units that will be required to accommodate our new population; our transportation networks; our transit, whether it's all-day, two-way GO and having that fully realized or LRT phase 2, which is essential to accomplishing both business and new residents; our health care needs, which is right across the province but certainly here: new hospitals required, more family doctors etc.—and we are a magnet for newcomers to the country, so on the talent front, we have all kinds of urgent needs.

I wanted to take a moment—my colleague Greg Durocher from the Cambridge Chamber of Commerce couldn't be here today. He was going to join me. He's hosting the Premier, actually, having a round table. But I wanted to read some remarks from him because we are on the same page, that reform is required. Greg writes:

“Municipal reform isn't a new concept for me. I have been pulled into dozens of discussions over my 35-plus years involved in community building, whether as an elected official or as a chamber CEO. It has always amazed me that dramatic change is the only way forward. Change is inevitable and change is always good, but only when everyone can embrace the change, and that only happens when our purpose is genuine. We are obligated to look for better ways to do better, to look for opportunities to serve more effectively and efficiently, and we are destined to grow to be a million people. We know that as communities, we will look different and we, the people of this region, are the only ones who can decide what that should look like.

“If the provincial government can do anything to help all regions succeed, it would be to offer the tools, support and a requirement that we diligently pursue better and that we find effective and efficient ways to serve taxpayers of this region. Shotgun weddings rarely work and we know how costly they always will be”—I would make a comment that we still have some scars from the forced

amalgamation in 1973—“but we should be required and incented to do better, to find better ways and act faster.”

Just in closing, to move on to my colleagues, I would say that any proposal that’s regarding governance reform in Waterloo region by the standing committee to the House should be evaluated against the one overarching [*inaudible*], which is, we are going to be a million people plus within 25 years, and our current structure is not set up to make us successful in doing that.

I’ll leave you with this: The question I always ask is, does the current political structure of our local governments set us up for success in the next 50 years, moving forward, as Waterloo region grows as both a population centre and an economic centre for the province? If I gave everyone a white piece of paper and said, “You can use the existing structure if you want, but take a white piece of paper and design how our political structure should work now and moving forward,” not one person would come with the structure that we have today. So it does need to be reformed, and the real question is, how do we do that and what are the mechanisms to make sure that we have that conversation and make change in the interest of both our local residents and the provincial economy and the country as a whole?

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

We’ll move to the next presenter, please. You have seven minutes.

Mr. Michael Harris: Good morning, Vice-Chair Armstrong and members of the committee. Thank you for inviting me here today and for visiting Waterloo region to discuss this important issue. My name is Michael Harris. I’m currently a regional councillor in the city of Kitchener, and I’m the former Progressive Conservative MPP for Kitchener–Conestoga, from 2011 to 2018.

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My remarks today are my own but reflect years of first-hand experience in government and in the private sector, as well as feedback from local residents and businesses on the complexity of our two-tier system.

My driving approach when I was an MPP, and now as a regional councillor, has been to make decisions based on value to the taxpayer and fostering economic growth. With this in mind, the committee should approach one conclusion here in Waterloo region: We are over-governed and should be one municipality. Three quarters of municipal services are already provided across the entire region. I encourage this committee and the government of Ontario to get us over the line and complete the last quarter. If we’re going to compete with London, Hamilton, Ottawa, Calgary or Halifax, we cannot continue to have 59 politicians holding us back.

Regardless of the efficiency of an individual team or organization, two-tier structures necessitate redundancy. Despite the collective efforts of various councils, staff and the home building sector, all three cities within the region are not on track to meet their housing targets. Imagine the challenge for a local home builder, whether building non-profit affordable housing or market housing across our

growing community: seven different rules for planning, seven different political visions and a constant chant of “not in my backyard,” all of which stifles our province’s greatest challenge, building more homes.

That is before we get into any finger pointing and political machinations about who gets the final say and who should consult whom. This race to the bottom and the lowest common denominator has held us back for far too long. We are successful despite our governance system, not because of it.

The frustration for residents and businesses is that this archaic governance model does not reflect the ground realities. Residents look for homes and jobs throughout our region, receive K-to-12 education from regional school boards and all receive the same standard of drinking water, waste water treatment, transit, policing, paramedics, public health and waste management. For decades, we have had a regional official plan that has helped us to align growth with infrastructure in one of Canada’s most rapidly growing communities. We have one United Way, one community foundation and one immigration partnership.

The few remaining local peculiarities either produce duplication or lack of synchronization within our community. Our police chief and paramedic chief need to work with seven fire chiefs. Children on one side of the street are barred from playing minor sports with their neighbours due to an imaginary municipal border. We have seven different approaches to neighbourhood speed limits and four different library systems. Arts organizations have to apply to seven councils, each with their own priorities and budget cycles. A company or developer needs to examine seven different regimes for housing, economic development and taxation.

As my colleague Councillor Jim Erb, who’s here today, often says, when building the ark, Noah realized he only needed two of everything, yet in Waterloo region, we need eight of everything. Would you organize a community this way? Would you split Mississauga into seven distinct municipalities, each with their own council, or divide London into four, or Ottawa into 11? No. Then why is it acceptable for residents here in this community?

You may hear from a number of politicians today who argue that they work efficiently, or that it is the region that is the sole barrier to housing. This rejects the fundamental realities of how our community has grown and is growing together. I would encourage the committee to ask these politicians whether they are focused on their own job security or the housing and economic security of the people that they, in fact, represent. You should also consider whether their proposals lead to more instability and protracted negotiation over services, assets and voting power, and the ensuing impact that has on getting shovels in the ground.

If the province dissolved all local municipalities and replaced us with one city, you would not hear a complaint from me. I think, in fact, the previous mayor of Kitchener said it best when he said that he would be pleased to be the last holder of his office. Now that is public service. That is

putting residents first. Like him, I hope also to be the last regional councillor for Kitchener.

Imagine the approvals and responsiveness that could be achieved if municipal staff all worked for the same organization; if staff spent less time on committees and working groups, and just did what they are trained to do. Imagine the clarity for community organizations, who could go to just one council instead of eight. The least disruptive way to streamline duplication, develop a business-friendly environment and remove administrative overhead would be to consolidate this region into one municipality, one set of planning rules and one approach to zoning; a leaner public service with less middle management, less red tape and one back office; one fire service, to match our current one police and one paramedic service; and the same underlying fundamentals in terms of regional transit, regional water and waste water.

End the fiefdoms. Let's get housing built.

Thank you for your time, and I look forward to answering your questions later.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

We'll move to the next presenter please, and that's the township of Wellesley.

Mr. Joe Nowak: Good morning. I'm Joe Nowak, and I'm the mayor of the township of Wellesley. I'm pleased to be here today with the full support of my council, representing not only my own municipality but also proudly in partnership with the mayors of Kitchener, Cambridge, North Dumfries, Wilmot and Woolwich. Collectively, I will refer to us as the Waterloo region mayors. Together, we represent almost 80% of the population of Waterloo region. Today, you will hear a common vision from the Waterloo region mayors that a two-tier government, with modifications, is the most effective form of government within the region of Waterloo.

I have left consolidated copies of a joint briefing paper, along with all presentations from the Waterloo region mayors, with you. I'd like to acknowledge the leadership of the provincial government in working towards the important goal of building 1.5 million homes by 2031. I appreciate the opportunity to speak today on regional governance and how that impacts our ability to get homes built and deliver services to residents. The province's objective of removing barriers to enable the building of 1.5 million homes is very clear. Removing or reducing areas of duplication and overlapping responsibilities and streamlining review and decision-making processes will be key to reaching that target.

The township has a good working relationship with both the region of Waterloo and our surrounding area municipalities. We recognize that a two-tier government structure can work effectively if there is a clear separation between the services and programs offered by each tier. Areas of duplicated services should be eliminated. We recommend that the region continue to deliver services associated with waste management, transit, paramedics, major water and waste water infrastructure, social hous-

ing, social and community services, policing and public health.

By working collaboratively with our area municipal partners, we have successfully partnered in several shared services that provide individual service to each municipality, such as the Waterloo Economic Development Corp., Waterloo tourism marketing corporation, and the Waterloo region insurance pool. We have the means and the partners available to successfully deliver any services required at the area municipal level to achieve the province's objectives.

There are immediate actions that the province needs to take to allow municipalities to get homes built. Regional official plan amendment number 6 needs to be finalized as soon as possible so that area municipal planning departments can plan accordingly. And the provisions of Bill 23 related to transfer of planning responsibilities must be proclaimed so that there is a clear delineation of the spheres of jurisdiction.

To demonstrate why I believe these actions need to happen, I would like to share some examples. In some cases, regional comments on planning applications arrive late, thereby creating minor delays in review and approval processes.

Wellesley village is the only fully serviced urban area in the township. In 2008, the township had allocated nearly all available sewage treatment capacity to approved subdivisions. My staff were told that a major expansion of the Wellesley village waste water treatment plant was slated for 2018. This has not happened and is now tentatively scheduled for 2041.

During the most recent regional official plan review, regional planning staff informed township staff that there was no reason to add additional lands to the village of Wellesley because there was no sewage treatment capacity available. Conversely, water services staff at the region tell township staff there is no reason to increase treatment capacity because there is no land available for development. This has created a chicken-and-egg situation—which should come first?—resulting in neither being provided.

The township receives about 10 inquiries annually from developers looking for serviced industrial lands. We recently had an inquiry for 10 to 15 acres of land for an agriculturally related industry, which could have provided a significant number of jobs. A business like this locating in Wellesley would have a large impact on the township, which has become a bedroom community because of limited employment land opportunities. The township has identified several viable parcels of land ideally suited for employment opportunities on private services, but those opportunities have not been made available by the region. We have businesses waiting patiently for these opportunities, which we can provide if we have planning authority.

Communal services are not permitted by the region of Waterloo but could be utilized as a viable option to large-scale treatment facilities for rural areas. Examples include rural business parks, rounding out a rural settlement area or supporting smaller developments, such as age-in-place

developments. Section 11 of the Municipal Act should be amended to allow area municipalities to either deliver the provision of potable water to support development or to leverage the private sector to fund and construct communal water systems where it is not feasible to connect a proposed development to the regional water system.

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Wellesley is not in favour of amalgamation or a one-city model. Rural municipalities have unique needs and attributes that vary greatly from that of large urban centres. Rural autonomy needs to be maintained to recognize these differences. Efficiencies and streamlining in decision-making processes can best be obtained at the local level where staff and council understand rural requirements.

In summary, the township of Wellesley is opposed to amalgamation of area municipalities and strongly recommends that the province:

- proclaim provisions of Bill 23 related to transfer of planning responsibilities by the end of Q2, 2024;
- finalize approval of regional official plan amendment 6;
- consider other areas of overlapping jurisdiction between the region and area municipalities, such as road maintenance; and
- amend the Municipal Act to allow area municipalities to deliver the provision of potable water.

Later this afternoon, you will hear from the other Waterloo region mayors, who will continue to build upon the vision I have presented and we collectively share.

Thank you for your time and allowing me to speak.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much to all the presenters. Now we'll move to the round of questions.

To the official opposition: MPP Jeff Burch, for seven and a half minutes.

Mr. Jeff Burch: Thank you for your presentations—very much appreciated.

I want to start with Ian from the chamber of commerce. I always appreciate the opinion of the chamber—and it really reflects what we heard in Niagara from the Greater Niagara Chamber of Commerce, in terms of being open to change, being open to modifying the system of government or who does what, but at the same time asking that it be based on facts and evidence, that you don't rush forward. Folks who run businesses know that they need long-term, stable, predictable environments.

What happened recently in Peel—the government, to its credit, realized that wasn't working and withdrew the dissolution of Peel. It turns out that dissolving a region is hugely expensive. It can result in large tax increases. Municipalities were losing about 250 staff per week just because of the plans to dissolve the region.

Can you speak to the approach of, yes, change is good, but it has to be based on facts and evidence, going forward?

Mr. Ian McLean: Thank you for the question.

I would start by saying that our chamber, long before I took over—I've been at the greater KW chamber for 14 years—has been an advocate for municipal reform for

decades. We don't believe that it's as efficient and effective as it should be. I have lots of friends I greatly respect, Mayor Nowak and others amongst them. We have a difference of opinion of how efficient and how effective we are. We all speak about barn-raising; we speak about the fact that we do co-operate and collaborate, and I think that's true, but I think we're not as good as we think we are on that front.

I would just say, as a comment—and then I'll come back to some specifics—the structure of our system at this moment will not let us meet the urgency of the moment. I remember running in an unsuccessful election in 1997. The first nuggets of the LRT discussion started in 1997. It was fully 20 years before we got to a decision to build an LRT. That's no one's particular fault—there are lots of reasons for that—but structure was one of them. The structure of our system I don't believe is going to let us meet the urgency of the moment to build 70,000 homes; to finish LRT phase 2; to build a new hospital; to have all-day, two-way GO—all of the things that connect us to Toronto and the rest of the provincial economy. We know we're a magnet, and we have to be, for jobs and the innovation economy of the future, if we're going to have the tax resources and the jobs to sustain people and our social infrastructure, and this is not unique to here. I think change is hard. People know the existing structure, they know how to navigate it, so change is hard. When I look to your question, of course we want it to be fact-based, but when we look at things—and Councillor Harris raised this—we do have many structures that are starting to regionalize.

I will just say right here that reforming does not mean everything goes up to the region or the region disappears and goes down. It has to be a community discussion. One thing Greg and I agree on—which, if you've ever seen the two of us together, we don't agree on much of anything—is that we have to have a community conversation, but we can't just say, "Let's have a conversation" and then, "Oops, we couldn't come to an agreement." That's not acceptable.

We have the Immigration Partnership of Waterloo Region because talent and immigration are not bounded by political boundaries. We talked about the police service and paramedics being regionalized, but fire isn't. I was a city councillor when we negotiated the fire agreements twice on city council, and being told, "Jeez, we've got to have the retention bonuses." I said, "Well, do we have a retention problem at the city of Waterloo?" No, of course we didn't, but Toronto did. The nature of having lower tiers doing some of those services doesn't allow for good planning and negotiation. There are things like that that just don't make sense.

Mr. Jeff Burch: In that vein, let me ask you and get an answer from each of the presenters: There's not a lot that everyone agrees on in Niagara, where I'm from, when it comes to this issue, but one of the things recently was that they actually liked one of the government initiatives, which was to encourage the movement of planning from the region to the lower-tier—if I can call them that—mu-

nicipalities. All the mayors spoke in favour of it, the chamber liked it, and what happened is that a lot of the planners were let go from the region, a lot of them became planners at the local level and everyone's happy with it.

I've noticed in speaking to folks here today that that doesn't seem to have happened here. I'm going to have to brush up on government timelines and things like that, or if there any, on that change, but why hasn't that happened? And I'm going to get an answer from each of you; there's a regional councillor here. Why has that change been so slow here, but in other areas it has happened and everyone seems pretty happy with it?

Mr. Joe Nowak: I'm trying to understand that question. Why hasn't there been a migration of the planning staff? Is that what you're asking?

Mr. Jeff Burch: In Niagara, the government came forward with a direction. They obviously took it to heart. They have made the change, so a lot of the planning responsibilities moved from the region to the local municipalities. It's no longer at the region. Everyone's happy with it. Why hasn't that happened to that degree here when it has happened in other areas?

Mr. Michael Harris: I guess I'll jump in on that one; there would likely be other comments from our lower-tier colleagues. The region of Waterloo still has a mandate and job to ensure the land development for economic development, commercial, industrial, affordable housing—these are all priorities of the regional government, to ensure that they're being rolled out—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Michael Harris: —and that we have land available for commercial purposes across the region, and that—

Mr. Jeff Burch: But it's causing duplication, and you spoke against duplication, but you seem to be supporting—

Mr. Michael Harris: No, these are existing mandates that we have at the region that we still have to fulfill.

Mr. Jeff Burch: But you don't have to. They have moved in other areas—

Mr. Michael Harris: Well, you've got economic development. The region spearheads the economic development for—if Toyota wants to come and build an EV plant, the region would take the lead on that, as well as a lot of other significant employers—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

Mr. Jeff Burch: I'll come back to you.

The Vice-Chair (Ms. Teresa J. Armstrong): Next, we move to the independent member, MPP McMahon.

Ms. Mary-Margaret McMahon: Thanks for coming in and sharing your stories. We're getting eyefuls and earfuls all across Ontario. Thanks for your passion for your communities. I have a very short period of time, so we're going to do a rapid-fire second round, but I just have to sink a lot of time with Joe today because—

Mr. Joe Nowak: Oh, lucky me.

Ms. Mary-Margaret McMahon: Yes, you're in the hot seat. The chicken-and-egg story—it's really disturbing

to me to hear about holdups with water and waste water plants, so I wonder if you can just give me a little more detail on that. It was slated for 2018.

Mr. Joe Nowak: It's an interesting situation. In 2018, we were supposed to have an upgrade to our plant and that never did happen. It's difficult because we want to do the planning. We have all sorts of land that would be available for development, for residential development and for jobs and that sort of thing, but the region has sort of held back on that.

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I know that there is a planned investment for 2031 or 2041, in that range. In their long-term capital plan, they have \$12 million suggested, but we need those homes, we need that development to happen right now. I think that that's the important thing.

Ms. Mary-Margaret McMahon: Yes, but the plant is safe currently—

Mr. Joe Nowak: Currently, there's enough for what we have—

Ms. Mary-Margaret McMahon: But not for growth, which is what we're asking you to do.

Mr. Joe Nowak: Not for growth, that's exactly right.

Ms. Mary-Margaret McMahon: Okay. And then you had four different recommendations for us, but I missed number 3. We had finalize the OPA—okay, go ahead.

Mr. Joe Nowak: That was to consider other areas of overlapping jurisdiction between the region and area municipalities, such as road maintenance.

Ms. Mary-Margaret McMahon: Okay, great. All right. Maybe I'll come back to you.

Over to Michael Harris—similar names here. You mentioned that you're not on track for housing targets. Can you give me any reasons for that? We heard from the Burlington mayor. There are three sides to every story with that number, so she had different reasons. We've heard from other municipalities. It's more than meets the eye as to the reasons.

Mr. Michael Harris: Obviously, there are market conditions currently that take into account the fact that, whether that be just economic—we're now seeing interest rates going up. But I discussed the duplication of approval processes here in the region. You've got your lower-tier municipal approvals. You've got the region involved. Obviously, at one time, you had the conservation authority. So there is a significant amount of time that it would take to get land ready for development.

We have an abundance of land that's sitting here that's available inside the countryside line, but there are a lot of other market conditions that are leading to those housing targets. It's just a reality that the targets that we've established are likely not to be met.

Ms. Mary-Margaret McMahon: Do you think any of that is to do with the land tribunal backlog?

Mr. Michael Harris: I wouldn't think that there's a lot of red tape provincially that's holding up approvals, frankly, here locally, no.

Ms. Mary-Margaret McMahon: You're a regional councillor now, right? Do you know anything about de-

velopers not coming in and getting their site plan approvals, not coming in and getting their building permits, anything like that? We were talking about the “use-it-or-lose-it.”

Mr. Michael Harris: I don’t think we see a whole backlog of regional or municipal here in the region of Waterloo—at the LPAT, for instance, or any of those tribunals.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Michael Harris: I wouldn’t say the reasons are red tape related—provincially, that is—as to why those houses aren’t being built or those targets may not be achieved.

Ms. Mary-Margaret McMahon: But what about from the developers’ angle? Do you know much about them coming in or not coming in and sitting on the land?

Mr. Michael Harris: Again, there are obviously market conditions for developers, whether it’s the right time to build on these particular parcels of land or not. It’s something you’d have to ask them, I suppose.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you both.

We’ll move to the government members. I have MPP Coe.

Mr. Lorne Coe: My question is for regional councillor Harris. Welcome, and thank you, all three of you, for your delegations. I want to continue the conversation on housing targets. I have them in front of me, so I’m going to refer to them going forward.

You talked about market conditions, but what have been the impediments to meeting these housing targets at the regional level? I’d like you to talk to the impediments and what exactly has been done to try to address those impediments. Because part of our role here as a committee is to ensure municipalities are prepared to support future growth and meet the needs of their residents, particularly when it comes to building homes and housing-enabling infrastructure. If there are some systemic challenges within the region in the planning and development area, in particular, what is being done to address those impediments?

Mr. Michael Harris: Obviously, the region has its official plan and it’s reviewed every five years. We’ve just gone through that process. Everyone knows how it somewhat unfolded this past year and some of the changes that were made provincially. But I would say that collectively it has looked at where the growth should be within the region, factoring in residential growth, how many jobs will be required to house these folks who are coming in—obviously, as Ian mentioned, immigration to our community is significant compared to a lot of other jurisdictions. So the need for housing here in our region—I don’t blame folks from outside of our community wanting to come and live in our community, and we need to provide that land for them.

The region’s role in that is through the official plan. There were obviously changes done once that was submitted. I would have supported those changes, frankly, to ensure more land availability for developers to build in the

right areas of the region, because if it’s not here, it will just simply leapfrog into other communities. As much as I’m sure Woodstock is a lovely place to live—I think a lot of folks who have kids, like myself, would love to see our children grow here and raise a family here, like I have, but the affordability is going to be an issue for them, for a variety of different reasons.

So I think some of your questions would be perhaps better addressed at the lower-tier level, but the region supports those approvals that are required to do water, obviously, if they’re on regional roads. But again, as I mentioned in my remarks, a developer, depending on where they’re building, would have multiple different municipalities here in the region to consult with, as well as the region and even the conservation authorities. So the best way forward would be to remove that duplication and have one planning authority over the entire region.

Mr. Lorne Coe: Thank you for the response.

Chair, through you to MPP Harris, please.

The Vice-Chair (Ms. Teresa J. Armstrong): Yes, I’ll move to MPP Harris for the next question.

Mr. Mike Harris: Ian, let’s talk a little bit about economic development opportunities. I think that we’re not hearing from Tony LaMantia at Waterloo ec development today, but maybe a little bit on how some of that economic development planning, how your organization—obviously I don’t want you to speak for Waterloo economic development, but liaising with the region versus liaising with local municipalities and how all of that interplays. How are you finding it?

Mr. Ian McLean: We’re challenged here as a region because the townships have some of the development land. We have to consolidate and be conscious about making sure we have parcels of land for businesses that are growing here; 80% of all growth is going to come from businesses that are already here, but they still need room to grow.

But the Toyotas of the world or others, when we do foreign direct investment and land big opportunities—we’re in the middle of a super cycle, as Tony would describe, with EV battery plants, and the work that has been done by the federal and provincial government is also going to provide opportunities for supply chain opportunities. But we have to have land available, and that is a role that is region-wide.

One of the things we would say, and the example that spurred the creation of the Waterloo Economic Development Corp., was when we lost Maple Leaf Foods. The reason was, we had three or four different proposals here in the region of Waterloo. We didn’t put our best foot forward and we didn’t all say, “Do you know what? We’re not losing this.” It doesn’t really matter if it’s in Kitchener or Waterloo, or if it happened to be in Woolwich, Wilmot or Wellesley, because those jobs are here in Waterloo region—

Mr. Mike Harris: Ian, I want to jump in for a second, just because we have limited time.

Mr. Ian McLean: Sure.

Mr. Mike Harris: Joe made the point of losing out on an opportunity in Wellesley township that would have provided some good jobs for the people out there, and that really stems from the fact that the region didn't want to make, for whatever reason, the waste water improvements, and has really driven a lot of either commercial or industrial development to certain other areas of the region via their official plan. Maybe just some quick comments on that?

Mr. Ian McLean: I don't want to go down that rabbit hole other than to say that capital is fluid. Capital will go where it's easiest to do business, and we're not an easy place to do business, I would say. You've got planning at the region, and these things take a lot of time, just by their very nature. It's taking too long here to come up with decisions to say, "Where is the right place for development?"

I think that is one of those things where you say we have to be more efficient and effective and have quicker decision-making. It doesn't mean bad decision-making; it just means faster.

Mr. Mike Harris: Do you think it's important to be able to grow our townships from a commercial and industrial way, or do you think it should be more centred specifically on the more urban cores?

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Mr. Ian McLean: I think that's a discussion that the entire region has to have. But let's be clear: Waterloo is landlocked. There is no new land in the city of Waterloo. Kitchener has some; the townships have it. So the comments that the mayor rightfully makes are—the rural municipalities, of which we represent part of your riding in Woolwich township, of course we've got to be very respectful of that. But we are not going to get a million people—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Ian McLean: —with jobs and with housing without the whole region, and that's the townships and the cities working in co-operation. And those decisions are just taking far too long.

Mr. Mike Harris: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Okay, we'll move to the official opposition. MPP Burch, please, for seven and a half minutes.

Mr. Jeff Burch: I just want to pick up where we left off with Mr. Harris and then we'll go to Ian afterward.

With respect to the planning regime and changes that have taken place in other municipalities, there are some, like Durham, I believe, where it is already fairly decentralized and the region is more of a support to the lower-tier municipalities. But it seems that that hasn't really happened here in this area with respect to those changes, which have happened over the last few months pretty decisively in terms of actual planners moving from one level to another. I think they've shown the region doesn't really have to be that involved. It can be decentralized, and the mayors and the chamber of commerce are all quite happy with it.

Can you comment on that and why that hasn't happened here?

Mr. Michael Harris: I don't have the exact headcount of how many planners would be at the region. I would say that we're likely more of a supporting role, similar to the region of Peel, to the lower tier when it comes to housing approvals. I would think there's a small complement of staff in planning, but they have other responsibilities and roles, whether it is regional projects on regional roads. But more importantly, as I mentioned, the region does take the lead on economic development in terms of land readiness for commercial purposes. If you look at the expansion happening out by our airport currently and the Cambridge development lands, this is done predominantly through the region. Obviously, as employers want to come and move to Waterloo region, there is a component that's required from a technical perspective at the region and those small resources would be used to work on those types of projects.

Again, I don't have the details on how many we would have. It's not like this massive shift of this big, ballooned department, but I think we have the necessary folks there now that can support other work within the region and there may be some that migrate to the lower tier as well. Who knows?

Mr. Jeff Burch: I think those are two separate issues. I'm talking more about the planning, the approval process and that kind of thing being duplicated at the two levels and that being addressed successfully in other areas, rather than the economic development, which I find politicians usually get in the way of. Economic development officers at different tiers tend to work very well together in most municipalities; it's the politicians that often get in the way.

But in terms of actual planners, it's not really necessary for regions in most areas to have a big hand in the actual approval process. It creates duplication. I wonder if Ian wants to comment on that.

Mr. Ian McLean: Just in terms of planning approvals, I would just start by saying that business gets frustrated. There are parts—and I've made notes here: If you go on Erb Street here in Waterloo and go down to Lancaster, in some of those developments, you would have to deal with the city of Waterloo, the city of Kitchener and the region of Waterloo because it's a regional road. The complexity of that, let alone the GRCA—there are complexities around that, so that's where frustration comes.

I think when it comes to planning decisions, we can't say, "Well, it used to be the region and there were delays because you're going between the region and the city." Maybe it has been; some of those decisions are now with the city. We can't have delays at the city level anymore. It doesn't matter where the delay is; it means that things aren't being built.

The type of housing—and here's an example: The regional official plan that was approved—and then, thank goodness, it was the province that stepped in—had a regional official plan that didn't reflect reality here in the region of Waterloo. The planners liked it, but they were talking about putting everyone in an apartment building.

Well, I've chaired Immigration Partnership of Waterloo Region for 14 years. Newcomers coming here are not coming by themselves or with one other person; they're coming with families. I think you can count on one hand the number of three- and- four-bedroom apartments we have in Waterloo region. So families are not living in a one- or two-bedroom apartment. The plan has to be, what's the mix of ground-oriented versus apartments, and then you get into the business part. Is it actually cost-effective to build a three-bedroom condo right now? With the cost of a delay of getting decision-making, does it even make sense from a business perspective? Because building a three-bedroom apartment that costs a million dollars doesn't do anything for affordability; it doesn't do anything for people getting into the market.

So the decisions, what you were describing—it needs to be faster and it needs to be more nimble. We're not particularly saying what it should look like, but we need to do better because it's not working here. Even if you accept that it's not with the region now and the decision-making is more at the local level, it has got to be faster, more nimble and reflective that time is money for developers, those who own businesses and those who are going to do the construction.

Mr. Jeff Burch: Some of the municipalities have made that change, and the approvals are, frankly, piling up and the shovels are not going in the ground. That has to do with economic factors: inflation, interest rates and all the things that we know about. There's also a lot of land banking happening as well. In order for municipalities to qualify for that \$1.2-billion fund that is tied to housing targets, it's foundations poured, which municipalities have no control over.

One of the things that everyone's talking about—and I've heard it from many municipalities—is a sunset clause or a use-it-or-lose-it policy on approvals. The government has said you have to do things in a certain period of time or you get penalized, but developers have no penalty—not for legitimate reasons, but if they're land banking, for example, for years and years. There's one in my riding from the 1980s that was approved, so it's those situations. Are you in favour of a reasonable use-it-or-lose-it policy?

Mr. Ian McLean: I would say I'd have to think about the detail around that. We have no choice but to be thinking that there's an urgency to this moment in the province of Ontario, and especially here in Waterloo region. We are going to be facing, both on the jobs front—are we going to have the jobs for people who are going to come and live here? We're going to be a million people, or close to it, whether we like it or not, and how the community looks is going to be there.

So all the things you talked about—decision-making needs to be faster. The timing of things—yes, there's interest rates and market conditions and the costs of doing business, but also developers and those who have lands—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Ian McLean: —are looking for a plan for the future.

The skilled labour shortage is a huge problem. They're going to go and say, "Hey, I can go to Niagara or somewhere where I can do this development, and then I know the next two are already in place," or they can go to somewhere where they can say, "I can do this one development, but then who knows when the next one is?" With the skilled labour shortage, they're going to go where it's easier for them to do business and to have a longer horizon, and that's what we need to see.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you so much.

We'll move to the independent member. MPP McMahon.

Ms. Mary-Margaret McMahon: Great. We're going to keep you on the hot seat, Ian, since you're so vivacious and full of information—

Mr. Mike Harris: He likes it that way.

Ms. Mary-Margaret McMahon: You like the hot seat. I was going to ask you about lost opportunities, but you already answered that with Maple Leaf Foods, so we're going to go on to—you're kind of dancing around the full-on suggestions of what you'd like to see. You mentioned that shotgun weddings seldom work; I love your colourful language. Someone else mentioned voluntary mergers at a different hearing a few days back. You want to be faster, more nimble, reflective of time essentially being money for everyone, but do you have any examples—like, hard-core examples—of streamlining and actually achieving that?

Mr. Ian McLean: Well, I think—

Ms. Mary-Margaret McMahon: Don't be shy.

Mr. Ian McLean: From a service perspective, it makes no sense to me why we have seven fire departments. When you start talking about planning, those things don't make sense to not have a coordinated approach, because we do have police and we do it in paramedic service.

I think if the political structure isn't going to change, the planning needs are the one thing that probably is the biggest frustration I hear from business: "I want to build a new building because I want to hire 10 new people, but I can't find land." It's so complicated. The planning needs to be streamlined at a bare minimum. I'm not dancing around it. I'm not giving you a specific proposal other than to say that needs to change.

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Ms. Mary-Margaret McMahon: Okay. Great.

All right, rapid-fire for everyone: This government has made many decisions and then reversed them. They seem to govern in reverse. We've got the Peel region: "We're divorcing. We're not divorcing." Who knows what tomorrow brings.

What is your level of frustration with this government, and hope and optimism, with us going through this regional review? Are we actually going to do something after you spending all your time and energy here with us today? What kind of faith do you have in us? Hope and optimism versus frustration—or all of them.

Mr. Michael Harris: Yes, I'll jump in and say I have a lot of confidence in Minister Calandra. I think that this committee—I sat on committees like this before, like the

Aggregate Resources Act review. Unanimous decisions coming out of committee can be very useful to the minister. I think of the mental health and addictions all-member committee through Christine Elliott. A lot of great recommendations that came out it became law to help people. So I have a good amount of faith, frankly, that he'll listen to the report that's generated by you individuals listening to us across the province. That change hopefully will come to the region, because it could be a long, long time before we get that.

I was at Queen's Park when previous governments, including your own, wouldn't move off decisions that cost taxpayers a lot of money—

Ms. Mary-Margaret McMahon: Okay. I'm not cutting you off on that, but I'm cutting you off because of the time. Joe?

Mr. Michael Harris: I don't mind governments that make decisions—

Ms. Mary-Margaret McMahon: Keep going, but you're cutting into your friend's time.

Mr. Joe Nowak: Oh, he can have as much as he wants—

Mr. Michael Harris: I don't mind governments making decisions and then backtracking on them if they're in the best interests of the people.

Ms. Mary-Margaret McMahon: Sure. Sure.

I need 30 seconds for these guys, please.

Mr. Joe Nowak: I'm optimistic that this government has been listening to us. There is no question. And you're going to hear a lot more from the region mayors over the next little while as well. I think, once they see the package that we're going to be presenting, I'm optimistic that we're going to be able to move forward and get some of the changes that we need. We don't want the amalgamation, but we want to build homes—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Mary-Margaret McMahon: Yes, Ian, bring it home.

Mr. Ian McLean: I'll be very quick: Totally optimistic, because we have no choice.

Ms. Mary-Margaret McMahon: Awesome.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you to everyone there.

Next, we're going to move to the government side. MPP Harris.

Mr. Mike Harris: Thank you very much. This is exactly how I envisioned committee was going to go today, so I'm excited about it.

MPP Burch, just to fill you in on some of the details in regard to the sort of upper-tier to lower-tier planning, and for the rest sort of listening or sitting in the room: The region, a while ago—I think it was probably maybe 10 or 15 years ago—decided that they didn't want to, at that time, devolve the planning down to the lower-tier municipalities and put some interesting parameters around why they didn't think that was a good idea. That still stands to this day. Until Bill 23 is proclaimed, the region has said that they don't want to go ahead and do that. So that's part of the reason. I'm sure there's some other factors that are at play there. Of course, we're wanting to make sure that

we don't see anything fall between the cracks and that there is a smooth transition, but that's part of the reason why we sort of sit where we are today, as far as that goes. So once Bill 23 is proclaimed, then the region will work with lower-tier municipalities to go ahead and do that. I think we'd all like to see it happen a little bit faster, but it's the reality of the situation we're in now.

I wanted to give Mayor Nowak an opportunity to speak a little bit about some of the efficiencies that the townships have been able to move forward on. I know there was a third-party report that was put out. I think it was by KPMG. The townships had all kind of gotten together to look at ways that they could become more efficient themselves and look at some of that bulk buying. If there is some time remaining, I did want to talk a little bit about fire service because that has come up a couple of times already today. So, Mayor, if you wouldn't mind.

Mr. Joe Nowak: Yes, so the rural mayors, the four rural mayors, have been meeting, oh, I think for the last number of—quite a number of years, anyway. We've been able to find areas where we can do bulk buying, whether it's sand and gravel or whatever it needs to be. We collaborate on a regular basis. So it's been a positive move forward for us.

I'm interested in getting to the fire department issue because—

Mr. Mike Harris: Well, why don't we skip right to that. So the way that we have things sort of set out here is we have our professional fire departments, obviously, in the cities, volunteer departments in the townships—sort of semi-professional, I guess you could say, if you will, but all, of course, highly trained.

Michael, I don't know if you want to touch a little bit on what your thoughts might look like with one service and how that might work. Because it would have to be one professional service, right, where you're looking at bringing everyone under that umbrella. What are some of the pros and cons of doing that that you've come across in your time?

Mr. Michael Harris: Yes, well, we have a great complement of professionals in the fire departments throughout the region, in all the cities, especially even the volunteers in the townships. I know there are hybrid models across the province. I think of Caledon and perhaps others in eastern Ontario that have a hybrid professional force and a volunteer, so there is such a thing as a bit of a hybrid.

I think citizens would benefit from one force instead of seven different forces, just like we have with our police and paramedic. I mean, there's a lot of synergies that are happening in both those departments. You look at just your geographical issues. In some cases, south Kitchener departments could respond into Kitchener quicker, east or west side Kitchener can respond into Breslau faster, look at Waterloo in getting to Woolwich a lot faster. So it's about getting the best service for the taxpayer. Yes, we could see increased costs by going to a professional department, but I think that our community is growing enough that eventually, one day, we're going to be there regardless.

Mr. Mike Harris: So what do those hybrid models look like? Have there been any regional studies done on what it might look like?

Mr. Michael Harris: I just think of the day with the whole double-hatter. You know, you've got professionals working in Brampton, volunteering in Woolwich or Wellesley or Wilmot, that have had issues. I know that's kind of been corrected to some degree, or not. I've not read, particularly, studies, but I know that they're out there.

They're working and serving those communities, but again, our population is going to hit a million around the corner, and we're going to need to have the services that are going to be able to respond to these communities.

Mr. Mike Harris: Joe, did you want to touch on that a little bit?

Mr. Joe Nowak: Yes. I just want to point out one thing when it comes to efficiency and when it comes to the cost of the fire department. We have 60 volunteer firefighters out there, and the total cost for those 60, the payroll for those 60—I have been told it would probably be equal to about three full-time firefighters in the city of Kitchener. So you can imagine what it would cost us if we had to put unionized firefighters out in the rural areas. It would be astronomical.

We have a very efficient system, and I think we meet all the criteria as far as on-call times and that sort of stuff. I just can't see that the rural fire departments could be any more efficient than what they already are.

Mr. Mike Harris: Well, it's interesting. When you look at that hybrid model and how that could look, where you could have, potentially, a more robust, professional department that is stationed in those larger areas and geographic centres that are slated—Ian, do you want to—

Mr. Ian McLean: Yes. I would just say that one size fits all is probably not the case there. But certainly, in Kitchener, Waterloo and Cambridge—in Waterloo, when we were doing our planning, it was based on our geographical boundaries, because we already had mutual aid, which is between the townships and cities when calls got complicated.

In one case, on the east side, where our newest fire hall—when I was on council, it might have made sense to do it in Conestogo, versus—and we didn't entertain those conversations saying, "Where would the right place be to actually serve residents?" It's another example of where the artificial political boundaries prevented us from having a full discussion about where that would be, because of the budget and the decision-making and the boundaries.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Mike Harris: Doesn't leave much time. MPP Rae, I don't know if you've got a quick question.

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Rae.

Mr. Matthew Rae: To Councillor Harris: Stratford will take the business—no offence. Your kids are welcome to move there too.

Mr. Michael Harris: And they may very well. It's a lovely town.

Mr. Matthew Rae: Very quick: Joe, do you support a use-it-or-lose-it policy?

Mr. Joe Nowak: I would have to have a closer look at it, get a little bit more details. I don't think it would affect Wellesley township as much as maybe other situations.

Mr. Matthew Rae: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Wonderful. Thank you, everyone—all the witnesses—for the presentations and staying on schedule.

Now, I will recess the committee until 1 o'clock. Thank you.

The committee recessed from 1200 to 1300.

MR. SCOTT DAVEY
TOWNSHIPS OF WILMOT AND
NORTH DUMFRIES
LLOYD SWAIL CONSULTING

The Vice-Chair (Ms. Teresa J. Armstrong): Good afternoon, everyone. The Standing Committee on Heritage, Infrastructure and Cultural Policy will now come to order. We will resume public hearings on the study on regional governance. I will now call the next three presenters to the table, and that will be Scott Davey, the townships of Wilmot and North Dumfries, and Lloyd Swail Consulting.

The first presenter on the agenda is Scott Davey, and you will have seven minutes to present. Please do not activate your microphones; the Legislative Assembly broadcasting staff will do that. I will also provide a 30-seconds-remaining notification during your presentation. You may now begin.

Mr. Scott Davey: Good afternoon. My name is Scott Davey. I've been a Kitchener city councillor since 2010 and have been Kitchener's chair of finance for more than a decade. To be clear, I'm not speaking on behalf of my council or our mayor, Berry Urbanovic—he'll be doing that in less than an hour—but I do unequivocally support his delegation, and the delegation of Mayor Natasha Salonen from Wilmot township and North Dumfries Mayor Sue Foxton, who are also presenting in this time slot.

While I may only be a councillor, with comments more nuanced to Kitchener, I am echoing the unified voice of these six lower-tier mayors, representing the kind of consensus that I believe the provincial government was hoping to achieve. I won't be providing materials other than a copy of these remarks, as the submission of the unified mayors will certainly suffice.

As you've no doubt heard, municipal government is the closest to the citizens. Every day, we hear first-hand challenges across all orders of government, from housing and immigration to garbage collection and, yes, potholes. Yet clear lines of communication upwards are often challenging to navigate, so I truly appreciate your time today and the opportunity to speak on regional reform.

I understand the primary focus of this exercise is to address the housing supply crisis that's harming our citizens

and to streamline local governance to that end. I am 100% committed to that goal, but this hopeful reform also introduces the opportunity to enhance service delivery and efficiency within our two-tier municipal system.

I'll be honest with this committee that I may stray from my colleagues somewhat in that I do believe amalgamation, in whole or in part, is an issue worth pursuing, but certainly not at this time. We need far better data detailing the benefits and a stronger mandate from the residents of our community. Many residents have indicated that they are not quite there, and frankly, the consequences of such a significant endeavour would certainly draw efforts and attention away from the very point of today's meeting: the housing and associated homelessness crises which we are all facing. This isn't to say that progress can't be made, and this is why I find myself aligned with the consensus of the majority of mayors in our region.

In the end, all levels of government strive to provide the best possible service at the lowest possible cost. Clarity and strict division of duties are paramount in this aim, not only for service delivery, but also in clarity to our residents on whom to contact with issues, and ultimately to the electorate and accountability on those responsibilities.

Unfortunately, in our two-tier system, several overlaps and duplications make issues confusing or opaque to our residents. While the regional government has certainly served us well in the past, with a growing urban community, blurred jurisdiction is causing increasing harm, with difficult representation.

I fully understand you may not be privy to the intricacies of our two-tier government or the overlap that causes these inefficiencies or customer service confusion, so allow me to illustrate a few. Throughout the region of Waterloo's lower-tier municipalities, the regional government owns and is responsible for more than a hundred roadways, or approximately 27% of all roads, which are confusingly intertwined with those owned by the lower-tier municipalities. This causes considerable confusion among residents and councils alike, from road closures to adjacent sidewalks and multi-use trail maintenance.

In fact, just recently, there were situations where speed limits in school zones were proposed to be different from one city street to the regional road just around the corner—school zones monitored by photo radar, no less. These aren't highways, but regular roadways within cities and townships, yet owned by a completely different government, along with the subsurface water infrastructure. This division of responsibility makes zero sense and serves no one.

Another example is that we have separate bylaw departments. Suppose you're a resident concerned with construction traffic parked illegally on a trail. Who do you call, the city or the region? What about an overflowing garbage can? Well, it depends on who owns the roadway, which our residents certainly do not know. I would estimate that a third of all contacts that I receive as a city councillor are in fact regional issues.

The confusion extends to other areas, like arts and culture. We have two municipal orders of government

issuing grants. Why? How could an arts and culture entity know who to approach for funding? How can this ever be efficient or fair? These are just a few examples, but I highlight those that only serve to confuse and disenfranchise our residents.

The solution: How can this be fixed? Apply the streamlining of services and responsibilities as laid out in Bill 23 for planning, but for all easily delineated services. Or, put another way, the region's responsibilities and assets should be limited exclusively to those that cannot be effectively downloaded without significant complication or risk of savings via economy of scale. Namely, those items would be police, court and EMS services, transit and airport, water treatment, waste management, public health and social services.

There should not be overlapping responsibilities in areas such as libraries, bylaw services, land use planning and arts and culture. There should not be overlapping ownership or funding of assets like museums, roads, multi-use trails or all of the subsurface water infrastructure etc. These should be downloaded to the lower tier, along with the associated tax revenue. I firmly believe this reform can happen without significant complication, as we've seen elsewhere. We only need the direction to do so.

Governance reform: If enacted, the role of the region would be significantly reduced. In fact, this transfer of responsibility would negate the need for a directly elected regional government. Instead, as is implemented in other regions, lower-tier politicians should be appointed to the newly streamlined regional council to deal with the remaining items in their purview. Not only would this reduce the total number of municipal politicians in our region, which is overserved comparatively, by nine; it would also address the aforementioned customer service issues and simplify our comparatively long and complex election ballot, potentially increasing voter interest and turnout.

In closing, I would again like to offer my gratitude for affording me the opportunity to speak on the important issue of regional reform. I would end with my hope that the province acknowledges, throughout all presentations, that there is an appetite for change in our region, and ultimately elects to go not even the extra mile, but the extra yard, to help us streamline our municipal governance, making us more efficient, more effective and more accountable. Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentation.

We'll move next to the townships of Wilmot and North Dumfries. You have seven minutes for your presentation.

Ms. Natasha Salonen: My name is Natasha Salonen, and I am the mayor of Wilmot township. Good afternoon, Vice-Chair and members of the committee. Thank you for taking the time today to have careful consideration of the important issues before us.

Like Mayor Nowak, who spoke before lunch, I am here today with the support of my councillors and aligned with the mayors of Wellesley, Woolwich, North Dumfries,

Kitchener and Cambridge, representing approximately 80% of the population of Waterloo region.

There are multiple case examples that are provided in the mayor's supporting documents that you received earlier this morning, and some that I will not be able to get into today.

Wilmot is supportive of the provincial objective of building 1.5 million homes by 2031. However, any drastic changes, such as the dissolution or amalgamation of the region of Waterloo, would be counterproductive to the goal of building more homes. Therefore, we must optimize the current two-tiered structure to facilitate increasing the number of homes and ensure that affordable and high-quality living is available throughout the province.

A two-tiered system of government, such as the region of Waterloo, is designed to provide proper coordination of programs and services at both the regional and area municipal levels. In my experience, in the region of Waterloo, there is unnecessary duplication, causing delays in planning processes and inefficient service delivery. This is counter to the goal of building more homes now and has a direct impact on the effective delivery of projects and services to our citizens.

One example of duplication relates to the reconstruction of Snyder's Road, a regional road that runs through the township of Wilmot. The township has jurisdiction over infrastructure such as water, waste water and sidewalks within the right-of-way. The region led the project and invoiced the township for project management costs and consulting costs. Township staff, however, were the front lines on public interactions, customer issues and construction and contract issues. The duplication of administrative activities increased costs and caused confusion for our impacted citizens within the project area. Road rationalization and review of roles and responsibilities for regional roads within the boundaries of area municipalities could eliminate duplication of effort, streamline response to front-line customer service issues, and provide better quality and cost control at the local level.

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The vesting of planning authority to the region was made at a time when most lower-tier municipalities did not have the technical and staff capabilities to assume the responsibility. Area municipalities have matured and grown over the last 50 years and now have the capability and professional staff to effectively implement provincial planning legislation.

Wilmot has been requesting the delegation of planning approvals from the region of Waterloo for over two decades without any significant success. As such, we have embraced Bill 23 in respect of the delegation of planning authority, as it will force the issue to streamline approvals by eliminating the duplication of effort that has plagued the current process. Lower-tier municipalities have worked with regional staff to create an implementation framework to transition approval authority that will lead to streamlining of approvals.

It is our belief that the region's role in planning should be limited to broad-based and strategic regional-scale

matters. Each area municipality has its unique character, and local councils should be empowered to make the best decisions for their communities as soon as possible through the proclamation of Bill 23 by the end of the second quarter of 2024. We must also ensure that the related tax dollars flow to the area municipalities rather than be consumed and redistributed in the regional budget, which will ultimately cost our taxpayers more.

The region's official plan has limited growth in the townships. It is telling that when Minister Calandra asked lower- and single-tier mayors for input on the regional official plan this past fall, every area municipality in the region of Waterloo asked for changes, apart from the city of Waterloo.

Wilmot is ready and waiting for the tools to build more homes now. We ask that the province finalize approval of the regional official plan amendment in the first quarter of 2024.

The lack of waste water capacity has been an issue in Wilmot, much like our neighbours in Wellesley outlined earlier today. After the responsibility for planning is downloaded, we require a mechanism to ensure the region makes timely and long-term investments in infrastructure and servicing capacity to allow both cities and rural communities to grow.

An example of lack of prioritization of an infrastructure investment in Wilmot is the Baden pumping station. The regional process from planning to commissioning will take eight years. The province has provided funding to the Catholic school board to build a new school, which is much needed in our community. However, they can't proceed until servicing is in place. The township will now have to develop a workaround to service this important development due to regional delays.

We are open to creative solutions, and there may be alternatives for servicing some types of developments. I would request that the Ministry of Municipal Affairs and Housing amend the Municipal Act to make waste water treatment, water production, treatment and storage as a non-exclusive jurisdiction of regional government in Waterloo.

Wilmot looks forward to pulling our weight in building more homes and creating thriving economic hubs. We need the province to give us the tools to get there.

Now I will yield the remaining amount of my time to Mayor Sue Foxton.

Ms. Sue Foxton: I'm Sue Foxton, mayor of the township of North Dumfries. I'm pleased to appear before the standing committee on regional governance review. I'm appearing before the standing committee with the full support of council.

Today, I and my mayoral colleagues will be sharing with the standing committee a common vision and statement that a two-tier government, with modifications, can be an effective form of governance within Waterloo region. A joint briefing paper from the mayors of Waterloo region will be presented and copies left with the standing committee for your further review and reference.

The key messages from township council and myself for the consideration of the standing committee include the following:

The province's objectives are abundantly clear through the passage of various pieces of legislation over the past two years. The province is committed to facilitating the construction of 1.5 million new homes by 2031 and is moving what they believe to be barriers to achieve the goal. The township shares that vision and will work with partners to achieve that goal.

The township of North Dumfries is opposed to the creation of a megacity or some alternate form of amalgamation—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Sue Foxton: Okay, let me get to the end.

The township requests that Minister Calandra move forward with the proclamation of Bill 23 by the end of the second quarter of 2024, and the ask of this standing committee is that a recommendation from this committee to Minister Calandra include a reference to the importance and the need to proclaim Bill 23 to reinforce the principle of streamlining and removing duplication in the land use review decision-making model.

Thank you once again for the opportunity to speak. I'll stop there.

The Vice-Chair (Ms. Teresa J. Armstrong): Good timing. Thank you.

Next presenter, please: seven minutes.

Mr. Mark Reusser: Good afternoon. My name is Mark Reusser. Thank you for the opportunity to be here and present. I'm here today representing Swail Consulting. I'm also vice-president of the Waterloo Federation of Agriculture and I am a farmer in Wilmot township, where I grow turkey and grain. Please bear with me; I'm going to give some background first. I will get to housing.

We live in a very special place here in southwestern Ontario. With a temperate climate moderated by three Great Lakes, it is a highly productive soil area. It's kind of the Goldilocks area of North America for agriculture. Waterloo region farmers have nearly the highest income per acre and the highest income per farm in all of Ontario. Farmland in southern Ontario can grow a longer list of fruits and vegetables than anywhere else in North America, with the exception of California, yet we are on a trajectory to lose half of our farmland in Ontario by 2051, primarily to development.

We realized 50 years ago in Waterloo county that without visionary planning, our farmland would disappear, so in 1973, we began a journey to plan and build the most innovative urban community in Canada, the most attractive place to build homes and businesses and, at the same time, protect and enhance a flourishing agricultural countryside. The tool to do this was and is two-tier regional government and regional planning authority. It worked. Look outside your window. Travel around Waterloo region. It's a special place in North America and it's because of regional government.

We are bigger than the sum of our parts when we are regional government. Without visionary regional planning authority, we would not have the following: (1) the regional water quality program, the envy of North America in terms of looking after water quality in the rural county; (2) the countryside line, the hard boundary between urban and rural that has been maintained since 1973 and has protected our valuable farmland; (3) the environmentally sensitive landscape designation protecting the headwaters of our watersheds from development; (4) the protected countryside designation that protects the Waterloo moraine aquifer that we rely on for our water; (5) an LRT public transit system, now running near capacity, not found in any comparably sized city in North America; a system that has enticed and enabled billions of dollars of housing development along its route. It's right outside your window.

Perhaps most importantly, regional governance has allowed us to successfully achieve intensification. More than 70% of all new dwellings are built within the urban envelope, a rate of intensification that has not been achieved by any other municipality in Ontario except Toronto.

Waterloo region is a facilitator of, not an impediment to, housing. Our master plans for housing, environmental protection, transportation, water and waste water will move us to the end of the current planning horizon of 2051. Our planning regime here in Waterloo should be the template for planning in all of Ontario. The evidence surrounds us: thriving cities, three universities, employment opportunities that other municipalities can only dream of and some of the best food-producing land on the continent. The province doesn't have to invent anything new. We've done it for them. It's right here.

I ask you: Choose to support communities like Waterloo region that actively and purposefully seek to build places that you, your children and their descendants will want to live and work in. Is Waterloo's form of regional government perfect? Of course not. Yes, it can be tweaked, and it is improved and tweaked continuously with every new regional official plan.

How can the province support our efforts to preserve the landscape, build houses and encourage and facilitate job growth? It can support Waterloo region's government structure—it works; restore regional government planning authority and our official plan; recommend that the provincial government return to funding and building truly affordable housing that the private sector can't or won't provide; and finally, support the retention of the visionary PPS and A Place to Grow documents, the guiding principles that act as a road map for growth in Ontario.

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In conclusion, we ask that you support Waterloo region, its innovative policies, prudent and visionary planning that allow us to advance our vision of a vibrant, prosperous and sustainable municipality that respects both the landscape and those that live on it. And finally, remember this—and if that's all you take away from what I say—there is only one landscape, and people, the natural environment and agriculture all have to share it. Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentation.

Now we'll start with the official opposition for the first round of questioning for seven and a half minutes.

Mr. Jeff Burch: I just want to start with Mayor Foxton. You didn't quite have time to finish your presentation, so I thought I'd offer you a minute or so to finish that off.

Ms. Sue Foxton: I was just going to back up Bill 23 and give reasons why we need it. I want to say that everyone sitting at this table, we're all friends. We all know each other and we all respect each other's opinions. So bring it on, folks.

Mr. Jeff Burch: Okay, thanks. I have a question for Mayor Salonen and yourself to start with. You may have been present earlier, before lunch, to hear the conversation about planning and which level of government performs the planning functions here in this region. MPP Harris kind of clarified how things got to where we are, and I was a bit surprised, being from Niagara. They've already made a lot of these changes, moving planning from the upper-tier to the lower-tier municipalities, and everyone being quite happy with that. How would that assist your municipalities when you're looking at things like approvals?

Ms. Natasha Salonen: Thank you very much for the question, MPP Burch. Really, to play on—MPP Harris did outline how planning approvals currently do happen, and it is very much a duplication of the process. If it were delegated, as Bill 23's intent, down to our area municipal level, (1) it would reduce the redundancy, but (2) it would provide quicker, streamlined processing.

A study was done—Lean Six—and it identified that Wilmot township is currently meeting its provincial goals, and the only time that we weren't meeting our 90-day goals was due to the region holding up their review for some reason to—very frustratingly, unfortunately—return the document with little to no comment. So we would see our processes going through quicker.

It would cause a lot less friction for our developers as well as for our residents. They always come to our local council. They don't really recognize and appreciate the nuances, which my councillor over here mentioned.

So we would see it a lot more effective for the local residents, for our developers and for growing our community. As well, we know and understand our uniqueness in our community, and we want to be building complete communities, which, right now, we've only been given fringe development.

Mr. Jeff Burch: Right, okay. You brought up an issue with roads. You brought up a specific issue. As a two-term councillor myself in St. Catharines, in a two-tier municipality, I used to be very frustrated by—I was always into walkable streets, livable communities and building those kinds of those roads, and then the region would have this road going through, and there would be no boulevards. They would cement everything, and very little input from the community. So how would it lead to better planning to determine which level of government does that function?

Ms. Natasha Salonen: I think that you kind of hit the nail on the head. It's planning for walkable, livable com-

munities. When we own all the adjacent roadways, it would make sense that when you're walking down the street, the sidewalk doesn't suddenly disappear. And giving one level of government—which, I would say the lower level, because again, when you have an issue on the road in front of your house, you're going to the local township office to ask about it. So it would really help streamline that process and create more cohesive communities.

Mr. Jeff Burch: Great.

Mayor Foxton, some of the other communities we've been in, I questioned some folks who talk about these big amalgamations or one city. Sometimes the local democracy aspect gets lost in that. In the city I'm from, the little town of Thorold, the city of Thorold, they did some math and they found that one third of 1% of the budget goes to paying all associated costs of politicians. I asked: Is it really too much to ask that the people who pay the taxes have a tiny little bit of money put to having an elected official at the grassroots level that they can call about how their money's being spent? Do you think that's an unreasonable thing to expect in a local democracy?

Ms. Sue Foxton: Before I start, I'd like to say I played hockey in Thorold.

We're in the budget process, and right now, 59% of our taxes go to the region, 26% goes to the municipality and the rest goes to the school board. There was a huge tax increase we had a few years ago because of a few problems, and people were so upset. I got one lady calling me saying, "You're raising it 9%." I go, "That's only on the township portion," and at that time you only paid 18 cents on the dollar. So it's 9% of 18 cents, not the whole tax bill. So it's hard.

We pay for transit, MobilityPLUS. We pay for a lot of services in the region; we don't get any of those services. Well, we get MobilityPLUS. Last year, it cost us \$62,000. We're only allowed to spend \$62,000 of it and the rest went to the region. We don't have any normal transit, so we have to figure out carpooling and everything to get our students to the universities and colleges and such. So it doesn't provide a lot of services for North Dumfries.

I can remember my first term as mayor. Ken Seiling was the chair at the time and called all the township mayors in and wanted to lay out on a spreadsheet what was provided for the townships. There were massive spreadsheets, and the first comment was, "We don't provide anything for North Dumfries." I said, "That's okay, Ken. I'll work on you."

Mr. Jeff Burch: Okay. In my next round, I'll come back to the other presenters, but I just want to go back to Mayor Salonen with the same question about the tiny portion that's spent on paying politicians. Everyone complains about part-time politicians, but they cost almost nothing, really.

Ms. Natasha Salonen: Absolutely. In our community—I don't have the exact number, but I know each of my councillors makes roughly \$13,000 a year. I would say the work that we get out of them is a lot more than that, but they are answering their residents. Daily, they are on phones

and emails and taking those concerns, many of which are actually regional issues.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Natasha Salonen: Also, I think it's comparing apples to oranges a bit. I actually make more money being a regional councillor than the mayor of Wilmot. That's where most of my salary comes from, but also, when you look at the budget of Wilmot township and then you look at the budget of one councillor in Hamilton, their whole budget for one councillor is more than my entire council of six people.

Mr. Jeff Burch: Great. Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for that.

We'll now move to the independent member. MPP McMahon.

Ms. Mary-Margaret McMahon: Thank you so much. I just have a fraction of the time, so sometimes I'll do a rapid-fire round of questioning, if you don't mind.

Just to compete with the Thorold roots over there with my colleague, I grew up in Collingwood. Even though I represent beautiful Beaches–East York in the city of Toronto, I grew up in Collingwood, a small-town girl at heart, and my father was mayor back in the day, when I avowed I would never go into politics. So I do have a little cred on that front.

With regard to planning, we're hearing from, you can imagine, all these different municipalities and all these different stories and opinions, but consistently passion—which I want to say to you thank you so much for coming in and sharing your love of your community and your willingness to look at the future and innovation and new ideas as well.

With regard to planning, we're hearing from some regions and some municipalities that they want to get their hot little hands on that full-on planning process, the whole thing, and then we're hearing from some regions, "No, no, no. Let us still have our fingers in the pie." I'm just wondering: What are your thoughts? Do you want the whole planning process, or do you still want a little bit of oversight? Or is that just duplication?

1330

Ms. Natasha Salonen: I would say, on the day to day, we want the whole planning process. I think the vision of the region originally 50 years ago was to have that cohesion across all of the municipalities, but I don't see that actually as a facilitated, distinct role. We want what Bill 23 has once proclaimed it will provide, which is the full planning, and as we outlined, actually, some additional things, such as waste water and water treatment, so that we have full control over our futures as a municipality.

Ms. Mary-Margaret McMahon: Okay. And that applies for North Dumfries.

And then, Scott, where were you a councillor of? Sorry, I didn't get that.

Mr. Scott Davey: In Kitchener.

Ms. Mary-Margaret McMahon: And would that apply with the Kitchener mindset?

Mr. Scott Davey: Absolutely. More oversight is always good in most cases, but when we're talking about the housing crisis that we're in today, I think we need to make sure that we have the appropriate people with the appropriate power to build these homes as quickly as possible. So I would agree wholeheartedly.

Ms. Mary-Margaret McMahon: Great. Yes, we are all worried about the housing crisis, which is partially why we're here.

So, with Kitchener, how are they doing on their targets? I know that there are always three sides to every story, so that's the one number and then there's reasons behind that.

Mr. Scott Davey: It's actually funny that you should ask, because I just found out yesterday that we have actually achieved our minimum target as set out by the province for this year. I believe we're the only municipality to achieve that, which I'm quite happy—

Ms. Mary-Margaret McMahon: Woo-hoo—standing ovation.

Mr. Scott Davey: And I would also add that the real ability of ours is to approvals and permits. A third of our total 10-year target has already been approved. So, really, the issue now is a matter of being able to get shovels in the ground and supporting builders and developers—

Ms. Mary-Margaret McMahon: Yes, so that's what we were hearing, that some of this backlog with not achieving the targets is the backlog at the land tribunal. It's developers not coming in and getting their site plan approvals or their building permits and sitting on the land. Is that the case for Kitchener?

Mr. Scott Davey: I think that's the case across the province and the country with interest rates etc. It basically comes down to pro forma. If it doesn't make financial sense for someone to build, they're going to wait until it does make sense to build.

Ms. Mary-Margaret McMahon: What do you think of the use-it-or-lose-it idea?

Mr. Scott Davey: I would actually defer that question.

Ms. Mary-Margaret McMahon: Anyone else want to comment on the use-it-or-lose-it? Or is that just—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Natasha Salonen: I'd say with the use-it-or-lose-it, in principle, I think it sounds great. I think Councillor Davey did point out with nuance that there is, of course, economic pressures on developers that I think would just need to be considered in what that legislation would look like.

Ms. Mary-Margaret McMahon: Okay, thank you so much.

The Vice-Chair (Ms. Teresa J. Armstrong): We'll move to the government side. MPP Harris.

Mr. Mike Harris: Thank you all for being here. I want to talk a little bit about rural planning and how that has impacted your municipalities, to both Natasha and Sue. I know one thing that you've been asking for for quite some time, at least in my tenure here as MPP for Kitchener–Conestoga, which both of your municipalities fit into, is that you want smart, sustainable growth. And to Mark's

point earlier about making sure that we're building communities that aren't going to be eroding farmland, that's something that I know is very important for both of you. Both of your communities are quite agricultural and that that's something that you take to heart.

At the same time, you still want to be able to have a place for that next generation to stay, for families to be able to continue to raise children in your communities and not have to move into the city to find that single-family home. One thing that I've talked about a little bit earlier was housing for everyone, not just housing for the chosen few that can live in an apartment or a condo downtown.

I'm wondering a little bit if you could talk about your vision for what that could look like in the future—obviously, having Bill 23 proclaimed will be a big part of that—and how your relationship with the region, as far as planning goes, has hindered your ability to properly plan in your communities.

Ms. Natasha Salonen: Thank you very much for the question, MPP Harris. I think, honestly, most of the answers can be found by the unanimous vote that my council passed on the letter that we provided to Minister Calandra for adjustments to be made to ROPA 6, and that's bringing two of our settlement communities, Baden and New Hamburg—there is land that's currently between the two—ensuring that it's all brought into the urban boundary and then growing there sustainably. It's not impacting anyone's primary farming structure, nor is it producing primary food source at this time.

We want to grow in there, but not just grow houses, which has traditionally been what the region has given us through the regional official plan. We want to have economic development as well. We want to have complete communities, so that when people move to Wilmot township, they can have a good-paying job in Wilmot as well, and that can help them sustain the lifestyle that they want to be in the rural township areas.

We currently don't have that ability because the region has only given us fringe development, where the only rational plan for a developer is to add in a few more homes on another street and not actually put in viable economic areas for us to grow and thrive. I don't want us to turn into a bedroom community.

Mr. Mike Harris: Sure.

Sue, do you want to touch on that? And then, maybe, Mark, I'll give you an opportunity to bring your comments in as well.

Ms. Sue Foxton: Yes. North Dumfries is in a unique situation and I'm not sure many of you are aware, but most of the people in the back are. We're the third-largest aggregate-producing municipality in Ontario. If you took a map of North Dumfries and you transparent all that aggregate on top, 90% of North Dumfries is aggregate. So we are—and Mark is aware—losing farmland to aggregate. I'm working with the minister, and I think Mr. Smith is a wonderful minister, and I'm hoping that we can make some headways there. We're losing whole concessions at a time.

Another thing I wanted to just quickly add is, one of the reasons Kitchener may be doing so well is that they have delegated authority. They already have the planning. They're the only ones in Waterloo region that have it. Maybe that's a good point to take note of.

We want to build and we—back in 1998, I was on council. Yes, I am that old. We created an Ayr area—a development area. So Ayr is the community. We said that the last build in North Dumfries will be these two areas in the south side. And then the regional official plan came in and they took it out and they put in lands in the middle of nowhere for settlement areas, which would make it difficult for fire services, for road clearing—whatever. It didn't make a lot of sense to us. So, like my partner here, we also sent a letter to the minister, saying, "Please look at this," and we got a positive response.

But we back farming. We've told developers that we have to protect this land. And it's not just the farmland. We cannot have concrete jungles. The region of Waterloo survives on waterflow from rain and whatever, and we don't have to do a pipeline right now. I'm cutting your time—

Mr. Mike Harris: Sue, I don't want to be the one to cut you off, because I know what's going to happen to me later.

Ms. Sue Foxton: Happens all the time.

Mr. Mike Harris: Mark, I just wanted to quickly pivot over to you with a little bit of the time we have left. Just talking a little bit about how our rural municipalities do want to be able to grow, but they want to be able to grow smartly, and how you think planning at whichever level—it doesn't really matter—how that can impact that future.

Mr. Mark Reusser: So I will advance this, and that is that agriculture in Waterloo region, for the past 30 or more years, has been very appreciative of the visionary planning done by regional planners, who have taken into account the fact that if you want to save farmland, you have to do it by planning. As a leader in a farm organization, we have realized that it is so important to focus on planning in urban areas because that affects us in rural and farmland in Waterloo region.

I would have to say that the region has been very responsive to our concerns and has accommodated those concerns. I'll use one example, if I could, Mike, and that is this: We have intentionally decided to intensify in Waterloo region—that being a regional planning decision—and what has that done? If we had the same urban densities as almost every city in the United States, our urban envelope in Waterloo region would include not only what it does today, but all of North Dumfries township, all of Wilmot township, all of Woolwich township and two additional townships besides.

1340

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Mark Reusser: We would be eight times as big as we are now. The reason it isn't that way is because of regional planning. We have intentionally protected farmland. At the same time, we have this great, prosperous urban area in the region. We have done both.

Mr. Mike Harris: Thank you, Mark. I think that's going to conclude our time.

The Vice-Chair (Ms. Teresa J. Armstrong): Yes, seven seconds left on the clock there.

I'm going to move it to the official opposition. MPP Burch.

Mr. Jeff Burch: Scott, I wanted to ask you—I appreciated the kind of approach which I think all three of you have taken, which is that you always have to be open to issues such as amalgamation and structural change, but stating that right now is not the time; that citizens may not be there yet, and you have to always make sure you bring citizens along. Forced amalgamations can be very messy for not years but decades, I can tell you from experience. The government just had an experience in Peel with having to repeal that legislation.

Can you talk a little bit about having a focused, evidence-based approach and being open to change? But there's a point where, if you create too much uncertainty—we talked earlier about how Peel is losing 250 employees a week. They were looking at huge tax increases because of that plan to suddenly dissolve the region. Not having a focused, kind of methodical approach can cause real damage and can actually inhibit the ability to create housing and meet housing targets. Do you want to talk a little bit about that?

Mr. Scott Davey: Certainly. First, on the amalgamation point, I would tend to agree. There isn't as much data out there as I think any of us would like, but a bottom-up approach when there is vested interest by the community I think is going to bear much more fruit in terms of efficiencies and service delivery than a top-down approach.

That's something that I think we're going to have to visit again at some point in the future, and hopefully bring the residents along, but again, I don't think we're there yet. That's why the proposal for simply delineating a lot of the work that the region does and putting it down onto the municipalities—it really breaks up a lot of that tension, I think, as well between the lower-tier municipalities and might actually allow us to work better together going forward—if that answers your question.

Mr. Jeff Burch: Yes, that's good. My colleague mentioned—or you, in response to her question—that you had met your housing targets, which is great. With respect to the housing targets, and I'm going to ask other municipalities about this, the criteria for meeting them is foundations poured, which, of course, municipalities have no control over. What kind of revenue loss did Kitchener suffer as a result of Bill 23? How problematic is it that when you set a target for a municipality and they have no control over how to meet that target—how much of a problem is that?

Mr. Scott Davey: Sorry, revenue loss with respect to—well, we've hit our targets—

Mr. Jeff Burch: With respect to Bill 23, the development charges that will—for municipalities across the province, the estimate is somewhere between \$3 billion and \$4 billion, depending on who you talk to. The program that was set up for housing targets only has \$1.2 billion in it. So there is a promise to make municipalities whole, but

that's obviously not going to get there. Do you know how much Kitchener has—

Mr. Scott Davey: Yes, sorry I don't have that figure offhand, but it is certainly a challenge that we're quite concerned about, and we have been pinning our hopes on that promise by the province to make us whole with respect to infrastructure that we, frankly, need to support the houses that we want to build.

Mr. Jeff Burch: And building infrastructure such as sewer and water and—

Mr. Scott Davey: Yes, the stuff that you absolutely need, but also the complete community stuff, like our libraries, community centres etc.

Mr. Jeff Burch: Mayor Salonen, did you want to comment on that?

Ms. Natasha Salonen: Sure. Wilmot township actually does not have housing targets, and that's partly to do with the distribution from the province to the region and then the region decides where those go.

From that perspective, we certainly are concerned that we don't even have a chance of qualifying for the BFF funding, although there is one element that, in August, when it was announced, said will be held for rural municipalities. We're still waiting to hear what that is, but as you said, it's still not enough to actually complete and make municipalities whole. However, I remain confident in our government, that they have a plan and that they are aware of this. We continue to work with the minister and the ministry on that.

Mr. Jeff Burch: My municipality is begging for a target, because they're the eighth-fastest-growing municipal in Canada and they have no target to reach to get that money. But we have the Rural Ontario Municipal Association conference next week. Maybe I'll see you there.

Ms. Natasha Salonen: Yes, you will.

Mr. Jeff Burch: We're hoping to hear something from the provincial government to help make rural municipalities whole, I would assume. How important is that to some of the municipalities in this area?

Ms. Natasha Salonen: I would say it's critical. We can't grow without the proper supports, and we can't help put our best foot forward on this housing crisis without the proper supports.

Mr. Jeff Burch: What are the best supports that you'd be looking for? Does it have to do with infrastructure that facilitates new housing, or specifically what supports would you be looking for?

Ms. Natasha Salonen: Absolutely. They were mainly what I did outline, but it comes back to planning authority being delegated to the lower tier, non-jurisdictional over infrastructure, water, waste water, roads, transportation. It is also detailed more in the booklet that we provided.

Then, of course, the element that you mentioned is the funding and fiscal piece to ensure that we are kept whole as municipalities. Every time budget season rolls around, we get cuts from our federal and provincial counterparts. We are all serving one taxpayer, so how do we ensure that we can all reach our objectives together?

Mr. Jeff Burch: Thank you.

Mark, I just wanted to ask: We talked earlier about planning between one level of government and another. Giving those kinds of approval processes to lower-tier municipalities doesn't necessarily mean that the region doesn't have a role, especially when it comes to preserving agricultural land and those larger plans. Some people are very concerned that growth plans and things are being affected. How does regional government help facilitate the protection of farmland?

Mr. Mark Reusser: I think one of the biggest ways it has done that in the past is by promoting intensification and requiring it, making it mandatory. It's much appreciated that that's done not only in the cities, in the big urban envelope, but also in the towns and smaller municipalities.

I see that it has been very successful in the three cities. It has been far less so—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Mark Reusser: —in the townships. I wish that my colleagues would see fit to endeavour to do the same thing we've done in the cities in terms of intensification. That's what saves farmland. That's what builds livable communities. Sprawl does not.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you. It was just a coincidence that when you were talking, I gave you a 30-seconds-remaining notification.

We'll go to the independent member. MPP McMahon, please.

Ms. Mary-Margaret McMahon: We've heard from a few municipalities about the huge concern about their water and waste water management, and the lack of infrastructure funding for this. Natasha, you were just mentioning—was it the Bating pumping station?

Ms. Natasha Salonen: Baden.

Ms. Mary-Margaret McMahon: Baden. Can you tell me a little bit about that story? You were waiting eight years?

Ms. Natasha Salonen: What the region is projecting in their capital program is that it's going to take over eight years for that upgrading to happen. However, this conversation has been going on almost as long as I've been alive and we're still not seeing those improvements.

Ms. Mary-Margaret McMahon: So, like, 20 years.

Laughter.

Ms. Natasha Salonen: Add eight or nine.

Mr. Mike Harris: Take the compliment.

Ms. Natasha Salonen: Yes.

Ms. Mary-Margaret McMahon: But you need the infrastructure funding, you need to build the station so that you can get your water management in gear and then also build the school.

Ms. Natasha Salonen: Absolutely.

Ms. Mary-Margaret McMahon: Because you've got a bit of a workaround there.

Ms. Natasha Salonen: Yes. Our staff are currently trying to sort out a workaround. Of course, as you know, school funding—the board was given \$12.5 million two years ago for it. As we know, the cost of everything for building is going up and that's very soon not going to even

be viable to build a school, yet we have more students and a growing need to have another Catholic school in our catchment area.

We're going to find a solution. It would be a lot easier if we had our tools within our own tool box locally to do that, though.

Ms. Mary-Margaret McMahon: Now we have to do rapid-fire since I have a very short period of time and I warned you that you were getting it.

1350

We all know that farmers feed cities, especially Toronto. In my former life, I started a farmers' market, actually, to support Ontario farmers. I may have worn a vegetable costume at one point. Hopefully, those photos are burnt.

Mr. Mike Harris: Legislative research, can you please find the pictures?

Ms. Mary-Margaret McMahon: The war room.

Anyway, can everyone give us one quick piece of advice we can do, as the Ontario government, to help preserve precious farmland?

Scott?

Mr. Scott Davey: It's more up to our planning principles, but it would be to make it easier to intensify within the existing boundary.

Ms. Mary-Margaret McMahon: Natasha?

Ms. Natasha Salonen: Having been a staffer for Minister Thompson at OMAFRA, I would say, continue to listen to the ministry. They have really great ideas and are working with our agricultural community to support in the role that the province plays in preserving our farmland.

Ms. Mary-Margaret McMahon: Sue?

Ms. Sue Foxtton: No one is going to like this: Don't take as much aggregate out of North Dumfries.

Ms. Mary-Margaret McMahon: Mark?

Mr. Mark Reusser: I will support Sue. She is exactly right.

I would add that we should grow up and not out, and we should do that intently, because if we don't, what is good will be gone.

Ms. Mary-Margaret McMahon: And of course, shop and eat and read the labels of your Ontario farmers.

Thank you so much for your advice today.

The Vice-Chair (Ms. Teresa J. Armstrong): You still have a minute and four seconds.

Ms. Mary-Margaret McMahon: Okay. Anything else to add?

Well, here's a question I've been asking all morning. We've seen a lot of reversals with this government—the Peel divorce, the greenbelt, other things. Do you have faith that we're actually going to do something and that all of this isn't just an exercise in futility?

Mr. Scott Davey: I have hope.

Ms. Mary-Margaret McMahon: Okay, we'll take it.

Ms. Natasha Salonen: I have faith, yes.

Ms. Sue Foxtton: Can I ask you guys that question?

Ms. Mary-Margaret McMahon: Look over there.

Ms. Sue Foxtton: I have faith. I really hope you're hearing us. I don't think you wanted to waste your time here.

Ms. Mary-Margaret McMahon: I don't, yes.

Mr. Mark Reusser: I would hope that those in power would look at Waterloo region and see what a tremendous success it is—three vibrant cities, a wonderful place to live and grow. It's because of regional government that it is that way.

The Vice-Chair (Ms. Teresa J. Armstrong): We'll move to the government side. MPP Sabawy.

Mr. Sheref Sabawy: I would like to thank all the participants for the very informative information.

For me, coming from Mississauga, which is close to 1.2 million now—maybe I'm not like Mike, my colleague here from the area; he knows more than me. But talking about myself, when I immigrated to Mississauga 29 years ago, it wasn't the Mississauga of today. We were some 200,000, and there were lots of farms and agricultural bases. I don't want to be changing the narrative, but I would just like to advise that with the changes of generations and technology and jobs and job markets—and at the time, I was part of the advisory committee for Hazel McCallion—you will see change in that, either you like it or not. If you want to grow, you have to attract new blood; you need to attract new immigrants; you need to attract new businesses. This plan will keep changing; we have to understand that it will dynamically change by time—we can be faster or slower to adopt, but at some point of time, to keep the youth, to keep the new generations in the community, not leaving the community and going somewhere else for studying or for a better job or for a better life or for better services, you will do some modifications. So this is just a general statement I would like to put in there.

There is no model which doesn't have any cons. Every model has cons and pros. With the regional management, the regional chair, would that be the solution, or having a hybrid model, to be tuned to the conditions of each localization—being in consideration that the government is having no intention to enforce any of the solutions. It's coming from—that is what we are doing today. We are coming to listen, to hear from you and to take that into consideration.

As the four of you, I can see different opinions from there to here. It's changing. There is a trend. What do you think? If the model stays as is, what are the modifications, the challenges you see in the current situation that need to change? I will start with the mayor.

Ms. Natasha Salonen: Again, I think that myself and my other mayoral colleagues are aligned that we really want to see Bill 23, the provisions related to downloading of planning, proclaimed. I think if it's not proclaimed, we're going to continue to see the holdups and issues in development approvals, plus duplication of service, which is not benefiting our taxpayer.

I think, as well, we've outlined how we need to look at other areas of jurisdiction, to make sure that they're non-exclusive to the region, to ensure that they don't use those as tools to inhibit our growth in certain areas.

Just to your larger comment on things changing as generations change: I ran because I am from a younger generation, and historically it was older individuals on our

council. I'm watching the people I went to school with have to move away because they can't afford to be in my community. So I think having the local voice is so important to preserve, but also to adapt to the needs that we have. I will probably not have a 2,800-square-foot home like my parents, but I still want to be able to live in Wilmot township, and I know many other people do.

So I agree with you: It's always going to continue to change, and I think that's why it's so important to have a range of diverse thinking, to come to the best possible solution we can—recognizing that humans are involved, so there will be error at any level.

Mr. Sheref Sabawy: Thank you.

Scott?

Mr. Scott Davey: To the question of leaving it as it is: I think we're never going to get to the place where we need to be unless there's some direction coming from the province. The reality is, we have a lot of politicians in our region who have varying views and opinions, and you guys are hearing them all today, so all we can ask is that you weigh the evidence and make that decision to be more efficient and more streamlined.

Ms. Sue Foxton: A lot of what Natasha said, I agree with, but we do have to evolve, and I'm one of the old people she's talking about. We do have to evolve, and we want to, but we want to do it wisely, and that's the most important thing anybody around this table can do, is to do it wisely. Look at all the options. Look at what has worked and what hasn't worked.

Delegated authority going down to Kitchener, I'm sure, achieved a great deal of their success. We're asking for that same delegated authority. It was promised to the city of Cambridge eight years ago, and they still haven't implemented it. We need that to move things along.

Getting the municipalities, as we work together, the mayors work together—we want to protect the countryside line. We want to reinforce it, and we at the townships, I know, have said to developers, “You can't have it. That's a hard line and it's not to be developed.” But we have to look at different ways of building, and not just high-rises. There have to be other ways, and I'm sure we can come up with good ideas, because we're a brilliant country and we've got smart people here.

Let's use the resources we have and think outside the box to still maintain the countryside, but allow for proper growth. And let's do it right, because I don't want to create slums; I don't want to create concrete jungles. I want to do it right.

Mr. Mark Reusser: One of the wonderful strengths of regional government is that every mayor of the townships and the cities gets to sit on regional council. It's a council of the whole. It represents everyone, and it works. Can it be improved? Of course it can.

I would add that if you don't intentionally plan to save something special like farmland, it will disappear, and when it's paved over, it's gone forever. That's a shame, and that's a shame that will be held by the people who make those decisions or who don't make them. Future generations will look back and say, “What was wrong with

them that they didn't see the importance of saving something good?"

1400

The Vice-Chair (Ms. Teresa J. Armstrong): On that note—

Mr. Sherif Sabawy: How much time do I have?

The Vice-Chair (Ms. Teresa J. Armstrong): You have 15 seconds.

Mr. Sherif Sabawy: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you to all the presenters.

CITY OF KITCHENER
PROPERTY TAXPAYERS ALLIANCE
MR. TIM JACKSON

The Vice-Chair (Ms. Teresa J. Armstrong): We will do a switch of presenters, and I'll call the next three up to the table, please: the city of Kitchener, Property Taxpayers Alliance, and Tim Jackson.

The first presenter is the city of Kitchener. You can begin, with seven minutes for your presentation.

Mr. Berry Vrbanovic: My name is Berry Vrbanovic. I'm the mayor of the city of Kitchener, and I'm here today with five of my city council colleagues, along with Waterloo region mayors.

Good afternoon, Vice-Chair Armstrong and committee members. First let me welcome you to the city of Kitchener. Thank you for making it a priority to visit our region and allowing the opportunity to provide input into this process.

I'm here today on behalf of my city of Kitchener council colleagues, along with other Waterloo region mayors, representing almost 80% of the regional population, and in support of building more housing today for stronger communities tomorrow. Together, my mayoral colleagues and I have established a consensus position based on the mandate of this standing committee and in support of our shared goal with the provincial government of delivering 1.5 million new homes in Ontario by 2031. Our shared work and unified voice in this regard is unprecedented. At the centre of this position is a common vision on the governance structure best suited for our collective communities.

Regional government has served Waterloo well over its 50-year history and has played an important role in the success story that our region has become. However, times have changed since regional governments in Ontario were established, and our region must continue to evolve if our local communities are going to become an even greater success in the future. As such, as Waterloo region mayors, we fully support the provincial government's decision to review the best mix of roles between regions and local municipalities.

Kitchener has long prided itself on its reputation as not only a leader, but as a trusted partner in community building. We share in the same goals as the provincial government, not only for housing, but also on affordabil-

ity, livability, customer service, economic development and more.

Kitchener has worked hard to create the economic conditions that make our community and our province competitive. Our region is an economic engine, with annual GDP growth consistently amongst the highest of all metropolitan areas, provincially and federally. Our residential property tax burden continues to be below average amongst our comparators, and our large industrial tax burden continues to historically be the lowest amongst our comparators. And we enjoy an 88% customer satisfaction rate from residents for city services.

Kitchener is laser-focused on doing everything in our power to build more homes now. Kitchener is a provincial leader in meeting all its legislated planning timelines for site plan, official plan amendments and zoning bylaw amendments.

Last March, council unanimously endorsed its provincial housing pledge of 35,000 new homes, and since then, over 11,000 new units have been approved, representing roughly 33% of that pledge amount.

Last year, Kitchener had its best year on record for building approvals, issuing 4,000 building permits. The total construction value of these permits was \$1.2 billion, continuing a yearly trend since 2019 where we have seen approximately \$1 billion in construction value each year.

We have achieved success for two main reasons: (1) our willingness to lead, specifically through our award-winning development services review which has been publicly recognized by the Premier; and (2) our unwavering willingness to work positively and together, particularly with our partners, such as the Waterloo Region Home Builders' Association and its membership.

Kitchener, in short, is getting the job done.

I'd like to now address the issue of local governance in the context of Minister Calandra's request to the standing committee.

In 2019, the city of Kitchener commissioned Environics to undertake a randomized public survey on local governance. It showed that, in general, Kitchener residents were satisfied with two-tier government in Waterloo region, but it offered the following two insights:

(1) A plurality of residents identified that efficient service delivery, community belonging, and competing globally were all best suited by either the current structure of government or perhaps a partial consolidation of municipalities. But to be clear, Kitchener residents did not express a preference to see our region amalgamated into a single city.

(2) Half of the residents indicated a preference to have the same set of councillors represent Kitchener on both city and regional council, similar to the model in place within most other regions and all counties.

At a time when all provincial partners need to remain focused on building more homes quickly, municipalities cannot be distracted by mitigating the impacts of higher tax rates caused by large-scale restructuring. My mayoral colleagues and I agree that the most appropriate governance model to achieve this goal going forward is to retain

regional government, predicated on practical, yet necessary, service delivery and decision-making reforms.

As you will see in our joint submission, we are focused on practical reforms that speak directly to Minister Calandra's recognition that stability, transparency and continuity be provided as local municipalities work to meet their housing targets. Beyond the two legislative recommendations included in our submission today, the Waterloo region mayors have identified several other opportunities for improvements. As you have heard from others, including in Peel and Halton regions, there are services that directly relate to the broader housing goal of building complete communities that are more than simply units of housing, and include:

- roads, transportation and traffic control;
- culture, recreation and heritage;
- by-law enforcement; and
- ensuring the continued partnership in economic development, including small business support.

Together, we believe we are ready and can assume these services, with the associated budgets from the region, and believe we can deliver them faster and better for our residents by eliminating duplication.

To conclude my remarks, I would like to reiterate the primary request that the Waterloo region mayors have identified in our submission: I request that proclamation be given to Bill 23 provisions related to the transfer of regional planning responsibilities to local municipalities by the second quarter of 2024. Proclamation of these provisions will further streamline the development approval process and enhance customer service to the development industry. This is work that local municipalities in Waterloo region are ready and willing to assume as soon as possible, in support of building more homes now.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Berry Vrbanovic: I also request that as area municipalities and the region pursue some of the transition of services identified above, we can count on the support of the province in achieving these objectives. Together, we believe we are ready and can assume these services, with the associated budgets from the region, and believe we can deliver them faster and better for our residents.

In closing, I am here with the support of my council. Together with the other mayors, representing 80% of the region's population, we are committed to what we believe is the best shared future for our communities, both individually and together. Thank you once again.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

We'll move to the next presenter, the Property Taxpayers Alliance, please.

Mr. John B. Waylett: I have an overhead. Can I do that, or should I just talk from the slides I handed out? I have a PowerPoint.

The Vice-Chair (Ms. Teresa J. Armstrong): Do you have a laptop with you?

Mr. John B. Waylett: No. I put the request in and asked if I needed anything.

Mr. Mike Harris: Is this the slide deck?

Mr. John B. Waylett: It is indeed. I handed it around; I didn't know that everybody had it.

The Vice-Chair (Ms. Teresa J. Armstrong): We all have it. Go ahead and verbally present. Your time starts now.

Mr. John B. Waylett: Okay. Thank you. I'm going to take a bit of a different tack. My name is John Waylett. I represent the Property Taxpayers Alliance. We're a not-for-profit organization representing the Waterloo region property taxpayers. That includes the three major cities and the townships.

The concern we have—and it's a bit of a different tack—is affordability. There is a lot of discussion about “We can do this” or “We can do that” or what direction we might take in terms of amalgamation or no amalgamation, but there doesn't seem to be a lot of emphasis on affordability. The people who pay all of this, who pay the bills, are looking at property tax increases in the region of Waterloo—now, these are property tax increases at the regional level, not the city level—that have doubled Halton, Peel and York over seven years. Look at that; it's a hockey stick.

In 2024, they were suggesting originally that they have a 10% increase, and that's the regional level. Then it got dropped down to about 8.3%—perhaps it was a trial balloon—and there was so much outcry it got dropped again, to 6.9%. That's \$22 million in reductions. And that \$22 million did not come primarily from essential services; it came from discretionary spending.

“The ratepayers of our community deserve a tax system that fairly reflects true municipal expenses and not the hidden downloaded costs from the province,” says councillor Doug Craig.

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“The province and feds need to do more to lessen impact on property taxes,” according to Waterloo councillor Michael Harris. “Waterloo region residents should not be double taxed to pay for pieces that should be funded by our provincial and federal” governments.

What are the residents of the region going to think when they hear this put in the media? This is in the local media.

“The ... regional tax levy funds programs and services far beyond its intended purpose,” says Michael Harris. “The region funds about \$170 million in services through property taxation that provincial and federal partners should be paying.”

Cheryl Braan, the region's director of corporate finance, has been communicating that 53% of the total 2024 property tax increase relates to federally and provincially mandated programs such as housing, homelessness, child care and paramedic services. These increases were a result of service expansion and funding shortfalls and reductions from federal and provincial governments.

What are the residents of the region of Waterloo going to take from all of this stuff immediately? They're thinking, basically, it's irresponsibility on the part of the federal and provincial governments. That's their reaction.

Then, you turn the page: “Are Rising Property Taxes Due to Profligate Spending?”

Regional Councillor Michael Harris, chair of the strategic planning and budget committee, says, “We are committed to balancing affordability with delivering the essential services residents rely on.”

The plan and budget will be guided by the priority areas identified in the region’s four-year strategic plan, Growing with Care: homes for all, climate-aligned growth, equitable services and opportunities, and resilient and future-ready organization. It sounds great, but there’s a lot of platitude-ism in that, and it’s driving up discretionary spending. Aren’t core services essential? Why are they not mentioned in the strategy? Why are they not mentioned in the list? Hopefully, Growing with Care doesn’t become “groaning with despair” for property taxpayers. They are not mentioning the core services the province and the federal government require them to deliver in their long-term strategy, and improving and maintaining excellence in those areas. That seems very strange to me.

Property taxes have risen at over twice the inflation rate for approximately eight years—when blended with the cities’ or townships’ property taxes and the school board taxes, it’s more than two times the rate of inflation. It’s not sustainable. The property taxpayers cannot bear this into perpetuity.

Let’s take a look at some examples.

The 2024 property tax increases across the region range two, three and four times the projected inflation in 2024. Whose income is going up like that? Their disposable income will be gone—the rich, the poor, the average-incomes.

The regional government property taxes have risen 53% since 2017. That’s more than 26% faster than the rise in property taxpayer incomes.

The city of Waterloo has proposed a 23% property tax increase—but when you add in the typical regional and school board component, that’s a 27% property tax increase in three years, more than 22% faster than the rise in the average income.

Cambridge residents have seen their property taxes rise, on average, two times the inflation rate for 10 years in a row, and now it’s 2.8 times the inflation rate for 2024, at 7%.

People’s incomes are not going up like this, and there’s no end in sight; it just keeps going and going. It’s not sustainable.

Municipalities better keep their eyes on property tax arrears and relief requests. Cambridge’s percentage of property tax arrears has risen 30% from 2021 to 2023. They just started rising. I would strongly suggest that the province start looking at this as a requirement in the financial information report, about these applications, because what you’re going to see over the next two or three years, I think, will be very substantial. But right now, that’s a 30% increase, going from 11% for many, many years—10% and 12% and 13%. We have to keep an eye on that.

If you turn the page, “Impacts of Property Taxes Rising at Multiples of Inflation”: One must ask how ethical it is to force low-income homeowners, many having no pensions and living on invested life savings plus inflation-adjusted CPP and OAS—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Mr. John B. Waylett:—two times, three times, four times the inflation rate in property tax increases year after year. Eventually, they will be forced out of their homes. We can’t turn a blind eye to that.

Any changes in the regional governance structure should, first and foremost, address property tax affordability. Property taxpayers can’t afford the cost of the existing municipal government structure. When property taxes rise, they should be averaged, with lower property taxes in the long term.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you so much for your presentation.

Now, the next presenter is Tim Jackson, with seven minutes, please.

Mr. Tim Jackson: Thank you for coming to the region to hear us today.

I thought I’d start with a little bit of an exercise. I’ve distributed a map, which is an overhead shot of some urban parts of our region. I would love you to play urban planner and draw a line and say how you would divide this up into multiple municipalities, because this map represents multiple fire departments, multiple planning departments, multiple emergency plans. I’m not an urban planner, but I can’t make sense as to why you would divide this up into multiple departments.

I have lived, worked and raised a family in this community for more than 25 years, and I love this community. I have yet to hear a good reason why we should not have one municipal government for our region. You will hear, as you’ve heard today, people say, “Well, we make it work.” I would argue we shouldn’t have to make it work; it should just work. And I would argue that we shouldn’t be asking ourselves, “How do we things in spite of our current municipal system?” We should be asking ourselves, “What could we do if we had change? What could we do if we optimized?”

We currently have a system with 59 local politicians occupying 66 positions, and I would argue it actually doesn’t serve anyone very well. Under the current system, we waste time, resources and money.

A perfect example is the Build Now initiative, something that’s very important to our region, bringing 10,000 new housing units into this community—something that’s important, I know, to all of you, and very important to us. But rather than getting on and building those 10,000 housing units, we are spending our time with the municipalities negotiating procurement policies and procedures with each other, instead of just getting on and building things—and in some cases, municipalities are not even coming to the table to enter the negotiations.

Unfortunately, this is a consistent theme. Even when we present a common front externally, we’re spending a ton

of time behind the scenes with eight municipal governments negotiating, arguing or competing with each other. Politicians and others will say we make it work, but it actually breaks down when people try to engage us. We make it very difficult for people to do business within this region. When we're trying to attract businesses, they don't want to deal with multiple municipalities. And unfortunately, sometimes, those municipalities are actually fighting with each other behind closed doors to attract the same business.

Developers find our region very frustrating. They have to deal with multiple planning departments with different rules, even including on the subset of the region that I've shown you here: different rules throughout this geography.

We talk a very good game, but reality is very different, filled with staff, politicians and others negotiating, fighting and working through logistics with each other. A perfect example: A media release that came out during COVID to close parks and other recreation facilities, ultimately signed by eight different communications departments, eight different communications directors. It had to be not just signed by the communications departments—eight different CAOs weighing in. People involved with this tell me it took ages to get done.

Instead of just focusing on what's important to the region, we're spending all this time dealing with logistics. As a result, we end up with a plan for this community that's not cohesive and that's not consistent, and we don't have a consistent strategy or vision.

One area that has been significantly impacted by our current form of municipal government are the social, not-for-profit and arts and culture sectors. I've been very privileged to lead many of those organizations. I've chaired the Food Bank of Waterloo Region. I've chaired a public library board. I've chaired the Centre in the Square theatre board. I've chaired THEMUSEUM—previously the children's museum—board. And it is exhausting to be a volunteer in this community because you have to go to eight different councils seeking support.

And that would be fine if they were aligned, but they're not. So you go to eight different councils with a plan, and perhaps six of them agree to fund you; two don't. So now you have a plan that is only three quarters funded, and as a result, we have a community that is, unfortunately, filled with unsustainable institutions. And the sad part, I think, is that many of these non-profits and organizations are trying to do work to support the most vulnerable in our community. It would be much easier if we had one place to go.

The leadership has actually been shown by the non-profit organizations in this community. We now have one community foundation for the region. We have one United Way for the region. Our counselling agencies merged. I would ask the municipalities to follow the lead of those agencies and do the same thing, because they figured out what was the best way to deliver services to the residents of this region.

So our current system may seem like it works for some people, particularly those that have a job, have a house and don't need access to social services. But it does not work for my 26-year-old son, who is struggling to buy a house in this region so he can stay and remain here. It does not work for the person who was laid off from their job and can't find a new job because we lost the new plant to a community who was better organized and not infighting. It does not work for the not-for-profit volunteers who are having to run to eight councils to try to get support for their organization.

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I would argue we can do better. I don't think anyone really thinks the fastest way to build 10,000 new housing units is forcing folks to work with seven or eight different municipalities. Or does anyone really think the best way to attract new jobs to this region is to ask businesses to deal with seven or eight different municipal governments? Likewise, does anyone really think the best way to support the most vulnerable in our community or to have a thriving arts and culture sector is to ask organizations and volunteers to negotiate with seven or eight different municipal governments? We can do better, and I hope you will enable us to do so by recommending one regional government for our region.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you, everyone, for your presentations.

Now we'll go to questions with the official opposition. MPP Burch, for seven and a half minutes.

Mr. Jeff Burch: Thank you, everyone, for your presentations—much appreciated.

I wanted to start with Mayor Vrbanovic. I want to focus on housing a little bit. That's the focus of this committee. First of all, just to ask—I was asking your council colleague earlier what the revenue shortfall is from Bill 23 with respect to the DC changes.

Mr. Berry Vrbanovic: Sure. Thank you very much, MPP Burch, for the question. What I can tell you is that in 2023, it was approximately \$5 million. Obviously, one of the messages that has been clearly delivered by the government is that municipalities will remain whole, and that is an area of ongoing discussion between municipalities through AMO and the Ontario Big City Mayors' caucus. Obviously, the BFF is a step in that right direction, and as you heard from Councillor Davey, we were pleasantly surprised as our numbers came in because it looks like we've met the criteria for 2023.

Mr. Jeff Burch: So what would be the gap? Is it about the same provincially? The revenue shortfall provincially is between \$3 billion and \$4 billion; the program is \$1.2 billion. Is that about what you're seeing, a gap of about two thirds?

Mr. Berry Vrbanovic: Again, those details are being worked on, but we've had a good, positive working relationship with this government. What I would tell you is that they've made a commitment to us, and as municipalities, we will hold them accountable to that and believe that they will meet that commitment.

Mr. Jeff Burch: You met your target, so I assume you're doing well with approvals and whatever problems. You've worked to make that approval process more streamlined; I know you've done that because we've talked before. I know that with respect to the shovels in the ground, that's a bit of a challenge for a lot of municipalities. Are you finding that's a challenge as well? And maybe you could answer the question that we're asking pretty much every presenter now, what you think of a use-it-or-lose-it policy on approvals that would address not the legitimate economic situation that developers find themselves in but those developers that land bank and have approvals out there for decades without shovels in the ground.

Mr. Berry Vrbanovic: Sure. First of all, I would say to you that in terms of the approvals, we're already at 30% of our housing target in terms of planning approvals. We also were doing well on building permits. It was the foundations, which is the way that we're evaluated, that was a source of concern for us and other municipalities and continues to be, and we've articulated that with Minister Calandra. There has been some dialogue around if this doesn't work, there may be some other opportunities going forward, but that's really for him to provide those details. And as I indicated at the end, we met that.

Sorry, the second part of your question again was—

Mr. Jeff Burch: It had to do with use-it-or-lose-it.

Mr. Berry Vrbanovic: Oh, yes, use-it-or-lose-it. What I would tell you on that is, listen—and I think it was Mayor Salonen that earlier said that it is something that, as municipalities, we would entertain and like to see, but the conditions around it would need to really be carefully thought out. Nobody predicted the pandemic. If you have rules and guidelines in place that are very rigid, that would create a problem in those circumstances because everything ground to a halt. Interest rates, global pressures, supply chain issues—these are all impacting things that the city can't control and builders can't control. And so we need to, if we look at that, factor that into any new policy directions.

Mr. Jeff Burch: So you don't want it to be punitive for developers that are just dealing with economic consequences but for those that are land banking and excessive speculation, if something was put forward that addressed those concerns, you'd look favourably on—

Mr. Berry Vrbanovic: Listen, at the end of the day, this housing situation we're in is one that's been developed over many decades through successive governments and it's going to take an all-of-community approach, involving all three orders government, the private sector and the not-for-profit sector, to tackle it. It's also going to mean that we've got to do a few things differently, and so that's one of the areas that I think we need to explore.

Mr. Jeff Burch: You've mentioned stability, transparency, accountability from the minister's own mouth in terms of what are the necessary conditions for meeting housing targets and building more housing. I take it that a dissolution of the region would be counterproductive to

any goals, really, but especially building more housing because of how disruptive that would be, as it was in Peel.

Mr. Berry Vrbanovic: I could not have said that better myself. Listen, as someone who has sat around the horseshoe for many years, I've not only been part of conversations here in this region around different things, but I've also seen the impact of transformations in other parts of the province.

One thing that is for sure is that when large-scale change happens, whether it's the dissolution of something like the region that was contemplated in Peel or a wholesale amalgamation, it will cause significant impact that's going to take us away from our main goal, which is to get more houses built faster and to continue to grow the local economy. So if we want to ensure that this region doesn't continue to positively impact the province and the country, I would humbly suggest that a wholesale amalgamation at this time, with the economic situation and everything that exists, would be detrimental to our collective municipalities.

Mr. Jeff Burch: With the transfer in planning processes that we talked about earlier and that you've referenced, there are considerations with respect to the environment, the preservation of farmland, which a whole-region approach is important for. What planning do you see as appropriate for the region to be engaged in?

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Berry Vrbanovic: Very quickly, what I would say to you is, we've had a collaborative barn-raising approach in this region towards working together in all areas. I think there are individual circumstances. As has been noted, six of the seven area municipalities actually advocated to the minister around changes to the official plan. We want to make sure we grow responsibly, but in a way that allows each of us to meet the demands that are being put on our municipalities and on this region.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

We'll move to the independent member. MPP McMahan, for four and a half minutes.

Ms. Mary-Margaret McMahan: Thank you all for coming and giving up your afternoon to spend with this scintillating crowd right here around the table, around the horseshoe.

I'm going to start my questions with Mayor Berry. Honestly, I was telling people from Toronto I was going down to Kitchener, and the accolades just started flowing. And, honest to God, it was over the top. What they were saying—"Oh, you've got to talk to Mayor Berry. Mayor Berry's fantastic." I don't know who you know in Toronto or—

Interjections.

Mr. Berry Vrbanovic: It's very humbling.

Ms. Mary-Margaret McMahan: I was like, oh, my gosh, I've got to meet this guy and get his autograph and bring it back to Toronto.

Listen, we're hearing from all these municipalities all over Ontario and they're proudly and passionately saying, "We know our communities best. We live here. We've

grown up here. We moved here, and we love them. So either leave us be or help tweak us or help us form a voluntary merger of sorts.” But what you’re saying, Berry, is that your regional government has served you well, but you could evolve or you need to evolve in 2024. Can you elaborate on that?

Mr. Berry Vrbanovic: Absolutely, and thank you for the question and the very gracious feedback.

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What I would say to you is that municipalities and the communities that people live in are really the heart and soul of each of our existences. People relate to their communities. To be frank—and I’m a regional councillor—most people don’t say, “I live in the region of Waterloo.” They say, “I live in the township of Wilmot” or “I live in the city of Kitchener” and so on, because that’s what they connect to. That’s where many of the day-to-day services, including swimming lessons and taking their kids to hockey and so on, are placed.

I think it really is important to recognize that 50 years ago, the structures that were put in place and have evolved have served this region well and gotten us to the point where we are one of the economic engines of the province and the country. But times have changed, and we need to make some changes in 2024; absolutely. We’re supportive of Bill 23 and the planning transformations. There are some things, as I indicated and as the brief indicates, that should go along with that, such as roads and some of those other areas.

The other point that I’ll make is, if just being together was the right answer, wouldn’t we ask ourselves, “Why do we have 10 provinces and three territories? Let’s just all be one big happy national family.” Why do we have different companies in the food services sector or in the tech sector?

Municipalities, as I said, are the heart and soul of people, and we want to make sure, as we’re going forward, particularly at a time when we’re seeing this kind of divisiveness in society, that we actually work together to bring people together and build that sense of belonging and connectivity amongst people. We believe the way to do that is by continuing to support our area municipalities. Sorry for a long answer.

Ms. Mary-Margaret McMahon: No, that’s great. I was just throwing all those accolades onto you so that you would consider running in Toronto and I’ll run down here.

Laughter.

Mr. Berry Vrbanovic: I love what I’m doing here, for the record.

Ms. Mary-Margaret McMahon: Well, Beaches–East York is not too bad.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Mary-Margaret McMahon: The other week—well, was it this week? It’s all a blur—I was moving to Pelham, then I was moving to Burlington, because everyone is selling their community so well. I love how everyone says, “We have the fastest-growing community,” because

everyone does, but Kitchener looks pretty good too. Thank you all for coming.

Mr. Berry Vrbanovic: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): We’ll move to the government members. MPP Rae for seven and half minutes.

Mr. Matthew Rae: Just going off on my Liberal colleague’s comments: For those in the room who may not be aware, Ontario is now the fastest-growing subnational region in North America. We’re beating Texas and Florida. Some 2,000 people per day came to this province last year, and so obviously housing is a big focus of our committee’s deliberations.

Mayor Vrbanovic, I congratulate you on meeting your housing targets for 2023. We’ve been travelling around, as you know, to the fastest-growing municipalities—or regions, obviously including those municipalities in it—and not everyone is meeting their housing targets for a variety of reasons. But I congratulate you and your staff at the city for reaching those targets, as well.

I know we’ve been asking about use-it-or-lose-it, but also, with Bill 23 there were some changes around appeals for minor variances and other site plan appeals. I was just wondering if the province should continue to look at that around third-party appeals and whether there are OLT delays that the city is experiencing.

Mr. Berry Vrbanovic: Thanks for the question, MPP Rae. Obviously, when things go to the OLT it creates a delay. Time is money, and when those things happen, they create challenges. From an area municipality point of view, we haven’t really seen that creating a lot of problems for us. Many of them end up getting resolved through negotiations.

I do think there are things where the appeals potentially going to the province, going to the minister or the OLT should best be left, particularly on things like official plan amendments and so on, to the area municipality, and simply leave things like the overall official plan going to the minister for any changes that need to occur.

Mr. Matthew Rae: Thank you.

A very brief question to Tim Jackson: You were talking about all the social groups and the arts groups being forward-thinking and combining their organizations. Obviously, we heard from the mayor of Kitchener and we’ve heard from other mayors about devolving some authority. Is there any particular authority that you think should be uploaded to a regional level?

Mr. Tim Jackson: I think everything should be—

Mr. Matthew Rae: Other than everything.

Mr. Tim Jackson: —and I don’t mean that facetiously. I find it fascinating, even listening to you this afternoon, having to ask eight mayors or seven mayors the same question, and not getting one answer, as opposed to having one plan for the region.

And Berry is a good friend. I fundraised for Berry. I worked on Berry’s campaign. I did it because he was pro-amalgamation at the time. And this is one of the challenges. There’s an inherent conflict when people get into the role in terms of how things change. I think that that’s one

of the frustrations. So I would argue, Matt, that you put everything up to one level. Then you get one answer for the region and you don't have to do what you're doing.

Can I take another second? Because I'll give you an example. We talk about this great game that we have. I happened to be outside the region, still living here but working, when John Tory and the three local large-city mayors here went to Silicon Valley, so the mayors of Kitchener, Waterloo and Cambridge. Here, it was touted as, "The mayors of these three cities have gone with the mayor of Toronto." I can tell you, externally, the way it was reported was, "The mayor of Toronto and three of his city councillors visited Silicon Valley." And it's unfortunate, because we don't speak with one voice and we don't have the clout because there's that divide.

That's why I think that economically, non-profits, house-building—let's put it all at one level, and then everyone can get one answer and we have one plan moving forward.

Mr. Matthew Rae: Thank you.

I defer the remaining time to MPP Harris.

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Harris.

Mr. Mike Harris: Mayor Berry, thank you for being here today, and to all of you. I posed a question about fire services a little bit earlier to Councillor Michael Harris and a few of the other folks who were sitting around the table at the time, and I thought maybe, Berry, we could get your thoughts on what a unified fire service may look like, and some of the trials and tribulations of putting that together. And then, maybe, John, getting to hear a little bit from your perspective on that, as well—because obviously, I would assume, there would be some added costs that would be brought forward to the taxpayer, and I'm sure you would have some comments around that.

We'll start with Berry.

Mr. Berry Vrbanovic: Thanks, MPP Harris. Fire service is an interesting one, because it often gets compared to police and ambulance, and I would say they're very different services. In policing, crimes actually transcend political borders every day, and so it's a very different service delivery than occurs with fire. Similarly, on the ambulance front, municipalities are the delivery mechanism, but even dispatch is still handled by the province in terms of dealing with ambulance dispatch.

In the case of fire, where there have actually been opportunities for rationalization in this region, we've actually already done that. In fact, the city of Kitchener does fire dispatch for all seven area municipalities. In fact, we've gone one step further now. We just recently signed a contract with the city of Stratford, who are now going to be using us for fire dispatch services as well, because that's an area where it makes sense.

Kitchener, right now, is the fourth lowest cost per capita amongst Ontario's large cities, at \$133 per capita for fire; the average cost is \$177 per capita. And so what I would say to you is that creating an amalgamated fire department is not going to give better service, because you're still going to need four-minute response times throughout the

region. We already share certain areas like foam, like water rescue and so on, and we do things like dispatch where there actually are savings together already anyway.

Mr. Mike Harris: John, maybe over to you for some thoughts on that.

Mr. John B. Waylett: I agree with Berry, generally. Fire services' response time is critical, and population concentration requires planning to have those fire services near enough that they can get there in time. So I don't think a regionalization of that service is perhaps the appropriate approach, although I'm not knowledgeable enough about the planning of fire services on a regional basis. But I think intuitively that what Berry is saying is the right approach.

My bottom line for the property taxpayer is that we need the region and the cities to find—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. John B. Waylett:—efficiencies for us, to keep our property taxes as close to inflation as possible.

Mr. Mike Harris: Just quickly back to Berry: One of the things we've been talking about is that planning delineation from the region down to the lower-tier municipalities. You are the only lower-tier municipality in the region that has been able to take advantage of that, and you've been able to hit your housing targets. So I wondered if you'd be able to just quickly touch on that.

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Mr. Berry Vrbanovic: What I would say to you is, having that in place has helped us, and I think the other area municipalities deserve that same access.

The Vice-Chair (Ms. Teresa J. Armstrong): We'll move to the official opposition. MPP Burch, for seven and a half minutes.

Mr. Jeff Burch: I want to ask Berry, following up—I'm always interested in, going from municipality to municipality, the information they've collected on what the citizens actually want. We heard some pretty good information the other day in Ajax from some polling and citizen input.

You referenced earlier that there was not an overwhelming or a significant desire for a single city or for regional dissolution, but you mentioned some preference for working things out between which municipality does what, as well as I think you referenced double-duty councillors. Did you want to expand on what input you've received from citizens?

Mr. Berry Vrbanovic: Absolutely. There's a story, actually, in today's Record that also touches on a variety of other polls that were done, and interestingly enough, none of these polls speak to the desire for a single municipality and a variety of viewpoints that do exist.

Back in 2019, the city commissioned Environics on a randomized public survey so that we really understood where our residents sat on two-tier government. The plurality of residents identified efficient service delivery, community belonging and competing globally, and that they were best suited under our current structure.

You did note and my colleague Councillor Davey also spoke to the issue of double direct. I will tell you that I sat

for a short period of time on regional council back in 1997, when we sat on both. That obviously changed in 2000, and then I came back on when I became mayor in 2014. When that change happened and all the councillors voted for it—I'll acknowledge that I was convinced at the time that this was the best thing, going forward. Having lived under both circumstances now, I will tell you that I think it was a step backwards for our region, having been part of that lived experience in both ways. I think the best way to ensure that we have effective governance with range of services through both of these orders of government is to ensure that all of the elected officials sit at both orders of government—so, double direct.

Mr. Jeff Burch: Thank you for that.

I want to move to Mr. Jackson for a moment. Berry raised something earlier, and it was that often you hear from folks who are in favour of one big city. We have several organizations in Niagara pushing for the same thing. They talk about efficiencies etc. But the logical conclusion to that is, why not just get rid of everything and have one of everything?

There's that old saying—I think it was Churchill who said, "Democracy is the worst form of government, except for all the other ones." It can be messy, and it can be expensive, but it's important to people, and it's important that people have a say in how their government is run.

Do you have any concerns about heading in that direction, where you have very limited grassroots citizen input?

Mr. Tim Jackson: First off, when we're talking about citizen input, it seems like everyone keeps forgetting to tell you that in 2010, on the municipal ballot, there was a referendum asking the residents of Kitchener and the residents of Waterloo if they were in favour of the two municipalities coming together to talk, and two thirds of the residents of the city of Kitchener said yes. To be fair, the residents of Waterloo at that time said no, but you now have a mayor of Waterloo saying, "I've listened to my constituents, and that has changed." So two thirds of the residents of the city of Kitchener said they were in favour of starting conversations.

To answer your question, I think that's the beauty of starting from scratch and saying, let's go with one municipal government for the region, because we can then make sure that all parts of the region are represented. To me, it's not so much that we're saying certain parts of the region should be represented more than the other; it's having one voice for the region, one place to go, whether I'm trying to get money for the food bank or the symphony, whether I'm trying to get a housing permit as a developer, whether I'm trying to bring a plant to this community versus taking a plant to the United States. So I think you can deal with that and make sure that the region is represented around that table properly—the broad region—but I think you can do it through one government.

Mr. Jeff Burch: Okay, thank you.

Maybe I'll ask John the same question. From the point of view of individual taxpayers, elected officials are a good way to make your opinion known. A lot of them go

to regional or lower-tier governments, demanding lower taxes. They listen to their constituents often. Is that not an important part of local and grassroots democracy?

Mr. John B. Waylett: Yes, it is. I think the message is that the statistics show that property taxes are rising faster and faster. They're taking a great percentage of people's disposable income, especially in the lower income brackets, where people—widowers and widows that are living in homes on fixed incomes—are feeling a lot of pressure. And that's going to start rising up that bell curve, actually. More and more people will.

So, yes, we present to the region, we present to the city level on the concerns we have. At the end of the day, affordability is going to become an increasing issue that—right now, we're sweeping it under the rug, but it's becoming bigger and bigger. Over the next two or three years, we're going to see a heck of a lot more people struggling. We have to remember: Property taxes are not sustainable in the long run, except at the rate at which people's incomes are rising, because eventually it will eat up all of our incomes.

So, yes, we're advocating as much as we can. The solutions—you've had all sorts of suggestions from all sorts of people on possible ways to approach this, but the bottom line is, it has to be affordable to the people that pay the bills. We can't forget that.

Mr. Jeff Burch: Thanks very much.

The Vice-Chair (Ms. Teresa J. Armstrong): You've got a minute left.

Mr. Jeff Burch: Maybe I'll ask Berry to comment on that in terms of local democracy. How important is that to have in a two-tier system, to have the people in the lower tier who are very close to their constituents and often get those neighbourhood complaints? I was a councillor for a couple of terms myself—you know, the sidewalks, the parks. How important is that to your constituents?

Mr. Berry Vrbanovic: That is hugely important. One of the things that I say both to our staff and to council colleagues: Everyone uses swimming pools—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Berry Vrbanovic: —libraries and all those kinds of things all the time, but they often have a limited number of interactions. And so being able to know who to contact and being able to get that answer—we opened this new, great customer service centre yesterday. I'll tell you about that some other time. That's what people want. That's the kind of service level that people are looking for.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

And to the independent member. MPP McMahon, for four and a half minutes.

Ms. Mary-Margaret McMahon: Now I'm going to ask Tim Jackson some questions. Thanks for coming in. You mentioned that you have a 26-year-old son and you're worried about his housing in the future. I have a 26-year-old son and a 25-year-old daughter. They've actually left for out west—British Columbia. I'm not sure if they left Ontario for the housing crisis or because of their mother,

but there's a crisis out there as well, so it's a valid point. We're worried about our kids and where they're going to live. They don't have it as easy as we did.

So this topic has been discussed, debated, deliberated for years and years and years. Do you actually have faith in us right now that we're going to do something tangible with this?

Mr. Tim Jackson: I think I'm realistic. I recognize that government started down a path and some things changed, and so it has changed the course. I'm not naive to think that we're going to get a wholesale change, but I also think myself and others had a responsibility to come before you and not let the opportunity be lost.

My message to the government side of the committee is that I hope you do do something. I recognize it may mean that you don't do something in all of the regions that were originally identified, but I do think this region is ripe for change. Residents have said that they would be in favour of seeing change.

I appreciate the question, because I came today with a little bit of skepticism as to, will anything actually get done? But my hope is that, as you go across the province, you will say, "Certain regions more than others could benefit from this." That would be my hope, that there is an opportunity to do something in this region, if not through all the regions that you originally targeted.

Ms. Mary-Margaret McMahon: Great. And then your level of frustration?

Mr. Tim Jackson: I'm frustrated. I don't want to sound like I'm whining, but I think I speak for a lot of people in this community who are exhausted.

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I'm not picking on Berry or the other mayors, but when you sit in one council seat as one mayor and you have to listen to one presentation, that's one thing. But when you are a volunteer or you're a developer and you have to go do that eight different times, meet with eight different CAOs, meet with eight different planning departments and meet with eight different community service coordinators, it's exhausting.

We do a great job, and your comments are fantastic about what you've heard about this community. We tell a great story. We do tell a great story externally. We work together and we try to bring things to the region, business and otherwise, and we try to help the vulnerable in this community, but behind the scenes, it falls apart. I just think we could do better, and I think we should be asking ourselves, what is the potential for this region? I and many others believe that one single municipal government for this region would help us meet our potential.

Ms. Mary-Margaret McMahon: Okay, thank you. And not to leave you out, John—the best to last, is it? I don't know. Thank you for your presentation. We're in so many different crises with health care, housing, but definitely the affordability crisis is what I hear at the door regularly in my riding. But here, specifically with the regional governance review, do you have any specific recommendations or ideas for streamlining of services? Because I think what we've heard from municipalities, by

and large—no one said, "Don't touch us at all." Everyone admits there is room for improvement.

Mr. John B. Waylett: I promised the team that we wouldn't talk specifics about—that we'd talk about property taxes. But okay, I think there are some areas that I personally can address. I believe that Berry is correct that, at this point in time, we face enormous issues. Adding another enormous issue is just going to confound things. But areas where there could be improvements—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. John B. Waylett: I think there needs to be increased accountability and transparency. In Cambridge, we don't know how our representatives are voting. It's all hidden. How can we hold somebody accountable in a democracy when vote time comes and we don't know how they're voting on issues?

I think the region needs to deliver the provincial and federal mandate it services, and everything else should be done by the city—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you. We're going to move to the government's side for questioning. MPP Pang, please—seven and a half minutes.

Mr. Billy Pang: Madam Chair, through you to Mayor Berry: I think at this point in time regarding development, it is not a situation of, when you build it, they will come. It's about, they are coming; that's why we need to build.

From your perspective, I think you mentioned that the status quo is not working already. Can you dive deeper, because we have some words—effective, efficient—but it doesn't say about particulars. I think we want something particular from your perspective as a mayor and elected official. What do you think, from your perspective? What are the responsibilities and services that could be modified or combined? Because it's not 50 years ago; 50 years ago was very different. What do you think? If you want to stay with two-tier government, what other modifications are you looking at?

Mr. Berry Vrbanovic: As I indicated, myself and our other mayors are certainly supportive of the direction where the provincial government has gone with respect to Bill 23 and moving these planning authorities from the regional government to the area municipalities. But if we're going to talk about building complete communities, there are some things that need to go along with that. I think you've identified that and, as you've been going across the province, you're hearing that, not just in this region but from other areas as well.

We start talking about things like roads, transportation and traffic control. There is some work that can be done around culture, recreation and heritage. I know from my township colleagues that libraries are a part of that. Bylaw enforcement: People should be able to call one bylaw enforcement area. The reality is, we're the ones that have the staffing. When I have garbage issues right now at the city, I can't get them dealt with at the region because the garbage bylaw is handled by the region, and we don't have the staff resources in order to deal with them. That's a problem. So I'm trying to get that fixed.

Certainly, economic development keeps coming up. We actually changed economic development back in 2015. The area municipalities have created one point of contact. We don't compete with each other; we compete with the rest of the world: Vancouver, Silicon Valley, New York and other places. Since 2016, our economic development corporation of Waterloo has closed 98 deals with an investment value of \$1.8 billion—4,900 new jobs created that were part of 47 local expansions and 51 FDI. There is no duplication. People don't need to visit a number of municipalities when they want to invest here; they go to one place, they get first-rate service, and then we work with them to support them wherever they decide to locate.

Mr. Billy Pang: From the taxpayers' perspective, what do you think about the mayor's answer?

Mr. John B. Waylett: I think that essentially the centralization at the city level is important to work with companies that want to invest and grow businesses locally. I don't think that can go through the region and then down to the city because, at the end of the day, the city will be providing the services directly to that corporation.

Mr. Tim Jackson: We have incredible people who work in our municipal governments, including things like our economic development organization. That is 100% true. But we also have the piece that we don't talk about, which is the plants that came to the community, started through the economic development organization, and then get fractured because municipalities are competing with each other within our region. This is not a knock against the folks who are doing the great work that Berry says, and we are bringing stuff to the region. But, again, what could we do? What could we aspire to? Why did we lose that plant to another community? Because we had two of our municipalities arguing with each other instead of working collectively. That's what I think this is all about: What is the potential for this region?

I love this region. I moved my family here. I've raised my kids here. I want this region to thrive. I just don't think having eight governments is the right way to do it.

Mr. Billy Pang: I just want to follow up a bit. So, yes, two municipalities, they fight against each other. Say if it were one tier, how about two different ward councillors fighting against each other? At the end of it, they still won't agree, so the same situation will happen.

Mr. Tim Jackson: Yes, but at least you'll have one decision that's made, yes or no.

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Harris for the next line of questioning.

Mr. Mike Harris: I like the sound of that, Teresa. Thank you.

Just on the economic development front: One of the challenges that we've had, from a provincial government perspective, is that the region has been slow to determine larger-scale sites for development and has wanted to push them more so towards the east side lands over by the airport. It does make sense, but there isn't a lot of available land over there from a large-scale perspective. In some of the other municipalities, there are lands available, and they want to be able to put some lands together for those large-

scale mega sites. This is a challenge that we have, where the region wants to go in one direction, the province is asking to go in another, and then you have local municipalities that are trying to get on board. It has been challenging.

This is more of a broader observation than necessarily looking for a response.

I think when we say, Tim, it's not all just black and white and easy—that's a perfect example of where we might miss out on opportunities because the region has been slow. The lower-tier municipalities have been saying, "Let's go, let's do it"—but it's just not the case.

I don't know if any of you want to briefly—I think we might only have a minute left.

John?

Mr. John B. Waylett: We also have to consider where the corporation wants to go. We seem to be presiding over discussions that determine outcome without considering the interests of other parties.

Mr. Mike Harris: For sure. It's an important piece.

Mr. John B. Waylett: So the corporation needs to be able to make a choice, and if there's competition, that's great. Let's get costs down. Let's have competition.

Mr. Mike Harris: Berry, very quickly, to finish.

Mr. Berry Vrbanovic: Héroux-Devtek was in Kitchener and needed to expand. We didn't have the space. They were either going to stay in the region or go elsewhere. We hand-held them down to Cambridge. They opened a plant in Cambridge, stayed here—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Mr. Berry Vrbanovic:—and in fact got the business and kept their Kitchener plant open and opened a new plant in Cambridge and are now delivering the landing gear for the Dreamliner. So it's an example of where collaboration is already happening.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentations.

MS. GINNY DYBENKO
REGIONAL MUNICIPALITY
OF WATERLOO
GRAND RIVER
ENVIRONMENTAL NETWORK

The Vice-Chair (Ms. Teresa J. Armstrong): I'm going to call up the next group of three presenters to the table, please: Ginny Dybenko, regional municipality of Waterloo, Grand River Environmental Network.

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As we get to the table, the first presenter is Ginny Dybenko, if you could please come up. You have seven minutes, and your presentation can start.

Ms. Ginny Dybenko: Thank you. My name is Ginny Dybenko, and I came to Waterloo region in 2006 after an executive career at Bell Canada to become the dean of business and economics at Wilfrid Laurier University. Thereafter, I was poached by the University of Waterloo

to develop a new social media campus in Stratford. I have recently been retired and have been part of an informal group of concerned citizens who have been interested in improving living standards in Waterloo region. I care deeply about municipal governance in this region because I've grown to admire the compassion, the collaboration and the can-do attitude of everyone in this community.

But this community has a deep-rooted problem that I feel is crippling our entrepreneurial spirit. With a population base of 700,000 inhabitants, Waterloo region is over-governed by 66 official positions. We are over-governed and underserved, and we are moving too slowly to build homes and attract investment.

Did I mention the eight levels of government? Seven municipalities, each with their own governance structure, all with regional governance oversight, eight councils and eight mayors. As you can imagine, the seven municipalities often end up in competition with each other.

For example, if an economic development opportunity arises, several municipalities might want the investment and the resultant tax dollars, and the gloves come off. Maple Leaf Foods wanted to expand in Kitchener but ended up going to Hamilton as a result of competition between Kitchener and Cambridge. Today, there is an inadequate supply of shovel-ready industrial lands currently available in Waterloo region and inadequate regional plans to rectify this situation because of this competition.

It's not just economic competition that suffers as a result of these eight levels of government. Not-for-profits and regional initiatives must be prepared to make presentations to all eight councils. An example of this was our recent bid for the Canada Games—unsuccessful, I have to tell you. The team was successful in getting through eight councils. They were overjoyed. The competition had just begun. They were exhausted.

We have four separate library systems in Waterloo region with four library administrations who compete for resources, so all have reduced hours to control costs. The stories go on and on. I'm sure you've heard many today.

Our current governance structure is choking housing supply and job creation. There are eight potential obstacles to achieving planning approvals for regional housing and commercial development. Fifty years out of date, our governance structure requires a massive amount of wasteful collaboration to operate successfully.

We're bloated. We have 59 elected officials in 66 different roles on eight independent councils, whereas our population is approximately one fifth the size of the city of Toronto. Toronto, I believe, has 25 councillors and one mayor. A little math: Each Toronto councillor handles the affairs of approximately 100,000 residents. Of course, here in Waterloo region, each councillor looks after 10,000.

It is absurd in its redundancy, including eight emergency plans, eight community emergency management coordinators and seven fire departments.

Waterloo region needs one government to be accountable to taxpayers, make better and faster decisions, administer smart land use policy, consolidate the seven fire

services—an overlap that's caused deaths in the past—and compete for investment attraction to drive growth and jobs. In a global economy, one voice in our region is better than eight.

The Ford government in Ontario has taken decisive action to build homes faster, to foster a leaner, smarter and more decisive government that provides more effective and efficient municipal services.

Waterloo region urgently needs to take this rare window of opportunity to set itself up for 21st-century success. Waterloo region should adopt a single-tier governance structure, emerging as one city, the city of Waterloo. A single-tier governance structure will drive jobs and growth by ensuring much clearer processes for economic development and home building and ensure clearer accountability and greater value for taxpayers.

There is significant support for a single city of Waterloo amongst many of our community's business and not-for-profit leaders. Incumbent councillors and mayors are often split on the issue, representing an understandable institutional resistance to change and regime security.

I represent business, not-for-profit, community and former political leaders in Waterloo region who have met repeatedly on this topic over the past few years, and we would highly value the opportunity to discuss our proposal with provincial officials and will work off-line to help explore that possibility. In the meantime, we'll continue to assemble a broad coalition of influencers and ambassadors in favour of a single-tier unification to ensure that the communities of Waterloo region step forward into a bright, united future while the opportunity to do so lasts.

We thank you and the Ontario government for your willingness to engage on this very important issue.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you so much for your presentation.

We'll go to the next presenter, the regional municipality of Waterloo, for seven minutes.

Hon. Karen Redman: Good afternoon, and welcome to the region of Waterloo. My name is Karen Redman, and I am the chair of the regional municipality of Waterloo. I am so proud to represent this region. As regional chair, I have the distinct honour of being the only elected official who represents every single person who lives in the region, who knocks on doors across all seven area municipalities.

We're home to three world-class post-secondary institutions, nation-leading technology and advanced manufacturing, and a growing international airport with the third-largest aerospace ecosystem in Ontario. Right now, 650,000 people call the region of Waterloo home, and we are quickly growing to a million.

That is not to say we don't have challenges. With growth comes pressure. Residents tell me the same thing they likely tell you, that their focus is less on governance and more on everyday issues like the cost of living and housing.

I want to commend the government's goal of accelerated housing development. This is a goal that we at the region of Waterloo share. I believe there are ways the region can accelerate development even further. The region

delivers housing-enabling infrastructure, resulting in \$1.8 billion in construction activity in recent years. If you are a home builder with a new development, it is the region that provides the water, waste water treatment capacity and regional road capacity for new residents. Whether rural, suburban or urban, we have reliably delivered this infrastructure for decades.

But that smart planning needs to continue when residents move in. After all, we are building homes, not just houses. This includes transit, reliable roads, policing, paramedics, waste management and, of course, drinking water. It is regional delivery of these essential services that ensures long-term affordability and safety.

When I look at examples of stalled local housing, it requires greater leadership from the region, not a diminished role. Take, for instance, a development being built on the border of two of Waterloo region's municipalities. Approved years ago, this development is stalled because of a border fight between the two municipalities over cross-border servicing. To be clear, this is holding up hundreds of new homes directly beside an existing subdivision, with regional water and road servicing ready and waiting.

A similar issue can be found between two other local municipalities, with the delay of significant residential and employment development. In this instance, the territorialism over waste water capacity and which municipality benefits from the new growth has held up critical progress in the middle of a housing crisis.

In our rapidly growing region, a significant amount of growth is slated for areas on the borders of our seven area municipalities. I fear that in the absence of a regional planning role, inaction and a culture of delay will win over the need to build more housing.

Regional planning will be fundamental to how this community will grow. Let me use public transit as an example. The region has played a critical role in aligning delivery, which has spurred incredible investment and new home construction. The region assumed ownership of individual transit systems in 2000. This resulted in the reduction of duplication and bureaucracy. It streamlined planning and created a connected community.

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This regionalization of transit has allowed for the creation of major transit station areas, or MTSAs. These are critical in securing housing at the rate and density required to meet the government's housing goals. The first phase of the LRT alone resulted in nearly \$5 billion dollars' worth of development along the line. The region is working to complete the LRT with phase 2, which will create more opportunities for investment. In fact, the majority of residential building activity is occurring within the region along existing built-up areas, primarily along MTSAs. Achieving these outcomes in the absence of regional planning is simply unfathomable.

This shows what we can do when we take a regional approach to a core service, and we believe that we can do more to unlock housing development. We are interconnected. Commuter data shows that less than 50% of

commuters stay within their municipality of residence. Singular oversight of roads would streamline future growth and the creation of a true regional transportation network that would allow for accelerated housing development.

Affordability depends on efficient service delivery in every corner of our region, and that is not happening right now. While the region of Waterloo is in charge of water protection, supply and treatment, we operate in a two-tiered system where individual municipalities oversee the distribution of water and collection of waste water. In simple terms, we provide the water, but five of our seven municipalities each build and operate their own individual pipe networks. That means developers have to deal with each municipality through individual permitting and servicing processes every time they try to build.

While cities and townships develop their water distribution services, they do not necessarily design them in a way that supports the projected or potential growth of the region as a whole. The region has been actively working to build for growth, creating capacity for the future. Taking a region-wide approach to the water and waste water network would allow for efficient and effective delivery and remove red tape. The entire process would be streamlined: more accountable, more transparent, cost less and present more certainty when bringing new housing online.

The cost of duplication is passed on to residents in the form of higher home prices and higher taxes. Doing the same job twice is costly. Growth is also costly, and we must be mindful of the way we grow. Residents need services that they can rely on and that they can afford. The demand for emergency services will increase. In our unique region, traditional borders are blurred.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Hon. Karen Redman: As the provider of police services and paramedics, the further consolidation of emergency services through the uploading of fire would benefit public safety and allow for a cohesive response. Seven fire chiefs is six too many, and policy changes will only get us so far.

I strongly believe that there is no one-size-fits-all approach in Ontario when it comes to two-tier governance.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentation.

We'll move to the next presenter, Grand River Environmental Network, please. You have seven minutes.

Mr. Kevin Thomason: Members of the standing committee and guests, my name is Kevin Thomason. I am vice-chair of the Grand River Environmental Network.

For decades, our members and member groups have been stewards, activists and a proactive voice for the environment across the vast Grand River watershed that is home to almost one million people and is facing more growth pressures, more loss of biodiversity and more environmental challenges than ever. We work with all area municipalities and for years have frequently delegated at council chambers across Waterloo region, throughout the

Grand River watershed and all over Ontario. We have a first-hand perspective between all levels of government of what is working, what isn't and how things can differ from one area to another.

It has always been clear how well the region of Waterloo functions compared to other areas. We are continually told by others how lucky we are to live in Waterloo and how our region does something or other so much better than their area. And it is true: Waterloo region is booming. Our farms are amongst the most profitable in all of Canada. Our universities and research institutes are world leaders. The top companies from around the world are locating here. Rather than decaying downtowns, we have concerns about too many 50-storey buildings being built and how crowded our new bus rapid transit and ION light rail is.

Right from the start of the region in 1973, we have pioneered solutions such as the bold concept of no rural severances less than 80 acres, which has ensured that our agricultural lands stay intact and our farms thrive with unique farm gate sales, farmers' markets and fresh, local, affordable food contributing to our identity and high quality of life. ESPA areas pioneered protecting wetlands in the early 1970s. The invention of the blue box in the 1980s started here and has become a global standard. In the 1990s, source water protection areas pioneered the protection of the drinking water that our communities are almost totally dependent on. And in the 2000s, our visionary countryside line and environmentally sensitive landscape concepts were created to better guide growth and provide long-term planning certainty for development.

Quite simply, Waterloo region is thriving because we have done planning better than most others. A Wellesley township council meeting is an extremely different experience than a city of Kitchener council meeting, yet each is focused on meeting the very different needs of their communities, be it 60-storey buildings or Mennonite on-farm businesses, and each very different community is thriving.

This study you are undertaking on regional governance is focused on facilitating housing, and the region of Waterloo is a facilitator, not an inhibitor. We have to have regional planning authority immediately returned, permanently to the region of Waterloo.

While there have been many ideas for new forms of governance, we are in a housing crisis that demands immediate solutions, and amalgamation will take years to sort out. Too much time has already been lost by too many changes and planning chaos already.

Our visionary regional official plans have provided planning certainty, with an average of almost 10,000 development lots approved and ready for development every year for more than 15 years running. Yet, in any given year, only about 9% of approvals are built by developers. We have considerable inventories approved and available as almost everyone can name numerous subdivisions, 10-storey, 20-storey and even taller towers throughout our cities that have been approved for years and are still awaiting construction.

Our most recent visionary official plan was strongly approved by all our municipalities in August 2022. It continues our progressive planning leadership with a focus on sustainable, complete 15-minute walkable communities, healthy active transportation, affordable housing, housing choice and missing middle housing, and additional public transit with phase 2 of ION light rail transit to Cambridge and phase 3 of LRT across Kitchener connecting the airport to downtown to industrial parks and suburban neighbourhoods.

However, this incredible plan that was years of efforts by citizens, organizations and businesses across our region was thrown into turmoil by the planning chaos created in recent years by this provincial government. Planning authority has been taken away from the region and only temporarily restored. Amalgamation, dissolution, all sorts of confusion with the PPS, the growth plan, Bill 23, Bill 39, Bill 140, development charge changes and so many confounding proposals have caused planning chaos across Ontario. At a time when we need more certainty and stability than ever, the provincial government continues to waffle on forced urban boundary expansions and is needlessly rewriting the PPS, which will cause a further avalanche of delays, confusion and unnecessary changes.

Our current regional structure has served us well for over 50 years. You've heard many arguments today about the benefits of single tier, of combining planning and infrastructure and how we are stronger together. It is also clear from Peel region that seven separate, warring municipalities without a unifying upper tier for common efficiencies isn't the answer, and that planning boards and utility boards were disastrous and, in fact, were the reason why Waterloo region was created in 1973 in the first place as a far better solution.

And while hopefully this committee will seek out the 2019 regional review done by our regional chair Ken Seiling and Michael Fenn that has never been made public, there are far more effective and impactful things the provincial government can be doing immediately to address our housing crisis, provide the needed stability and actually facilitate the affordable, sustainable homes and apartments needed than ripping apart municipalities and undertaking complex, expensive amalgamations right now.

In conclusion, our region isn't broken. We are already leading the world. Many of the ideas you've heard today may have merit, but please hold off on them until at least 2031 to provide the certainty and the immediate housing solutions our community can deliver right now. Nobody is ready for amalgamation. Introducing massive change and more turmoil will not build more housing for years—and we can't wait years. Too much time has been lost already.

1520

We need stability, regional planning authority restored, funding for public housing, a focus on intensification, the missing middle and accessory units—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Kevin Thomason: —and other simple solutions that are already in our approved, visionary, sustainable

regional official plan that will actually address our housing crisis quickly and effectively, with far more units than the province is seeking.

Let's address the housing crisis and the climate crisis and take our time to carefully plan future changes with lots of consultation, input and dialogue so that it is wildly successful without the current chaos, continual repeals and backtracking we have seen so much of and that has only furthered the housing crisis. Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for all your presentations to the committee.

I am now going to ask official opposition MPP Burch for his questioning—seven and a half minutes.

Mr. Jeff Burch: Thank you all for your presentations. I'm going to start with Chair Redman.

We've talked quite a bit today about planning and the division of planning responsibilities between the two tiers. I mentioned earlier in the day that Niagara kind of got a jump on the Bill 23 changes and has already reorganized a lot of that. Planners have already left the region. They have gone to some of the lower tiers. They have reorganized, and everyone seems pretty happy. I'm not sure if the region is 100% happy, but certainly, the lower tier and the chamber of commerce and many other folks are pretty happy about the changes.

Is there room for improvement in that area, here in this municipality? How do you see the best way to reorganize that?

Hon. Karen Redman: So I guess I would tell you that there's always room for improvement, and each region is unique. I would tell you that in the region of Waterloo, we have seven planners who have been working at our level, and there are other regions that have a far larger contingent of planners. I would reiterate that that oversight and the ability to provide pipes and infrastructure in all areas of the region is very important, and you have to have a pan-regional view to do that. So I see there being a huge need for a continued oversight mechanism of planning to coordinate throughout the region.

Mr. Jeff Burch: But there can be some decentralization from what exists now—

Hon. Karen Redman: Well, Kitchener's had a delegated authority for quite a few years. Other areas of the region either haven't sought it or maybe haven't had the capacity to do it, so they have relied on the region to be their partner and collaborator in making sure that that planning happens in a thoughtful way.

Mr. Jeff Burch: Okay, thank you. Secondly, I wanted to ask about—we're all aware of the reversal of the Peel dissolution. I thought I'd ask you—you must have been watching it very closely. I think they lost 250 employees a week. There was confusion that my friend from Grand River Environmental Network mentioned. When they crunched some numbers, they found that there would be a very large tax increase, because it ends up being very expensive to dissolve a region.

It's fair to ask you for your thoughts on that as the regional chair here and what that would do, that kind of confusion, to the effort to build more housing.

Hon. Karen Redman: I really appreciate the question. I don't have to tell you that I'm really concerned that there are an amazing number of very highly professional people who are leaving the municipal sector because of the uncertainty. At the region, we've been able to continue to attract very high-quality people to come in, and that's been a real benefit.

But I would also look at the confusion. I look at the region of Waterloo. We have a Moody's AAA rating, and we're in a position where we let debt for area municipalities in the region as well as WRPS, which is our police service. That AAA rating allows us to manage debt in a way that is very affordable. That was one of the things that was a real problem when Peel was looking at the uncertainty.

There's been a lot of talk about whether services should be disaggregated and go down in the region of Waterloo or go up. I would tell you that I think they should go up. I think that having one coordinating body, one pan-regional view, is by far a better way to make sure that building happens. There is no development right now that is being held up by a lack of water or waste water services in the region. As a matter of fact, if you asked, "Could we build another 120,000 homes in the region of Waterloo today?" I would tell you, "Yes, we have that capacity."

Mr. Jeff Burch: Okay. We've heard from the majority of the municipalities, and I think we have a sense that they're not in favour of any kind of regional dissolution, or even any kind of large amalgamation, but many are open to change and feel that there should be continual improvement. But what about citizens? We heard a little bit about some surveying and things like that. I'm interested to know your view or any information you've gathered on citizen satisfaction surveys and what they would like to see in terms of future governance of Waterloo region.

Hon. Karen Redman: I haven't done a survey, and the region hasn't done a survey. We have just finished our strategic plan. We have a website called Engage Region of Waterloo, and it's very well used, both throughout the region, and the municipalities use that same platform as well.

But again, I would reiterate that I am elected at large throughout the region, so I, every four years, do my own survey, which is knocking on doors in every area of the municipality. This should be a discussion not about politicians; this should be a discussion about what brings the best service to residents, what is most affordable and effective.

We always need to be thinking about the future and planning for the future. I would tell you that those coordinated efforts are best done at the region because we have a pan-regional view looking at the needs of the three urban municipalities, as well as the four townships. There is growth planned in employment land in every area of the region, to make sure that the future is bright and holds opportunity for everyone, irrespective of which corner of the region they dwell in.

Mr. Jeff Burch: There's about a minute and a half left, I think, so I'll just go to Kevin for the rest of this round.

You put a lot of examples forward about confusion and the result that has in planning, and also the importance when it comes to protecting the environment and farmland in having a larger regional plan.

Mr. Kevin Thomason: Yes. We're already in a climate crisis. We're already in a housing crisis. Amalgamation will be overwhelming and all-consuming. We can't afford that distraction for two, three or four years.

Look at how long it took to sort out Metro Toronto or some of these amalgamations. We need to focus on what's concerning citizens right now. Our citizens are not staying awake at night worrying about the structure of regional government; they're lying awake at night worrying about the climate crisis, worrying about the housing crisis. Let's focus on those for the next five or six years until 2031. Then, when we've got those under control and have solutions well in hand, we can focus on all the ideas being put forward here, and we can continue to work on those ideas until then.

Mr. Jeff Burch: Okay, thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Jeff Burch: You mentioned 9% of approvals have actually been built. That's an issue we're looking at. Is there some mechanism needed to make sure that when people use the approval process, they move forward with their—

Mr. Kevin Thomason: Yes. I heard you asking earlier about expiries or that sort of thing. In the end, what our data and statistics show here in Waterloo region is that the municipalities are working and our region is working. It's not a shortage of land. It's not a shortage of approvals—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

I'm going to move to the independent member. MPP McMahon for four and a half minutes, please.

Ms. Mary-Margaret McMahon: Thank you for coming in and sharing your stories. We're hearing different things from different municipalities and different people in those municipalities—stay together; separate a bit; tweak some things—but planning is a key issue too. We're hearing a lot about, "Give it all to the municipalities," "Leave a little bit with the region" or, here today, "Give it all to the regions."

So, just your thoughts on the municipalities that want to have the whole planning process in their hot little hands? They're saying that there are delays at the region. What are your thoughts on that? I think I'll go with—oh my gosh—Karen, right? Yes.

Hon. Karen Redman: Thank you very much for the question. There is no doubt that the pipes have to go to where the development is happening. As we know, with pipes, you join them all up. With a two-tiered system like we have right now, I referenced—and I'm always happy to give more detail off-line if anybody cares to have it—that we have jurisdiction skirmishes between municipalities that stop growth and stop development.

The reality is that we are in a position to do that future planning and have the pipes go to where the growth is happening, so from a pan-regional perspective, we're not

worried about who gets the benefit because we all benefit. It's more about where the land is being developed and making sure that not only processes are followed so that the subdivision plan is registered, but that there are actually shovels in the ground and houses being built. That is something that can be coordinated at a regional level, as opposed to looking specifically at one jurisdiction within the region.

1530

Ms. Mary-Margaret McMahon: I think you started off by explaining one of those skirmishes as an example of a housing conflict. Can you give me more details on that?

Hon. Karen Redman: It's a housing development that has been approved. It is right beside an existing housing development. There are two municipalities that are arguing, jurisdictionally, over who gets credit for it. The approvals have been made, the services are at the doorstep, the transit is running past, and nothing is being built because it hasn't been resolved as yet.

Ms. Mary-Margaret McMahon: Wow. That's interesting.

GINNY, I missed your introduction because I was getting some tea to warm up. It's a little chilly in here—and it's not the people. Warm people.

You're a resident?

Ms. Ginny Dybenko: Yes, I'm a resident. I came here from Toronto in 2006. I came here specifically to become the dean of business and economics at Wilfrid Laurier University. Subsequent to that, I worked at the University of Waterloo, developing a new digital media campus for them in Stratford. I'm retired now.

We've been very active as an informal group of concerned citizens, over the past eight or 10 years, looking at various issues that have faced this community, and amalgamation happens to be one.

Ms. Mary-Margaret McMahon: You were mentioning—I got the verb "choke," which caught my attention—that the planning structure was choking supply.

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Mary-Margaret McMahon: Do you have any ideas, in 30 seconds, on planning?

Ms. Ginny Dybenko: I don't think that was me, actually.

All I can say is that every day, we run into people who have issues and frustrations with regard to eight levels of government here.

The Vice-Chair (Ms. Teresa J. Armstrong): Now we'll go to the government side and start the questions with MPP Coe.

Mr. Lorne Coe: Thank you for being here this afternoon. I appreciate your presentations very much.

Regional Chair Redman, I want to probe a little bit further. At the top of your page 5, it talks about actively working to build for growth, creating capacity for the future, taking a region-wide approach to the water and waste water network and allowing for efficient and effective delivery, and then you go on to talk about how

that's going to help us build more housing. I want you to take a little bit more time to describe how you're going to do that, over what period of time, and what your anticipated costs would be of that, and if you have any staff reports to support that.

Hon. Karen Redman: We absolutely do, and I'm happy to share them with you. I did not want to choke you all with data, so I didn't bring it, and I was very conscious of the seven minutes, so I tried to talk pretty quickly. But we absolutely have all of that information.

I would tell you that in a two-tiered system, the way that ours is, where the area municipalities put in the pipes and we put the water and the waste water through them, there can be jurisdictional issues. I know at one point there was a rural municipality that was fighting with all three urban municipalities over capacity for growth. Clearly, the pipes have to go where the growth is going. As a region, we are able to do that and plan to do that.

As I mentioned earlier in my comments, we have the capacity right now for 120,000 additional homes, as we sit here. I know that water and waste water plants are a huge-ticket item. One of the parts of Bill 23 that is often talked about is the DCs. The reality is that we have forgiven DCs for affordable and supportive housing for years at the region and worked, again, with debentures in letting debt. So we're able to manage those kinds of major infrastructure projects in a way that not every area necessarily is, as a stand-alone municipality. Those are things that we bring to the table. Earlier, a previous panel was talking about shovel-ready land—that the municipality of the region of Waterloo is the entity and the level where we have the capacity to provide those kinds of structures and enter into those kinds of infrastructure programs, whether it's the LRT, seamless GRT transit system, paramedics, public health. Those are all services that are delivered at the region and very much done seamlessly throughout the region.

Mr. Lorne Coe: If you could send those staff reports to the committee Clerk, I would like to read them, and I know the other members of the committee would, as well, going forward.

Thank you very much for that response.

Chair, through you: To MPP Rae, please.

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Rae.

Mr. Matthew Rae: Thank you to all the presenters for your deputations, and a special thank you to Ginny for bringing the Waterloo campus to Stratford. I have the honour of representing Stratford in the Legislature. It is now, in the past few years—I'm sure you're aware of this—the most successful arts program they have, and it graduates some great students who stay in Stratford. So everyone should move to Stratford.

Ms. Ginny Dybenko: We want more to stay.

Mr. Matthew Rae: Yes, I know. I'm really pitching my riding. I hope MPP Harris is okay with that right now.

My question is to Chair Redman. I appreciate your remarks today. It has come up, obviously, earlier today in some of the questions from the members of the committee—in your view, do you believe the province should pursue a use-it-or-lose-it policy around development?

Hon. Karen Redman: I would say yes, but the accountability can't just stop with municipalities; it should be an all-of-government responsibility.

When I talk to developers, it's really interesting; they will often say that while the same parameters of the municipal planning act are the same, they get different interpretations depending on which area of the region they're working with. I think that accountability, that consistency, is really important. I look at other commenting ministries and think that if we had that kind of accountability and those kind of timelines for everybody, it would help expedite development.

I think the use-it-or-lose-it piece that has been put by the government is a very useful aspect of making sure that houses get built.

Mr. Matthew Rae: Obviously, Bill 23—and it's related to MPP Burch and some of his questions around the planning authority. In Bill 23, there were some changes around appeals, around site plan—minor variances with that. Do you believe that the government should look at furthering restrictions around those types of appeals—third-party appeals—and whether there are issues with the OLT?

Hon. Karen Redman: I think the OLT could use more capacity and more people. I do think those third-party appeals slow things down and complicate things, so I think scrutinizing that is, again, a positive step.

Mr. Matthew Rae: How much time, Chair?

The Vice-Chair (Ms. Teresa J. Armstrong): You have two minutes and five seconds.

Mr. Matthew Rae: We've got a lot of time now. I appreciate the Chair's concise remarks.

My question is for Ginny. I know you're part of the group that is supporting amalgamation. I asked Mr. Jackson earlier if he could provide just one example that he thinks would be—because he was mentioning from a sort of non-profit sector, in his experience. Is there a service that should remain at the region? Is there one example of something that could be more effectively done—from your experience working in the region—at the regional level versus the lower-tier level?

Ms. Ginny Dybenko: It's my view that all should be at the regional level—I'm sorry, but that's just every circumstance. We've been working with a number of people in the city for about eight years, and we've probably talked to about 150 people, and I have reams of stories of things that go wrong every single day. It just needs the oversight of a regional government—one tier.

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds. You're good? Okay.

Let's move on to the official opposition. MPP Burch, please.

Mr. Jeff Burch: I'm going to go to Ginny. Thanks for your presentation.

So a couple of things he said—just to pick up on MPP Rae's question. As a former executive director of a not-for-profit in the settlement business with federal settlement programs in Niagara: You commented, and another presenter did as well, about the difficulty that not-for-

profits have, and I found that kind of surprising. Maybe it works differently here, but when I operated a regionally available program for settlement, if I needed something in a particular municipality, I would just go to that municipality; if it was something across the region, I would go to the regional government, so there was never really a lot of confusion. I'm just wondering if that exists here.

1540

Ms. Ginny Dybenko: The biggest confusion that we saw in all of our sessions that we held had to do with fundraising. When an individual not-for-profit is looking for funds from Kitchener or Waterloo—as we had said previously, to do a proper job, they have to do eight different presentations at eight different councils. I have to absolutely honest with you: There was at least one not-for-profit that enjoyed the competition between the regions or the municipalities, so he would go to one and then say, “Well, Kitchener gave me that much. How come you guys won't?”

Mr. Mike Harris: That's leverage.

Ms. Ginny Dybenko: There you go. I'm being honest here.

But all of the work that should be being done by these individuals in the not-for-profit sector—for them to have to redo that presentation to eight different councils just seems wrong to me.

Mr. Jeff Burch: Okay. Personally, the way that I always did it is, if I went to the region, all the mayors sat on the region anyway, so they would hear that one presentation and then you'd follow up individually with the councils after the fact, but maybe with fundraising it's a little different.

You referenced, in terms of economic development, the Canada Summer Games. We have 12 municipalities in Niagara and we got the Canada Summer Games.

Ms. Ginny Dybenko: Well, good for you.

Mr. Jeff Burch: But it was a regional effort, right? So it was like Team Niagara, and they went out and they did everything through a regional approach—

Ms. Ginny Dybenko: I remember speaking with Deb Currie. I think she oversaw that throughout the whole process. They worked so hard. Imagine going through eight, and they'd have a little celebration every time they got one down. Then they'd go, “Yes, we did it—no, wait a minute; we've only just begun now.”

Mr. Jeff Burch: Fair enough.

You come from academia, and I have a friend in Niagara at Brock, David Siegel, who wrote a paper about amalgamations and really delved into the actual facts behind them. There are lots of reasons for amalgamation, so I'm not saying that there aren't things like functional things—

Ms. Ginny Dybenko: I understand. I've seen some of those.

Mr. Jeff Burch: But in terms of saving money, there has never really been an amalgamation that saved any money or caused taxes to be lower.

Ms. Ginny Dybenko: I'm aware of that. I think there's also how the transformation from a multi-layer to a single layer takes time, and I think that there's obviously—I mean,

if you just get down to the nitty-gritty, there's a lot of overhead involved in that kind of transformation. I believe that it will take a lot of money to really drive that through, but I think the benefit to the community at the end of the day is essential.

Mr. Jeff Burch: What about the issue of local democracy, where you have a lot of smaller municipalities or areas and neighbourhoods? If you have one great big amalgamated city—most people who ask for that want very few politicians, and they're very far away from their constituents, so good luck getting a hold—I mean, people don't actually call regional councillors that much; it's usually the city councillors who do a lot of the legwork, at least in my experience as a city councillor. But isn't that grassroots democracy important?

Ms. Ginny Dybenko: Well, I don't think that we would like to turn our backs on the individual communities. I don't think Toronto has done that. I think they have personalities of the various communities. If you look at Cambridge, it's still Galt, Hespeler and Preston. They maintain their own identities, if you like, and the councillors associated with those areas have to be able to respect that. So we're not saying that we mush everybody together in a uniform kind of thing, but that we retain those historical communities.

Mr. Jeff Burch: But if you don't have the democratic framework for it and you want to call somebody about things not getting done at the park down the street, or the sidewalk, or something's happening with the environment in your area that you're not very happy with—you want to get a hold of somebody. My municipality, which is small, crunched the numbers and they spend 0.3 of 1% on all of the money that they give their councillors, all of their compensation. It's a very tiny amount of money to have a representative as a citizen. Isn't that important?

Ms. Ginny Dybenko: I think it is important, but I think that also very important are economic development, building houses and attracting investment to the community. We need a future for all of our citizens as well.

Mr. Jeff Burch: Okay. Maybe I'll let Kevin comment on the issue of local democracy—

Mr. Kevin Thomason: I'll make the comment that I referred to: What goes on in our municipality is very different. A Wellesley council meeting in a small 10,000-person municipality that's primarily Mennonite is very different than what goes on in the city of Kitchener or Cambridge or whatever, and right now our government and our form of governance is tailored to that.

I think one of the things that we really want to stress is that we aren't broken. We are already the envy of the world and succeeding wildly at one of the fastest growth rates in North America. I'm not saying there aren't great ideas on the table here, but let's put it off until 2031. We've had enough chaos, enough uncertainty, enough turmoil. Let's take our time—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Kevin Thomason: —to come up with a proper plan that we can all work on and take the proper time to

plan over the years ahead, and let's give the developers, the development, the investors or whatever the certainty that they need now and stop these changes. We already have the successful plan we need for the future with our visionary regional official plan that has already been agreed upon by all our municipalities, that delivers the housing we need sustainably, that protects our farmland and water and environment and everything. We have what we need for the future already.

The Vice-Chair (Ms. Teresa J. Armstrong): Perfect. I'll move to independent member MPP McMahon.

Ms. Mary-Margaret McMahon: On to Kevin: The number one reason I got back into this nutty world of politics is the climate emergency. My brothers actually call me the "eco-witch of the east," which is east Toronto, a compliment I will gladly have. Can you tell me about the Grand River Environmental Network?

Mr. Kevin Thomason: Yes, indeed. We're stewards of the environment. We've been around for decades, which gives us perspective, too, because we've been in these municipal council chambers often longer than any of the staff or politicians in those chambers.

I was actually just presenting earlier this morning on behalf of the Grand River Environmental Network down in Cambridge at the finance standing committee hearing, talking about the climate crisis we're in and how we need to be bringing in things like green development standards and other things that don't cost a lot for the government to bring in. And because of the lack of provincial leadership on this right now, we're seeing municipalities like Toronto or Markham or Ajax or Halton Hills all try to come up with their own hodgepodge of green development standards when we should really see the province bringing in a common thread. So there are all kinds of ideas I gave that committee on things that we could and should and need to be doing for our climate crisis.

Ms. Mary-Margaret McMahon: Okay. And what does your membership look like for your network?

Mr. Kevin Thomason: Our membership is across the entire Grand River watershed, so we span from Dundalk down to Lake Erie, Guelph, Kitchener, Waterloo, Cambridge, Brantford, Paris—you name it.

Ms. Mary-Margaret McMahon: Nice. Now I need a map better than this one that we got.

Mr. Kevin Thomason: There you go. It's a vast watershed of almost a million people.

Ms. Mary-Margaret McMahon: Great. I was going to ask you about green development. You were talking about sustainable cities and walkable neighbourhoods and whatnot and cycling infrastructure—

Mr. Kevin Thomason: Yes, and I think that's important. As much as we talked about building housing, green development standards go even beyond housing. It's not just about triple-pane windows and more insulation; it's about siting that house so it faces south and can catch the passive sun. It's about "Does that street have a sidewalk so it's walkable, and does that sidewalk actually connect to something so that you have a complete walkable community?" And what's happening with that rainfall

runoff? Is there a bioswale or some area that it's being infiltrated into the ground so that the local well at the end of the street doesn't run dry and that neighbourhood run out of water? There are so many components and facets of green development standards. Heck, Toronto has even brought in bird-friendly windows to make sure their skyscrapers aren't becoming a death trap for birds.

There are a lot of things there that are all important to housing. If we're facilitating housing, why are we building a million and a half homes to yesterday's standards? Why isn't every one of those homes being built to the net-zero standards that we know are coming today with that more energy efficiency and heat pumps? Why are we still pulling in fossil natural gas that has to be eliminated?

1550

There are so many things that we should be doing and need to be doing so that these houses don't have to be gutted and completely retrofitted just a couple years after they're built at great expense.

This is all part of the housing crisis that we need to be addressing. We should be working on these green development standards and other things that will ensure we meet our Paris accord commitments by 2030—not trying to worry about regional governance. It's going to take time and be big and ugly and messy, anyway. Let's focus on these crises. There are other things that can wait, that probably should wait until we're more ready and have the needed plan.

Ms. Mary-Margaret McMahon: Wow. I think you should run for office, actually. That's a great platform and sales pitch at the door.

I was going to talk about the Toronto Green Standard because it's phenomenal and is being somewhat replicated.

The guy who's a big advocate for bird-friendly windows lives down here, I think—Brendon.

And I like that, yes, not only building to net-zero now—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Mary-Margaret McMahon: It's affordable. Do it once. Do it right.

Mr. Kevin Thomason: And I think something we should note is that while in most of Ontario, our greenhouse gas emissions are climbing—even here in Waterloo region—in Toronto, they're actually down 25%. Toronto has increased its population by 14% but has increased its energy use by only 2%, and that is simply because for 12 years they've had these green development standards that are building their buildings, their communities and their transit differently. And yet, Toronto doesn't look that different than here. Why aren't we doing this consistently across our entire province?

Ms. Mary-Margaret McMahon: I used to be chair of parks and environment at Toronto, so—

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you so much, everyone, for your impassioned responses.

I'm moving to the government. MPP Harris, you have seven and a half minutes.

Mr. Mike Harris: There's lots to unpack today. We've had some great panellists, and it has been really good to hear so many diverse opinions and what should, what shouldn't—what's working well here in the region.

I'm going to pivot to Kevin towards the end, and I want to make sure that we leave a little bit of time.

Chair Redman, I want to talk a little bit about waste water. That has come up quite a bit, actually, in the discussions today. What we're hearing from the more rural municipalities is a little bit of a different story than what we've heard from you today.

It was a hundred and how many thousand homes that could be—

Hon. Karen Redman: It was 120,000 homes.

Mr. Mike Harris: So there's capacity for 120,000 homes. Where are those homes—theoretically, where would they be located? And what types of homes are we talking about?

Hon. Karen Redman: I don't have the list in front of me, but we'll get back to you. They're not concentrated in either urban or rural community developments, but they are throughout the region.

It's interesting; we look at water, waste water, we look at waste water facilities, and we know that they come in at probably a \$40-million price tag. Those are the kinds of future development discussions that we currently have at the region with municipalities. Even this morning, I think our staff were talking to staff in Wellesley. So these are things that you have to plan long-term. We look at development for residential building, greenfield development, as well as the missing middle, which we all hear about so often—but again, I would reiterate that there has been so much development around our major transit corridors right now, and we anticipate, as we go forward with phase 2 of the LRT, that that will continue to spur investment between south Kitchener and into Cambridge.

Mr. Mike Harris: I'm in a very unique position—and we've talked about this before—with the constituency that I represent, with it being about half rural and half that urban/suburban mix in Kitchener. One of the things that I've heard time and time again from more of the rural municipalities is that they want to be able to grow and they want to be able to do it sustainably. And, Kevin, that's what I'm hoping to talk to you about a little bit later on—that sustainable growth in our rural communities. One of the challenges they have is that they haven't had land made available for them, and waste water capacity has been a real issue. There were some folks talking this morning about the fact that there have been waste water treatment facilities, to either be built or expanded, that have been on the books for close to two decades and they still haven't come to fruition.

So when we look at planning and we look at home building and we look at sustainable development in our rural communities, it's really hard for them to be able to do that, I think, from my estimation. And from what I hear, it's often the region that is standing in the way of them being able to do that. So I wanted to give you an opportunity to comment on that, since they have had an opportunity earlier. I'd like to hear some of your opinion on it.

Hon. Karen Redman: I appreciate the opportunity, and I would tell you, again, it's a two-tiered system. So the pipes are put in by area municipalities and it's a huge investment, and again, the pipes need to go where the development is.

We are very much aligned with the province's mandate to build more homes faster, and I believe that the region of Waterloo is the coordinating body that is going to be the best partner for the province to make sure not only that the approvals happen, but that there are shovels in the ground and that the pipes go to where the development is.

Mr. Mike Harris: I guess that's all fine for within the city where we have a lot of that already occurring, but what about in those rural municipalities that want to see that sustainable growth and are, quite frankly, being hamstrung by the fact that most of the region's growth or targeted growth or where they want to see things growing is, quite frankly, the exact opposite of what the rural municipalities are asking for?

Hon. Karen Redman: I would tell you that there was a huge amount of consultation when we looked at the way forward and the kind of planning that we were going to do. And there's residential growth and employment land in every area of the municipality and the region sees that as a priority. But when we're not the ones that put in the pipes and the networks, we have to deal with municipalities that may see that capacity as something that they want either for their residential growth or for their employment lands. The reality is, the pipes have to line up. You can't start at the end and start the pipes.

Mr. Mike Harris: If a rural municipality was willing to partner with you and put those pipes in the ground, would you commit to being able to look at ways to expand the waste water treatment?

Hon. Karen Redman: Those conversations are always ongoing. I'm not going to say no and I'm not going to commit at this point in time but to say that I've made my political career by surrounding myself with people who are a whole lot smarter than me, and we have experts and professionals at the region on staff that are working with area municipal staff. As I said, one of those conversations, coincidentally, was happening this morning, so those conversations are ongoing.

Mr. Mike Harris: It's good to hear. It's good to hear. How much time left, Chair?

The Vice-Chair (Ms. Teresa J. Armstrong): Two minutes.

Mr. Mike Harris: So, Kevin, let's talk sustainable growth in our more rural settings. I know that's one thing—we had Mark Reusser here earlier talking a little bit about how he doesn't want to see farmland eroded. I know that's something you and I have talked about many times. We all know that we're very blessed here in Waterloo region with a phenomenal balance of that growth and seeing the intensification along the LRT routes, and we've seen a lot of fantastic economic development pop up along those routes. But at the end of the day, there are still a lot of people that want to be able to live in our townships and really love that way of life.

I was hoping maybe we could have some comments from you on looking at some sustainable models to build that out, but still being able to give a family like mine—seven people; it's really hard for me to live downtown—be able to see that growth sustainably in our townships.

Mr. Kevin Thomason: Excellent question. I think one of the challenges is, we have to live within the carrying capacity of our land. We have no pipelines to the Great Lakes, unlike other communities. We are totally dependent on the resources provided within our communities, and frankly, not all communities are created equal. Some have more resources than others. There are places in our region where we're already at the carrying capacity and the assimilative capacity of our creeks. That means that creek is already so full of sewage, we can't dump any more sewage in it.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Kevin Thomason: So to dump sewage in there, we actually have to polish the water—which becomes very expensive—just to be able to dump sewage back into it. What that means is that there's parts of our region where it costs 12 times the amount for sewage treatment than it does in other parts.

Then it comes down to the question of fiscal and economic responsibility: When we're trying to provide housing as affordably as possible for everyone, how much should we be willing to spend—12 times more to build an identical house here versus there? So I think, in the end, we do have to look at nature, and not everywhere is going to be an ideal place for a massive subdivision. We're going to have to look at what the carrying capacity is.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you. That's a great place to end that presentation.

TOWNSHIP OF WOOLWICH
CITY OF CAMBRIDGE
CITIZENS FOR CAMBRIDGE

The Vice-Chair (Ms. Teresa J. Armstrong): As we do our changeover, we welcome the next group of speakers and presenters to come to the table. We have the township of Woolwich, the city of Cambridge and Citizens for Cambridge. If you could please come to the table for your presentations.

Okay, if I could ask the township of Woolwich, the representation from that delegation, to start their presentation. You have seven minutes. Sandy Shantz? Okay, go ahead.

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Ms. Sandy Shantz: My name is Shandy Shantz, and I'm the mayor of Woolwich township. Good afternoon, Vice-Chair Armstrong and members of the committee. I'm here along with the Waterloo region mayors—you've heard from Kitchener, Cambridge, Wilmot, Wellesley and North Dumfries—and with the full support of my council. We believe the regional governance model is most appro-

priate for our community at this time, subject to reform, and you've heard a lot of that already.

My family has lived in the region for over 200 years and were early community leaders in Sandhills and Ebytown, which became Berlin and then Kitchener. Leadership and governance have evolved and continue to evolve. Regional government has worked well here because as we change, we keep talking with each other, trying to embrace our differences and looking for solutions that work locally, regionally and beyond.

I'm speaking to you today as a leader of an area municipality, the township of Woolwich, where our residents look for leadership, answers and accountability for many of the issues that affect their day-to-day lives, including addressing many regional concerns. We are a township of about 28,000. That encompasses international business in high tech and agriculture alongside traditional farmers, some of whom use technology in their barns and horses in their fields; and new immigrants from across the globe alongside residents who have a long-standing family history here. We are traditional and contemporary, young and old, rich and poor, and we want to continue to appreciate our differences and maintain our sense of community.

Our population is expected to double in less than 30 years. To represent and reflect our diversity and changing needs, we have to be responsible for our core services, including managing growth and properly planning for the increased population boom.

Regional governance still has a role to play in supporting the area municipalities in tackling issues that are of concern to all of us, but it does need some tweaking, as you've heard. If we are to meet such ambitious objectives, we cannot be wrestling with the details and negotiation that are required for wholesale change in either direction, amalgamation or dissolution of the region.

At the same time, we need to move towards a model that is more supportive of local initiatives and realities and better represents the area municipalities, so I will reiterate my comments to Minister Calandra on the regional official plan, stating the importance of allowing our staff to be able to plan for a complete community, for density that fits in with the various communities and for employment lands to support that growth. We have the staff, we have the resources and we have the will to monitor our own growth and economic development.

Since 1990, we have operated with staged growth in our urban areas. Our staging policies have been challenged at LPAT and have been upheld. We currently have over 700 units approved that are waiting for the development community to build. That's 15% of the required units we'll need for 2051.

Currently, in Breslau, where there will be major growth, our staff cannot properly plan for a future town core—or even really a GO station, for example—because of the constraints of the current urban boundary. We are struggling with providing a site for a long-term-care facility in St. Jacobs because of the current urban boundary. To change those boundaries could take five years in the current

system. We need the ability to plan locally to properly manage growth.

My first term as a councillor was over 15 years ago. During that tenure, we were already advocating for delegated planning authority. A motion about eight years ago, you've heard, from Cambridge requesting delegated authority from the region to the area municipalities still has not been acted on. We need the transfer of regional planning responsibilities and Bill 23 proclaimed and implemented in short order.

We recently had a community group who wanted to create a small retirement community but needed an independent water and waste water system to make that happen. We couldn't get the needed regional approvals and the project has died.

The townships are not cities. While regional governments have the exclusive jurisdiction for water and waste water, counties do not. Some of you represent counties, and if that system works well across the province, surely it can work well here. Many of our towns and villages do not have full services. We are asking for a legislative change to amend the exclusive jurisdiction of the region for water production, treatment and storage services.

As you've seen in previous presentations again today, we are a group of leaders who work together. The township mayors and CAOs have met regularly in the last 10 years to discuss areas of collaboration. In the region, the pandemic has created an atmosphere of greater collaboration between governments, social services and community support agencies. All the mayors have been meeting regularly to discuss how to best address issues around the housing crisis, climate action and greater economic prosperity. We have identified a number of other areas of duplication between area municipalities and the region that will need to be addressed. We are committed toward implementing those changes together.

In conclusion, to facilitate the planning for increased population projections, we need the proclamation of the transfer of regional planning responsibilities in Bill 23 implemented by the second quarter of 2024. It will also be imperative that reallocation of funding should follow any changes in responsibility. We also request an amendment to section 11 of the Municipal Act to identify water production, treatment and storage as a non-exclusive jurisdiction of regional government in Waterloo. And we need targeted strategic changes in terms of regional reform without creating a major disruption that will split our communities and divert our attention from the real community struggles we are facing.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you. Can I conclude your presentation?

Ms. Sandy Shantz: Sure.

The Vice-Chair (Ms. Teresa J. Armstrong): I thought you might wrap it up in 30 seconds. Do you want a few more? Go ahead.

Ms. Sandy Shantz: Okay. We look forward to continuing to work with the province and region to find a modified regional model that best addresses the housing shortage

and affordability and reflects our changing 21st-century needs.

The Vice-Chair (Ms. Teresa J. Armstrong): Great. Thank you so much.

Our next presentation will be from the regional municipality of Waterloo—and seven minutes for your presentation.

Mr. David Calder: Just to correct, I'm with the city of Cambridge. My name is David Calder. I'm the city manager with the city of Cambridge.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

Mr. David Calder: Mayor Liggett sends her regrets, as she is unable to attend here in person today. I'm pleased to stand in for her on behalf of the city of Cambridge. We are grateful to the ministry to be able to have this opportunity to address and to respond to the committee's mandate, as presented by the minister, to study regional governance and to consider if it enables effective service delivery to support the requirement of 1.5 million homes in Ontario by 2031.

As you may know, the city of Cambridge has pledged to support 19,000 units within our boundary. I wish to highlight some of the things that make Cambridge unique within the region of Waterloo. As a region, our communities live and work interchangeably. For that reason, it is important to us that all municipalities within the region are healthy and poised for success today and for tomorrow.

Earlier today, you heard individual presentations from the other mayors in the region, who shared with the standing committee a common vision and statement that a two-tier government with modifications can be a more effective form of governance within Waterloo region. We add our voice to that message.

While regional government has served local municipalities well in Waterloo over the last 50 years, it is time for Cambridge to take a more active role in planning for our future. The 1973 merger of our three towns—Galt, Preston and Hespeler—along with the village of Blair, created a rare community intercepted by two nationally designated heritage rivers, associated river valleys, creeks and wetlands, gifting Cambridge with an uncommonly unique typography, making planning for expansion unmatched within the region of Waterloo.

Cambridge is robust and one of the fastest-growing areas in the country. With nearly 145,000 residents per Stats Canada 2021, Cambridge is the second-largest community within Waterloo region. It is strategically located astride Highway 401 in southwestern Ontario, with decades-old multicultural mix and a strong foundation of support services. As well, Cambridge is lucky to have a very diverse economic base.

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While we are ready to meet the challenges, we are working within an antiquated system and are thankful that the province acknowledges changes must be made in order for us to all meet the task of building more houses and stronger communities. We are pleased that this all-party committee has been entrusted to consider our requests.

I wish to take the time to highlight the perspective of the city of Cambridge in response to the minister's request to the standing committee to study regional governance. Part of our ask today is that a recommendation to the minister include a reference to the importance and need to proclaim Bill 23 and reinforce the principle of streamlining and removing duplication in the land use review and decision-making model.

Once an official plan amendment is adopted by Cambridge city council, it is forwarded within the required 15 days to the region for a decision, but that regional approval of city-adopted OPAs can often take up to a few months. There is a significant delay in the region providing comments on development applications such as official plan and zoning bylaw amendments and plans of subdivisions. Our circulation period for internal and external agencies is two weeks. If we are to wait for regional comments on development applications, we will never meet the Planning Act time frames and applications will be subject to the refund of application fees. This is currently happening.

The region comments on overall policy framework, but this can be done by city planning staff, who must ensure applications conform to the provincial policy statement, growth plan and regional official plan. In our view, the region should only remain as a commenting agency on issues that are of a regional nature. To mitigate delays, planning staff typically issue cities' pre-consultation comment record, without the region's comments being included, as we are often not provided with them within the three-week commenting period. This is not an ideal practice for our development community.

In November of last year, we were asked to comment on changes to ROPA 6, regional official plan amendment number 6 within the region of Waterloo, and how those changes will impact our municipality. If Cambridge was to acquire more planning control, the addition of lands requested by us would allow the city to begin the required background studies to create a well-planned expansion, including specific land use; proper densities; park, trail and road systems; and municipal servicing strategies and policies.

To enable these lands for development and expansion of the waste water treatment plant, the master environmental servicing plan and a secondary plan to determine environmental constraints, transportation servicing and land use are required, and take time. An update to the city's transportation master plan should also be completed to account for the development of these lands and understand the implications for the city's transportation networks. Policy should also be introduced into the regional official plan to restrict development applications until these plans are completed.

For these reasons, the city of Cambridge is asking that the provincial government proclaim Bill 23's provisions into law by the second quarter of 2024, as you have heard from the others. Early on, the mayors of Waterloo region recognized the importance of municipal autonomy and that each municipality has unique attributes. Together, we

believe a modified two-tier municipal government can help deliver on the provincial agenda to help build more housing today for a stronger tomorrow.

For the record, the city of Cambridge is ardently opposed to the establishment of a megacity of Waterloo or any form of amalgamation amongst municipalities. We appear before you today to reiterate our common vision in partnership with the mayors of Waterloo region, for the reasons laid out in our joint briefing paper.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. David Calder: In conclusion, we recommend to fully proclaim Bill 23, finalize approval of regional official plan amendment number 6, consider other areas of overlapping jurisdiction and amend the Municipal Act, as you've heard, for the provision of potable water.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentation.

We'll move to the Citizens for Cambridge. You have seven minutes for your presentation.

Mr. Dan Clements: I'm Dan Clements, from Cambridge. Good afternoon to the members of the committee and thank you for this opportunity to speak to you. I'm here today to speak in support of amalgamation into a single-tier structure.

There are two parts to my presentation, the first as a resident, and the second as a resident who is actively engaged with the current two-tier system in trying to improve our city and region on various fronts.

First, speaking as a resident, I have lived in this region since I was 12. That was 64 years ago. Over those 64 years, I've seen tremendous growth in this region. Amalgamating into a single-tier governance structure seems just the logical next step to adapt to and nurture this growth.

During my 64 years here, I've lived in Doon, a small village that's now part of Kitchener; Kitchener itself; Waterloo; Preston; and now Cambridge. Preston was, of course, amalgamated into Cambridge 50 years ago, with Galt, Hespeler and parts of Waterloo and North Dumfries townships.

Secondly, speaking as an engaged resident, upon retirement from my Kitchener software company about 10 years ago, I came to realize that I had done little in my career to help my community and I've turned my energy to remedying that. I joined with a few other terrific residents, and over the years we have had many opportunities to work with both staff and elected politicians in the current two-tier structure. Today, we are Citizens for Cambridge, a group of citizen volunteers applying both thought and effort to bettering our community in progressive ways. We're not experts, but doing research and listening to experts is at the core of our volunteer work. Three examples of our efforts include:

(1) Cambridge Neighbourhood Table is a community development program that aims to foster relationships, promote social inclusion and provide support within the Cambridge community with a meals component. Cambridge Neighbourhood Table is run today by the Kinbridge

Community Association. We initiated this program and helped obtain start-up funding for this organization.

(2) Ion is Waterloo region's light rail transit system, which included only Kitchener and Waterloo in the now complete phase 1. Extending the Ion to Cambridge is phase 2 and is currently in the design and business case stage. We lobby whenever necessary for the completion of Ion phase 2. We view it as being critical for the future of Cambridge and to tie Waterloo region together.

(3) Affordable housing over parking lots is a project that involves municipalities supplying low-cost or no-cost parking lot access to non-profit affordable housing providers such as Habitat and Indwell. We helped initiate and currently lobby in support of this innovative project, involving building truly affordable housing on stilts over existing parking lots.

These are just three examples of projects where we partnered with staff and elected politicians on both levels of our current two-tier structure.

Some comments for the committee from this background and things that we've been doing: We believe that full-time councillors are needed. Many high-calibre candidates who we would like to see run for office never surface because they cannot afford to run for a demanding part-time elected public office.

Community identity: 50 years after Cambridge amalgamation, the communities of Galt, Preston and Hespeler still keep their identity and will not disappear. A simple example of this involves Galt Jazz. I have a friend who is well known as the organizer behind Galt Jazz, a once-a-month jazz club that runs popular public shows outside on Main Street in the summer and in a local restaurant venue in the winter. Even 50 years after the Cambridge amalgamation, never did he consider calling it "Cambridge Jazz."

Social agencies and organizations are leading the way by amalgamating their operations into a regional entity. Examples would include the United Way, the YMCA, the Waterloo Region Community Foundation and many more examples. Moving to a single-tier governance structure will be simply following a trend that's happening already.

Responsibility confusion: Examples abound for public confusion about which tier handles what. A simple example: If there's an issue with the street in front of my condominium, asking the city for help results in a response of, "No, that's a regional road." There are many examples of Cambridge councillors lobbying the region on issues that are in Cambridge but not the responsibility of Cambridge.

Affordable housing is critical. It's far too easy for municipalities to pass the buck on critical affordable housing issues and opportunities by simply saying, "That's a regional responsibility." An example of this failure of the two-tier system involves the affordable-housing-over-parking-lots example mentioned earlier. Despite substantial effort and support from residents and experts alike, Cambridge city council voted against a motion simply to investigate the use of city-owned parking lots for affordable housing development. Essentially the same motion is

being tabled at the regional council next week, where I expect it will receive enthusiastic support.

Inconsistency and duplication of structure: A simple example that makes no sense is, why are the police services the responsibility of the region, but fire department services the responsibility of the municipality? This seems an inconsistent structure with costly duplication, and it's frustrating to most of the public and those working at each of these levels.

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Extending out what we're already doing: The current regional government does an excellent job of managing over half of the services delivered in Cambridge, so let us simply extend that to 100%.

Future growth and promotion: Our region should be aggressively promoted worldwide and can be far more effective doing so if we speak with one cohesive regional voice.

Local representation is a critical concern when amalgamating into a single-tier structure. Local representation through the establishment of district councils and robust citizen engagement are needed to ensure that the voices of all citizens are heard and their interests are represented.

The current two-tier system, I believe, does harm to important citizen communications. There is too little two-way communication between Cambridge residents and the region—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Dan Clements:—which seems due to responsibility splits. Amalgamation will improve this dramatically, simply by having a single hierarchy, and will enable deepening relationships for citizens with both staff and politicians. This will, in turn, broaden knowledge and understanding of both local needs and issues, as well as influence overall region priorities.

In conclusion, amalgamating into a single tier holds immense benefits. Let us embrace this opportunity and create a stronger, more vibrant, more unified Waterloo region that will enhance the lives of its residents and pave the way for an exciting prosperous future.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentation. That's great.

I will pass it to the official opposition for questions for seven and a half minutes. MPP Burch, please.

Mr. Jeff Burch: Thank you all for your presentations. I'll start with Mayor Shantz. Thank you for your presentation. You talked about one of the issues that have come up all day, and that's the planning changes with Bill 23. I wanted to ask you specifically, how that will allow you to accomplish the goal of building more housing? Specifically, if you could talk about—you know, one of the criticisms might be that you need a more regional approach for building affordable housing or stopping urban sprawl and those types of things. How could you fulfill your planning responsibilities with the changes, but build affordable homes and protect against sprawl?

Ms. Sandy Shantz: One of the concerns that we have with the current system is, for example, Breslau, where I

said it's going to basically triple in size. We have constraints within the current urban boundary, and so our staff can't plan, for example, for an urban core for that fast-growing community, because they're not allowed to plan outside of the urban boundary.

If we have an expanded area that we can work with, we can plan for that core and we can make an informed and intelligent plan that will work going forward. We can look for places that make sense for affordable housing, that make sense for a grocery store, that make sense for those kinds of infrastructure that are going to be required really quickly. We can't do that now.

Mr. Jeff Burch: Do you still see a role for the region in that planning, in terms of having an overarching view of things like protecting the environment, having enough parks in the region, protecting farmland and those types of issues?

Ms. Sandy Shantz: I've always been an advocate for parks. My council can tell you that, and the regional council can tell you that. I've also been an advocate for protecting our farmland.

We can do that by still setting our own boundaries, and we will have an official plan. We have an official plan. Our official plan fits into the regional official plan, fits into the provincial official plan. So there are checks and balances all the way through, and that will continue, but we can't properly plan for rapid growth when we're constrained, and we don't want to use up all of our land. We still have constraints on the urban areas.

Mr. Jeff Burch: So you're saying that if you still have an official plan and a growth plan that everyone agrees to, you can enforce that just as well as the region can?

Ms. Sandy Shantz: Absolutely.

Mr. Jeff Burch: Okay. I wanted to ask you about housing targets. I've asked other people this as well. I'm sure you don't have any, because the municipality's not big enough, so you don't get access to those dollars that are offered. What can the provincial government do for you, as a rural municipality, with—the ROMA conference is next week; people will be coming with their asks. What can the government do that would have the biggest impact on creating housing in your area?

Ms. Sandy Shantz: Right now, we have 700 units that are sitting undeveloped, that are ready for development. So I almost think you need to ask the developers why they're not building and look at that as maybe a solution to getting some of it built, because we're not holding it up.

Mr. Jeff Burch: At the last ROMA conference, we heard the same concern. We'll probably hear the same thing next week.

We've been talking about a use-it-or-lose-it policy all day with folks, and it's not to be punitive to builders who are facing some economic pressures, but those ones that have been land banking and using the approvals process and taxpayer dollars that go with that and then sit on those developments.

Does a reasonable use-it-or-lose-it policy make sense to you?

Ms. Sandy Shantz: I think, in principle, it does make sense. I think there are some details that obviously would have to be worked out that, as you said, aren't punitive to the developers, because as has been said earlier today, if they don't make money, they're not going to build either.

Mr. Jeff Burch: Thank you.

I'll turn now to David Calder from Cambridge with some of the same questions, obviously, but I want to start with the—we've used the example of Peel all day, and maybe it's a good thing that that happened before this process took place, because we all have information that I think no one had in terms of how expensive it can be to dissolve a regional government for everyone, and the kind of instability it can lead to in terms of staffing. I'm sure, as a manager, you'd be very concerned with losing hundreds of staff every week—just to the rumour that that could happen. How important is it at this point in time to have that kind of long-term stability as you're trying to navigate these new policies and build more housing?

Mr. David Calder: Thank you for that question.

You're correct. I manage approximately a thousand employees within our organization. Regional reform of some kind or other seems to rear its head every five years, and that's exactly what it does—it creates uncertainty, instability. We start having people moving to other communities where there is certainty. So it certainly has an impact. Even for these sessions here today, we've had to communicate with our staff not to worry; these are exploratory meetings about things, and decisions are well down the road. So it's a morale issue, as well, in order to keep our public service engaged and providing high-quality public service to our residents, which is really what our business is.

Mr. Jeff Burch: Do you know approximately what the loss in revenue was as a result of Bill 23 and the DC changes?

Mr. David Calder: We're anticipating approximately \$1 million-plus a year. So we are very hopeful that the provincial government holds true to making us whole because, as you know, somebody has to pay that money, and it goes onto the backs of—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Mr. David Calder: —other ratepayers within our community.

Mr. Jeff Burch: Would you be in favour of a reasonable use-it-or-lose-it policy for approvals?

Mr. David Calder: Similar to Mayor Shantz, I think it's missing some details that we would have to look at, but it's certainly worthy to look at. I'm more concerned about the root causes of why housing isn't getting built.

The Vice-Chair (Ms. Teresa J. Armstrong): We'll go to the independent member. MPP McMahan.

Ms. Mary-Margaret McMahan: Thank you very much for all your thoughts and your passion and coming in today. And some of you have been sitting here all day. Oh, my gosh. You have stories to tell about us, I'm sure.

We're going to start with Sandy. First of all, what is the population of Woolwich?

Ms. Sandy Shantz: About 28,000.

Ms. Mary-Margaret McMahon: Wow.

You had interesting stories on your constraints and your efforts to do the right thing and to build all types of housing.

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I'm very interested in hearing more about the struggle with the long-term-care site that you're trying to put in. And then I think there was another—the seniors' community proposal. Yes, let's start with that. I think that was the one. For both of those, what were the full-on problems? The seniors was the water, waste water needed—

Ms. Sandy Shantz: That's right. It was outside one of our small settlements that doesn't have services. They were proposing a communal waste water system. We don't have any jurisdiction over that. It's the regional jurisdiction, and so it died at the regional level.

Ms. Mary-Margaret McMahon: Did they give a reason why?

Ms. Sandy Shantz: Basically, there was a fear that if something goes wrong with it, the region would have to take it over, and that liability was a concern.

Ms. Mary-Margaret McMahon: Interesting. And the long-term-care site?

Ms. Sandy Shantz: For the site that they're looking at, in order to facilitate development—and I'm not at liberty to talk too much about it—we needed some land just outside the current urban boundary in order to make that happen. It would have been, I think, an acre or so. But we can't do that without going through all the official plan changes and so on.

Ms. Mary-Margaret McMahon: You've asked for delegated authority, but it hasn't been acted on. How long ago did you ask?

Ms. Sandy Shantz: I was first on council in 2006, and I remember it being advocated for back then.

About eight years ago, in my term as mayor, there was a motion put forward by Cambridge for delegated authority, and we were in favour of that; we were also hoping to get that. But there has been nothing done on that since.

Ms. Mary-Margaret McMahon: Do you know why? Has any reason been given?

Ms. Sandy Shantz: The most recent reason, I don't know. Back in the day, I was told that because we didn't have a legal department, we couldn't get delegated authority—so Kitchener did because they had a legal department, and they were the only ones that did. We do have legal counsel that we hire out. We don't need our full-on legal department.

Ms. Mary-Margaret McMahon: If we're trying to get shovels in the ground, we're going to have to think creatively.

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Mary-Margaret McMahon: How do you feel about your approach to tackling the housing crisis, despite these million obstacles?

Ms. Sandy Shantz: We had one property. We did an RFP to our providers, and it's online, to get affordable

housing in the ground. We don't have a lot of property. We divested most of our properties many years ago.

What we can do is work with our developers, and we have tried to do that at different points along the way—some has been successful, some has not.

The Vice-Chair (Ms. Teresa J. Armstrong): I'm going to move to the government side for questioning. MPP Coe, please.

Mr. Lorne Coe: Through you, Chair: Thank you for your delegations.

Mr. Calder, city manager, city of Cambridge, welcome. How are you doing on reaching your housing target? I know you've got 19,000—I've got a report. Let's see. My report says December 21. Just like a lawyer, I never ask a question I don't know the answer—so stand up; let me know.

Mr. David Calder: It depends on which metrics you use. In terms of permits issued, we're at 85% of target, but regarding foundations, it's only 62%. So we are not hitting the target.

Is that correct?

Mr. Lorne Coe: Yes, it is—just the way you connotated it. That's good.

I'm interested in knowing, having asked that question and gotten a very succinct answer, what impediments do you think there are that you're not able, at the present time—at the present time, you're in the 60s, so you're getting close. What impediments do you have that we should hear that are getting in the way of saying today, "I'm at 100%, and we're really pleased that we've got there"? Share with us what the impediments are, but when you share those impediments, also share what you think some of the solutions might be.

Mr. David Calder: Okay. Well, first of all, I think it's fair to say that we, as a municipality, do not build houses. We provide the approval process to enable houses to be built. So one of my answers to you is that market conditions are not favourable for high-density development, and what is taking place in Cambridge particularly is higher densities. High-rise apartments—my understanding is that interest rates are a problem for that. The market conditions in terms of building that type of structure over 10 storeys is prohibitive right now.

The solutions, I would say, aren't ours as a municipality, because we have approved numerous residential permits that, as we say, are in the pipeline. But for whatever reason, the development community is not executing on those approvals. So I think it's really, partly, we're doing our part. Our staff are doing our part to ensure the approvals are being done quickly, but the building community is not building right now.

Mr. Lorne Coe: Okay. So they're not building, and you're not quite sure why they're not building—

Mr. David Calder: Well, I'm told the cost of money is a real issue for them—

Mr. Lorne Coe: So it's the cost of inflation, is that what you're saying?

Mr. David Calder: Interest rates. The builders that are building are finishing up probably under old money,

meaning loans that were under a different rate, a number of years ago.

Mr. Lorne Coe: Okay. So you don't have any applications in the pipeline that are getting hung up in your planning and development department?

Mr. David Calder: No, they're getting through. We are seeing—because our community is changing in terms of its makeup, being higher-density development projects, our community is concerned about that, meaning our taxpayers are coming out. They're expressing their opinions. We have a number of appeals that have taken place. As you've heard earlier, that certainly delays timelines, adds to the cost of the development, adds to our costs as a municipality. So those types of things are delaying some projects as well,

Mr. Lorne Coe: Okay. I want to shift to another area. You'll know in your preparation for today that the Honourable Paul Calandra, the Minister of Municipal Affairs and Housing, provided four questions to the standing committee that you're appearing about today. One of them—I'm going to quote from it because I want to be precise and because I want a response, Mr. Calder, from yourself and from Your Worship, as well, please: "Are there responsibilities and services"—and you've touched on this a bit, but I want you to be more expansive, because you were constricted a bit by the time you had available. "Are there responsibilities and services that can be combined, amended or moved from one level of local government to another, or combined among the existing local governments, to support the construction of new homes"—we just talked about the new homes that you're building, Mr. Calder—"and the provision of effective local governance more generally?"

That's a pretty specific question, but it's an important question. I'm going to listen very carefully to both of your responses. Mr. Calder, if you can start, and then, please, Your Worship, if you can respond as well.

Mr. Calder, please.

Mr. David Calder: I think, as we outline, we feel there is some ability to streamline some planning processes to give the city of Cambridge the opportunity to sort of determine its destiny in some regard, as to how it wants to see development happen within our community. We feel there is duplication in that system right now.

We also feel there are some areas where, currently, we are maintaining regional roads on behalf of the region through agreements. Why aren't we just doing that on our own, that they're part of our road network, and we look after them? We determine the service level that we feel is appropriate for our community.

It's those sorts of things where we think there could be some shift in responsibility. It doesn't take away from the need to have a two-tier regional system to provide some of the other services, particularly on the social service side, that we do require to have that consistency throughout the region on the provision of those services. So it's those operating type things that are probably duplicating effort, and maybe we don't control it as much as we'd like to in terms of being able to get things done; we have to go to

the region to make the request. It's confusing sometimes, as well, as you heard earlier, for our residents.

1640

Maybe, if I can, I want to give Mayor Shantz an opportunity to speak to that question, as well, if that's okay.

Mr. Lorne Coe: If you would, please, thank you. Your Worship?

Ms. Sandy Shantz: My answer is going to be fairly similar to David's. In terms of strictly getting houses built, I think the realignment of planning is the major one, proclaiming Bill 23 and letting us get on with that piece of it.

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Sandy Shantz: The other pieces are areas that will streamline parts of government—maybe not specifically to the housing piece; you asked specifically to housing.

Mr. Lorne Coe: Thank you for your responses. You've been sitting in the audience for a while, and you've heard some of the questions that we've posed here with the government, and my colleagues in the opposition as well. What do you think about the suggestion legislatively of use-it-or-lose-it?

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Coe, we're just going to wrap it up.

Mr. Lorne Coe: Okay. Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): You're out of time. Sorry; I don't think you heard the "30 seconds remaining."

I just want to thank everyone for their presentations, and as the presenters—

Interjection.

The Vice-Chair (Ms. Teresa J. Armstrong): Oh, excuse me. Another round—gosh. Well, your time is up, but we do have another round of questions. I guess I'm ahead of myself here.

For the official opposition, MPP Burch, for seven minutes.

Mr. Jeff Burch: Thank you, Chair. Nice try.

I'll give Mayor Shantz a chance to answer MPP Coe's question about use-it-or-lose-it.

Ms. Sandy Shantz: I think I answered that before. Philosophically, I agree with it. I think we'd need to look at some of the details around it, so we aren't overly punitive to our developers, but I think there would be a way to make that work and I think that would be important.

Mr. Jeff Burch: Okay. Thank you.

And back to David from the city of Cambridge, just picking up on the whole issue of the criteria for housing starts, and how municipalities, obviously, have no control over foundations poured: If you don't meet your housing targets, you really have no control over that, because haven't you done your job? We've mentioned in the past that with government legislation, you have had punitive legislation imposed, because if approvals don't go through in a certain amount of time, you have to return money to developers.

The municipality has to do things in a certain period of time, so why shouldn't developers, first of all? And wouldn't

we benefit from changing that criteria? Let's admit that it wasn't fair for municipalities. Maybe some good changes were made in terms of improving approval processes, but let's develop criteria that are fair for municipalities, so that once you've done your job in terms of creating housing, you get access to that money—which is far less than what municipalities lost with the DC changes to begin with.

Mr. David Calder: If I can: I don't want to really comment too much on the policy; it's how it's working for us. We can't benefit from it, for sure, because the targets aren't being met and we have limited control over having that happen, because the approvals are certainly there.

For 2023, we needed to issue, I think, about 1,400 permits. We're at 900, which is still pretty good compared to other years; it's just that the targets are really high for us.

Mr. Jeff Burch: And do you have a sense of—I'm sure it's really different from municipality to municipality, the mix of how many of those are due to just changing economic circumstances, which I would guess are most of them—but how many have been out there—I always use an example of one of my municipalities in my riding. We have approvals that that have been out there since the 1980s, and they're still sitting there.

Mr. David Calder: Well, I can say too—I can tell you stories in our municipality where developers are getting approvals, meaning they're improving the land use value through that approval process, and then it gets put on the market, or there's something going on in the background to profit from that land use planning piece as opposed to building homes.

Mr. Jeff Burch: Right, so then the tax dollars that hard-working people pay go into the approval process, which then are transferred to the developer's pockets because their development has gone through the process, so it increases in value.

Mr. David Calder: In some cases. I don't want to paint everybody with that brush because, like any community, we have good and bad developers. The majority of them are very good and we have great relationships with them.

But as I said, we are a desirable community, so we are seeing new developers coming into our community that we have not had relationships with before. So, yes, they might have a different profit motive in terms of how they're going about their land development, whereas we want to ensure that we get homes built in our community, particularly as we see our immigrant population increase through post-secondary education.

So it's not just affordable housing. I think—and I want to make this clear—it's safe housing, and that's another issue that we have concerns with too.

Mr. Jeff Burch: This hasn't come up yet today; I'm a bit surprised. I live in a university community in Niagara, close to the university—student housing all over the place. It's an issue in every municipality that has a university. It pumps tons of money into the economy, but one of the consequences is that you have a lot of absentee landlords who buy up property, pack a whole bunch of students in,

and these houses are often in the middle of residential neighbourhoods.

Would the municipality here benefit from a more aggressive policy of working with universities to create student housing that's safe and purpose-built so that those students can move out of those residential neighbourhoods? It would actually increase the housing supply for families, while at the same time creating affordable, safe housing for students.

Mr. David Calder: I don't think we need any provincial interjection in that. Those conversations are going on as we speak. The post-secondary institutions, particularly the college, who hasn't, in the past, provided student accommodation, is now looking at a model of student accommodation because they understand that there is an accountability and a responsibility—if they want to attract students, they need to take some responsibility for housing them. And yes, that would take some pressure off housing for families and others. But at the same time, they do need housing, so I think we're having good conversations about that.

The other piece to it too is a public education piece, because sometimes our immigrant population does not know what landlords are required to provide. So our public education, through our fire department, is looking at programs to help educate so that they know what they should be looking for from their landlords.

Mr. Jeff Burch: And with the Bill 23 changes that you're asking for, that most municipalities in this region are asking for—I asked this question to Mayor Shantz: What do you say to the criticism that a region is kind of necessary in order to oversee making sure housing is affordable, making sure that environmental protections are observed and farmland is protected?

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. David Calder: Look, I think we are a mature municipality. We have professional staff in a variety of fields that can do some of this work just as well as anybody else can. They're responsible.

As Mayor Shantz mentioned, we follow the provincial policy statements. We follow official plans. I think we're mature and robust enough to be able to take those on in a responsible manner.

Mr. Jeff Burch: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

We'll move to the independent member. MPP McMahon, please.

Ms. Mary-Margaret McMahon: David, you're staying on the hot seat, okay? Just a fair warning. It's a friendly hot seat, though.

I like your numbers, actually. My colleague was asking you about those and saying that you're getting there, to 100%, but it takes a while and there are mitigating factors, as we know—the story behind the story.

The cost of borrowing, cost of construction materials and finding workers, quite frankly, is another factor. But you were mentioning residents coming out to community consultations and whatnot. Is there strong support and

recognition that we're in a housing crisis so we're going to have the rock the boat in the yellow belt, especially heritage areas?

1650

Mr. David Calder: I think what I can say is, it's an education for our taxpayers, who understand that, yes, they know there's a housing crisis, but I think what's difficult to accept sometime is that there's going to be higher densities next to their residential, single-family home or there's going to be stacked townhouses.

You have to remember, it's a mix of housing that's required, not just one kind, but it's the higher densities that are something new for our community. But they do realize the importance of housing, yes.

Ms. Mary-Margaret McMahon: Yes, great. I know; I still have nightmares of when I first got elected to city council in Toronto and representing the Beach, which views itself as a small town, and being burnt at the stake for approving a six-storey condo on a main street in a city of three million people. So I'm happy to come down to help you out and get your residents on change.

And then I'm going to just do, maybe—I don't know how much extra time I have—but rapid-fire. Well, I actually wanted to talk to Dan, because he looks a little lonely down there, so let's do you a question. I wanted to hear about a few details on your Citizens for Cambridge. It sounds like a great group.

The Vice-Chair (Ms. Teresa J. Armstrong): You have two minutes and 18 seconds remaining.

Ms. Mary-Margaret McMahon: You don't get all of them, though, sorry.

Mr. Dan Clements: Sure. Yes, it's a great a group. Some of us are retired, some are not. It's a small group. Some topics come up that we think we can help with, and we try to dive in and make some things happen. And through that work, we've spent a lot of time with the city of Cambridge and the staff and the elected folks there as well as at the region.

I want to make it very clear that we love Cambridge and we love the region. The idea of putting them together we think is something to consider because of the silo impact of the way it is currently. Many residents will approach the city for something, but "Where do I go for this" or "Where do I go"—and they just die out, right? They just don't have the patience of the initiative to chase down the right answers.

Ms. Mary-Margaret McMahon: Okay, great. Now, in under a minute, so a few seconds each—we've had this conversation umpteen times before in your lifetime, in my lifetime: Do you have faith that we're actually going to go ahead and do something tangible with all these hearings and all this information? Do you have faith in the government that we're going to do something? Yes, no, maybe so?

Mr. Dan Clements: Maybe so.

Ms. Mary-Margaret McMahon: David?

Mr. David Calder: Yes, I have faith.

Ms. Mary-Margaret McMahon: Sandy?

Ms. Sandy Shantz: Yes, I have faith as well.

Ms. Mary-Margaret McMahon: Awesome. Well, I guess we need to play George Michael's song on the way out of this place.

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Interjection.

Ms. Mary-Margaret McMahon: Singing is not my strong suit, so I won't make your ears bleed. But thank you so much for coming in, everyone.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you for your presentation.

Next, we'll turn to the government side and MPP Rae for seven and a half minutes.

Mr. Matthew Rae: Thank you to the presenters for their presentations and for some of you being here all day with us. I know the government members and the opposition members appreciate your passion for regional governance in this room.

My question is to Sandy. I asked Mayor Vrbancic earlier around Bill 23. You obviously know with planning, but it also changed some appeals processes around minor variances and site plans amendments. Do you believe the provincial government should look at further restricting third-party appeals, and any issues in your particular municipality around the Ontario Land Tribunal?

Ms. Sandy Shantz: Yes, I think if you're trying to get things done quickly, the answer would be yes, but there needs to be some work done on that and getting things through more quickly.

Mr. Matthew Rae: Thank you.

I defer my remaining time to MPP Harris.

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Harris.

Mr. Mike Harris: Thank you all for you being here. Sandy, I want to focus my comments just on you for now. I just want to say thank you, Dan, for being here, but I'm sorry.

We've heard today quite a bit about sustainable growth, smart growth, smart planning and planning well into the future so that, quite frankly, we don't have a lot of the same issues around housing that we're currently seeing and making sure that we're looking at not only today and tomorrow, but quite frankly, decades down the line.

Waste water and water treatment is something that has come up quite a bit today, especially for our rural municipalities. I was wondering if maybe you could enlighten the group a little bit as to what you're trying to achieve to complete more of a complete community in Breslau. I know that is one of the areas that the region wants to see intensified and has that as part of the regional plan. I think we all know Woolwich township—I say we all, but us from here all know that Woolwich is going to be, in the next 10 to 15 years, probably close to 40,000 people, basically doubling in size from what it is today.

So tell us a little bit about how that's going and how you think maybe we can streamline some of that process to make sure that we are looking ahead to make sure that Breslau can be that complete community that we're all trying to achieve, but not having that big sprawling piece—

when we look at what we heard from, say, Kevin Thomason earlier and Mark Reusser as well, where we're able to do that in a smart, cohesive manner.

Ms. Sandy Shantz: The last thing that I want is urban sprawl in the township. I would say there are a few issues as far as Breslau goes. We can manage the size and the way we grow, and we have done that since 1990 in Elmira and, more recently, in Breslau as well by limiting the number of units that we allow to be developed in a year. As I said before, we've got 700 that are sitting there that are undeveloped, so it's not hindering that progress.

You started off by talking about water, and that's an area where we need to collaborate with our colleagues in the cities and the region. We are often constrained by the number of units we can put in for our waste water, so what is the capacity of our waste water system. So we put the pipes in the ground. The waste water goes into the city to Kitchener or Cambridge, so then it has to go through their pipes. So, yes, there is a lot of collaboration and work that needs to be done together.

Mr. Mike Harris: If I may, Chair Redman mentioned that there's capacity in the system right now as it sits—granted, this would be across the region; it's not just in Breslau—for 120,000 homes, which would far exceed our housing targets in the region. Obviously, we can't just flick the switch and have those all built, but one of the things that she mentioned was that local municipalities would be slow to put those pipes in the ground. I wondered if maybe you could comment on that and also maybe giving the city of Cambridge an opportunity to comment on that as well.

Ms. Sandy Shantz: Sure. We need to be able to connect to one of the cities, to Kitchener or Cambridge, and I know our staff have been working very diligently to make that happen. We will put the pipes in the ground when we can make all of those arrangements happen.

Mr. Mike Harris: So just to be clear, if the region said to you today, "Woolwich township, we're ready for you to build out whatever infrastructure is required for you to hook up to the regional waste water system," you would be ready to go and happy to do it?

Ms. Sandy Shantz: So, some of that is done through development and so we would work with the developers. But it would be more than the region saying it. We need to have the cities on board, either Kitchener or Cambridge, and I think we're very close to that and you can speak to that a little bit more.

Mr. Mike Harris: Maybe if you want to further that.

Mr. David Calder: Yes. So we have those ongoing conversations about timing and investment and that sort of thing. I can tell you, in Cambridge west, although they're employment lands, the city of Cambridge upfronted \$40 million of infrastructure, advance funding, because the DCs obviously don't come in until later. So to encourage development, we acted very quickly and council made that investment knowing the importance of, for that purpose, job creation. So, same thing—we have those conversations. The pipes go in, and council makes those capital investments as required.

1700

Mr. Mike Harris: I know that the province has been willing to pitch in on some of those projects that are of greater significance, as well, to make sure that there's the capability to see those come to fruition—adjacent developments in adjacent communities.

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Mr. Mike Harris: That's it from me. Thank you, Chair.

The Vice-Chair (Ms. Teresa J. Armstrong): You've got 30 seconds.

Mr. Mike Harris: Can I get unanimous consent to add another 10 minutes?

The Vice-Chair (Ms. Teresa J. Armstrong): It's 30 seconds remaining. Do you want—

Mr. Mike Harris: I'll give it up.

The Vice-Chair (Ms. Teresa J. Armstrong): All right. I just wanted to make sure everybody's okay.

Now I think we're done the second round of questioning. Thank you so much for all your presentations. I appreciate all your feedback.

MR. ROBERT DEUTSCHMANN

MR. KEVIN EBY

CITY OF WATERLOO

The Vice-Chair (Ms. Teresa J. Armstrong): As we transition to the next group to present at the table, we have Robert Deutschmann, Kevin Eby and the city of Waterloo.

Our first presenter is Robert Deutschmann. Is Mr. Deutschmann ready to present? Okay. You have seven minutes, please. You may begin.

Mr. Robert Deutschmann: I appreciate the opportunity to be here. I'm a lifelong resident of Waterloo region, a lawyer practising for 30 years, former mayor of North Dumfries township and currently a regional councillor from the city of Kitchener for Waterloo region. I have my prepared remarks which I'm going to read, but I was surprised by some of the commentary I heard today, so I'd be happy to answer questions related to township infrastructure issues and other things. I'm very happy to speak to some of those issues that were raised today.

The two-tier government system in Waterloo region has demonstrated effectiveness in managing the approval, development and construction of new homes. This system, which divides responsibilities between regional and local governments, has successfully overseen rapid housing growth through efficient land allocation and development project approvals. Of course, there's always room for further considerations.

Area municipalities within Waterloo region have shown a strong commitment to the provincial housing pledge. They have undertaken actions such as streamlining approval processes and supporting various housing initiatives. For example, the cities of Kitchener and Waterloo have approved a significant portion of their housing targets, and Kitchener has reduced its approval process time from 17 months to five months.

However, despite these efforts, the region has faced challenges due to broader economic issues that have impacted the construction industry. Inflation, high labour and material costs, supply chain disruptions and high interest rates have contributed to a decrease in housing starts, hindering the ability to meet the provincial targets for new home construction.

One of the critical challenges facing municipalities is the criteria for accessing provincial infrastructure funds. Presently, these funds are linked to actual construction of homes, rather than approved projects, creating financial uncertainty for municipalities. This approach fails to consider the various factors outside municipal control that impact construction. Therefore, a revision of the criteria to focus on approved new home construction projects is recommended, offering a more accurate measure of municipal efforts and needs.

How does the region assist? The region of Waterloo has supported housing development through various measures. These include the successful implementation of the Ion light rail transit system, which has encouraged significant housing development through intensification around light rail stations, and the goal of constructing 2,500 affordable homes by 2026. Furthermore, maintaining a strong AAA credit rating has been advantageous for municipal borrowing. This rating enhances the region's financial stability and ability to support area municipalities' borrowing needs.

Besides the Ion and the affordable housing program, a notable initiative within the region of Waterloo is the Build Now plan. This ambitious and innovative program aims to construct 10,000 homes in seven years. Of these, 3,000 homes will be rentals and 7,000 will be available for purchase at half price, with a stipulation that they're not resold for investment purchases. This is a collaborative venture involving the region, area municipalities, Habitat for Humanity and developers. The Build Now plan is designed to address the urgent need for affordable housing and to stimulate residential construction activity in the region. It exemplifies the region's commitment to innovative solutions in tackling the housing supply crisis.

We do all this while having seven different planning and building departments in this region. A recommendation for the committee's consideration is that planning and infrastructure be placed with the region. Builders and developers would receive one-stop planning and inspection for the whole of the region.

Despite the current challenges, there is optimism for meeting long-term housing targets. This optimism is contingent on improved economic conditions and market stability. The successful realization of these targets will depend on provincial and federal government policies and initiatives that positively influence market conditions, like the federal government's building accelerator fund and the removal of GST and HST for rental construction.

Overall, the two-tiered government in Waterloo region has been supportive of new home construction, showcasing a proactive and collaborative approach in addressing the housing supply crisis. The primary obstacles in

construction stem from external economic factors and the private sector's response to these challenges, rather than any shortcomings of municipal government.

How much time do I have left, Madam?

The Vice-Chair (Ms. Teresa J. Armstrong): Two minutes and 43 seconds.

Mr. Robert Deutschmann: Thank you.

Just a few comments on regional governance: Cities today play a crucial role in addressing a wide array of issues, ranging from affordable housing and homelessness to climate change. Their actions are often influenced by higher-level government policies. The Waterloo region, through its collaboration between the region and its municipalities, exemplifies the effectiveness of a unified approach in managing these complex challenges.

Considering potential changes in governance, the concept of forming an amalgamated city emerges as a strategic option. This approach promises to streamline operations, consolidate regional strengths and resources and enhance overall efficiency. An amalgamated city structure would likely yield a stronger voice and greater influence at provincial and federal levels, which is crucial for effective advocacy and securing resources for major projects, like the Ion light rail extension.

Furthermore, this unification could ensure a more equitable distribution of services and opportunities across the region, leading to improved living standards for all residents. The Waterloo region, with its interconnected community, demonstrates the "stronger together" theme. This is seen across various organizations, both political and apolitical. The increasing significance of cities in national and provincial politics is undeniable, as they often lead, or play a major role, in implementing provincial and federal policy initiatives. This is evident in addressing issues like homelessness, affordable housing, refugee and international student settlement, and climate change.

The financial pressures on municipalities are significant. They face increasing service demands with limited revenue-generating tools, primarily property taxes. The region of Waterloo's budget highlights the growing portion of property tax levies attributed to services primarily under provincial responsibility but funded locally. This has grown from \$100 million in 2019 to \$180 million for 2024. This scenario underscores the challenges in local governance and the need for a more effective structure.

Given these challenges, the argument for amalgamation extends beyond cost savings. It's about delivering a growing array of services more effectively, about eliminating the duplication of—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Robert Deutschmann: Thank you—services in the region. There is an opportunity to eliminate duplication in administration services, like fire, planning and legal support.

In summary, the evolving role and responsibilities of municipalities like those in Waterloo region necessitate a re-evaluation of their governance structures. An amalgamated city model presents a compelling solution to enhance

service delivery, ensure resource distribution and strengthen the region's voice in higher-level government interactions. This approach, balanced with considerations for community identity and political participation, could pave the way for a more effective and unified regional governance model.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much for that timing.

We'll move on to the next presenter, the city of Cambridge.

Ms. Dorothy McCabe: No, I'm the city of Waterloo. The city of Cambridge was last time.

The Vice-Chair (Ms. Teresa J. Armstrong): Oh. Kevin Eby is the next one for seven minutes. It's getting late today.

Mr. Kevin Eby: My name is Kevin Eby. I was formerly the director of community planning with the region of Waterloo. I was one of the principal authors of the 2006 growth plan on secondment to the province, and I served on the Greenbelt Council for three years, advising the Minister of Municipal Affairs, so I'm quite familiar with these issues.

I've given you a handout. I'm not going to read everything. I'm going to go through it quickly. I hope you will take time to look at it, but I'm going to use it as the framework so you can follow along.

We have a provincially led policy-based system in Ontario. It starts at the top, and every change you make to policy at the top cascades down, and it takes time. A six-word change in policy at the provincial level can cause a year to two years' worth of work at the municipal level, depending on what's said. You have the power to do that, but you've got to do it responsibly.

1710

If we look backwards, the 2006 growth plan was virtually fully implemented by 2012. All municipalities, virtually, were up to date. Then, along came the province with a new growth plan, new population forecast etc. Municipalities spent millions of dollars on consultants and thousands of hours of staff time, and not a single municipality in Ontario managed to implement it, because along came the next set of planning documents: another growth plan, another PPS etc.

To date, we've had the upper tiers and single tiers that have moved forward with those, and not even those—all of them—have managed to get through the process. Not a single lower-tier municipality in Ontario has managed to get through. And then, what are we expecting? We're expecting a provincial planning statement to be released in the next couple of months, which means every single municipality in Ontario will have to redo their official plan yet again.

And it's not just these changes; it's 25 changes to the Planning Act, 15 changes to the Development Charges Act. We've had two different reviews of what used to be the Ontario Municipal Board, and this is the second regional review here in the last five years. The first one, we never even got to see the results of, so we can't even speak to you informed from the process that went on before.

All this is happening while we're in the midst of a housing crisis, and it's creating chaos at the municipal levels. I have planners who are calling me who don't understand what the rules are because they've changed so much.

Are governance changes needed in Waterloo region to deliver more housing? My colleagues have obviously told you that there are tens of thousands of approved units already in place in the built-up area. The city of Waterloo led the way with a height-and-density study in the mid-2000s; the city of Kitchener followed suit with their nodes-and-corridors work in the late 2000s. Every municipality has worked to update the major transit station areas. We have thousands and thousands of units sitting there that only require a site plan and a building permit.

In fact, on pages 13 and 14, I list just a number from last year that have been approved. There are 50 apartment towers listed on there. These are just pulled out of the Kitchener Record. These are the ones that actually have made it out into the public newspaper. There are tens of thousands in addition to this that are being proposed already.

If you look at the greenfield areas—and that's on page 15—the region, on average, since 2006, in their plans of subdivision, have had approvals for over 19,000 units, and the development industry has built, on average, 1,757. That's 9%—not 29%, not 39%; 9%. The highest percentage of approved units in the greenfield area they've ever built since 2006 is 16%. We have in the region of Waterloo so much approved development that's not being built, and it's a full range of development. If you look at ground-related units, they've only built, on average, 14%; singles, 14%.

If you look at slide 16, which is right below that chart, you see the approval system has managed to replace what has been built on a consistent basis—incredibly consistent. In fact, this is precisely what a well-functioning development approval system should be doing. It's happening here in the region.

So with respect to the governance review, the summary: We're in serious trouble here, throughout Ontario, with housing, and we are getting distracted by things that are not going to deliver more housing. The regional review that you're doing now—if you go and change the region, how is it going to deliver more approvals than we already have? We've got seven times what the development industry is delivering in the greenfield and we've got oodles, as we'll find out in just a minute—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Kevin Eby: I think, as a recommendation, we need to leave regional government alone. We need to repeal the section of Bill 23 eliminating the regional planning responsibilities. We need to throw out the provincial planning statement. It is terrible policy and will do nothing but create further chaos at a time we don't need it.

We need to really focus on helping municipalities and civil society in delivering non-market housing. That's where the main crisis is, and the private sector does not deliver on that; they never have and they never will.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much for your presentation.

I'll pass it to the city of Waterloo.

Ms. Dorothy McCabe: Thank you so much for the opportunity to appear here today. I'm providing my input and feedback as the mayor and as the head of council of the city of Waterloo.

My submission to the standing committee should have been distributed, and it responds directly to the four questions that Minister Calandra asked in September. As mayor, my decision and remarks are based on what I understand are in the best interest, always, of my residents.

But first, before I get to the housing part, I just want to do a quick overview of the city of Waterloo: We're the second-largest city in Waterloo region with 151,000 residents, plus about another 50,000 post-secondary students attending one of three post-secondary institutions. Our city includes notable top global employers, three global think tanks, outstanding non-profits and technology innovators. We continue to embrace and promote an innovative, multi-cultural and inclusive community.

We have a strong and mutually beneficial working relationship with the province of Ontario that has resulted in an economically strong, vibrant and healthy community for our residents. Strong communities create a strong province, and we look forward to ongoing collaboration with the province as well as our other partners.

The second thing is just a quick thank you to the provincial government for the funding to municipalities through the streamline development fund. This was very useful and provided much-needed funds to enable 12 initiatives to move approvals through more quickly and to bring housing to market faster and reach our shared goals. So please add more of that in the upcoming budget. Thank you very much.

Mr. Mike Harris: That was in Cambridge.

Ms. Dorothy McCabe: Yes.

The standing committee is researching if local governance impacts the decision-making and resource allocation that impact the ability of developers and builders in the private and non-profit sectors to build new housing for current and future residents. Objectively, if you look at this, the reality is yes, our two-tier governance system is hindering the construction of new housing.

Incremental provincial improvements, such as the delegation of authority for planning matters to local municipalities—that's coming—generally support the more timely construction of new homes, but the provincial government could and should go further.

Greater and transformational change to support the construction of new homes of all types is possible if our governance structure were one municipality. For an example: Large infrastructure projects and the timing and phasing of major infrastructure investments in water and sewer pipes, water treatment facilities, bridges, roads, trails and sustainability issues go hand in hand with planning strategies. However, with one regional and seven local municipalities, as you can imagine, those planning strategies

are often not aligned, particularly as it relates to resource allocation, and you've certainly heard that this afternoon.

In noting this, however, I also want to make clear that, in the short term, our focus needs to be on building more housing and homes as quickly as possible. Given the myriad of provincial planning changes in 2023, which municipalities are continuing to adjust to at this time, changing our governance structure will create additional untimely delays, distractions and disruptions.

Waterloo region is a very interesting, forward-thinking and generally progressive area. We have a long history of co-operative and collaborative service delivery at the municipal level and throughout other sectors within our community. We call this "barn-raising," and cite this barn-raising spirit of co-operation as a badge of honour.

Certainly, while I support working collaboratively and we have many successful, joint municipal initiatives of which we are proud, it is incumbent to note that delivering services and initiatives across two-tier municipal borders requires additional negotiations, consultations—cajoling, even. And ultimately, projects and services take longer than necessary to launch.

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We have created an interesting dichotomy in Waterloo region, where we elected officials, staff, residents, arts and culture, non-profits, business, technology and academia leverage the power of collaboration and integration, and numerous non-profits have merged in order to provide better service; however, some elected officials, in particular, are reluctant to apply that same logic to our governance structure.

Today, other mayors have told you that amalgamation is not needed; however, you have heard the opposite from community members, and I think you really need to, with all due respect, reflect on that.

The surveys being referred to are outdated and do not take into account the thousands of people who have moved into our community more recently. As an example, from 2016 to today, the city of Waterloo has grown by over 25,000 people. In 2023 alone, we've had applications for approvals for housing of another 22,000 housing units. The information from those surveys is sorely outdated and doesn't reflect the thousands of more people who have moved to Waterloo region.

I understand that change can be difficult. These decisions can be very challenging for staff who have invested their careers and their families in our community. And to be clear, there is work for all of the existing staff and opportunities in a transformed governance model that will work to serve citizens over the long term.

Local government should look to the leadership shown by numerous local non-profits and charitable organizations which have voluntarily merged their boards and organizations years ago; doing so reduced duplication, streamlined administrative and operational processes, and improved and increased service levels for their clients and the broader community.

We must consider that the population of the region of Waterloo is projected to grow to approximately one

million people by 2050. The opportunities for savings through merged government service delivery—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Ms. Dorothy McCabe:—will be very significant over the long term.

However, local governance is about more than potential savings; it's about service. We're in the midst of social change and transformation across sectors—talent attraction, climate change, housing shortages, health care delivery, mobility issues, energy transition etc. Solutions require big-picture and systems-level thinking and decision-making.

Ultimately, municipal governments must ask how we strategically serve and find solutions for and deliver important services to citizens today and over the long term. We must ask, are we defined more by neighbourhoods and by shared values, or by wards, invisible boundaries and highways?

So I ask you to take the necessary steps at the appropriate time to analyze the implementation of one municipal governance model for Waterloo region.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you very much.

Now I'm going to pass it over for questions from the official opposition. MPP Burch, you have seven and a half minutes.

Mr. Jeff Burch: Thank you very much to all of you for your presentations and taking the time to come in today.

I want to start with Mr. Eby. I agree with a lot of what was in your presentation. Specifically, as a former city councillor and someone from Niagara who has been listening to endless governance debate for the over three decades now, I think, that I've been around, it's frustrating to me that—I think it's good that we have this committee that's travelling around and listening to everyone's points of view. The stated intent is housing, and the minister's comments are focused on housing, but it devolves into this discussion about governance and debates about one city versus merging municipalities, and then the other side accuses everyone who doesn't want to do that of just wanting the status quo, and we get away from the whole purpose of asking about housing.

I actually agree, Mr. Eby, with your suggestion that, during an emergency or a crisis, leaving everything alone for a number of years while you, by all means, have the discussions, including amalgamation, including all of those things—but a period of stability during a crisis so that you can actually focus on the things we need to focus on—and people have a lot of concerns; not just housing, but general affordability, health care problems. Can you talk a little bit about that and maybe your opinion about what's happened in Peel and just the importance of having stability in the short term and long term?

Mr. Kevin Eby: Yes. As I say in the handout, I think the best thing the government could have done was say, "We're not going to change any rules at all until 2031." The municipalities are capable of delivering on the housing needs for the community, but it's going to be really tough. We keep getting diverted away from the real

issue. People keep throwing things on, saying, "Oh, this is because we need more housing." So many things that are being proposed have nothing to do with housing. They're just distractions.

The other thing that's happening is that it's getting—I mean, the people in the room, they're all being very polite, but there's a lot of tension between people every time discussion about amalgamation comes up. We're at a point right now where we are in serious trouble. We need to pull together. We need to all do the right thing and we need to keep moving straight ahead.

I would stress again that we haven't even properly defined the problem, but a lot of it is non-market housing, and we've lost the ability to deliver thousands of those types of units. We've got to reinvent that, and it's not going to be easy. We've got to focus on the real problems and stop being diverted off and do.

Mr. Jeff Burch: I do want to ask about that, but before we get to that, the issue of municipalities failing to even qualify for the provincial housing money that's out there: On top of the confusion that's been created, and as you mentioned, municipalities grappling to understand the changes, much less implement them, there's a \$1.2-billion fund that municipalities have no way of meeting the criteria of because they don't build housing, they don't pour foundations. That adds, of course, to the frustration. How important is it that you have criteria that make sense, that folks can actually understand and meet when we're dealing with housing policy?

Mr. Kevin Eby: Well, I think it's absolutely critical because we've got municipalities that are doing everything that they can, and yet they're being impeded, either because the development industry isn't doing it or they may be being impeded because the targets are too high. That's another reality that some of us have to take a look at. They do not align with the growth forecasts. In fact, most of the growth plan targets demand that about two thirds of the development occur within the first third of the time period. I don't want to go there because that's another distraction, but I think, absolutely, the city of Waterloo, in particular, has just been inundated with requests and proposals and is working diligently to deliver on it—

Ms. Dorothy McCabe: True story.

Mr. Kevin Eby:—and yet they're refused access to the housing grants. It just does not make any sense.

Mr. Jeff Burch: We keep bringing up the use-it-or-lose-it policy, which keeps coming up. It's been something we've been pushing for the last couple of years. It looks like the government may actually be looking at putting something in place. It's not meant to be punitive, but how big a problem is it, in your opinion, that you do have a lot of speculation and land banking in the development business and there doesn't seem to be anything to curtail that, while at the same time, municipalities have been pounded with rules that force them to do things in a certain period of time but developers aren't being held to the same test.

Mr. Kevin Eby: I think that's a double-edged sword and you've got to be careful with it. Part of the problem is,

we plan communities, and if you have one section that isn't going because the developer isn't going, that doesn't mean that the relationships necessarily and the lands around it no longer make sense. In fact, eliminating all of the process that everybody's gone through to approve that and wiping the slate clean just creates, again, problems for all the surrounding lands. In theory, and where they're taking up capacity, absolutely, no question. If there's a shortage of capacity and somebody is sitting on it? Absolutely, they should be taken away.

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The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Jeff Burch: I'll stick with you and come back to the other presenters in my next round. I've had to bring up local democracy a lot, because it doesn't often get brought up by municipalities or presenters, but how important is that?

Mr. Kevin Eby: Local democracy?

Mr. Jeff Burch: Democracy in terms of having access to an elected councillor.

Mr. Kevin Eby: It's interesting. I think it is very important. Certainly, within our city we have good access to our councillors. Do we need seven municipal, local councils? I think that's an issue that, at some point, is going to be debated; just not now, because it's not going to deliver more housing.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you.

We're going to pass the next set of questions to the independent member, MPP McMahon.

Ms. Mary-Margaret McMahon: I have a shorter time, if you don't know that from today: four and a half minutes. That includes your answers, so we're going to be speed-talking. I was going to scoop his 30 seconds, but I didn't get to.

I'm going to go with Robert. Thank you for a great presentation. I like the Old Grey Mayors podcast. I'm going to have to listen to that and offer up my 86-year-old father, who was the mayor in Collingwood—only you'll have to make sure he's politically correct; you might have to be very careful with that.

This is going to be for the Waterloo mayor as well. Dorothy, thanks for coming in. I need way more than four and a half minutes to talk to you guys.

But what we're hearing today is kind of a "he said, she said" back-and-forth. What we've heard over and over is that municipalities want control, full control of the planning process, and they're pointing the finger that the region is the holdup. And then I'm also hearing that the region wants full control and the municipalities are the problem—that kind of thing—so just your thoughts on that, Robert.

Mr. Robert Deutschmann: Sure. Thank you. First off, I just want to say, as well—I didn't get to mention it—the release of the Fenn/Seiling report, I think, would be very beneficial, and I encourage strongly that the government provide that report to municipalities.

But anyway, with respect to what you're saying: Sure, everyone wants the tug and the pull. The issue is, are the lower-tier municipalities, the area municipalities, able to afford to do what they would like to do? There is a lot of advantage to it being at the regional level, and we've shown that we've been able to deliver with what we need to do. There are no hindrances to providing all the housing that needs to happen in this area.

But as a former mayor of a township, I know that we relied strongly on the region for a number of the services. When I hear things about waste water and water being moved to the lower tiers, I just think, "Have we forgotten Walkerton?" when that sort of thing happens. It just doesn't make sense to me.

Ms. Mary-Margaret McMahon: Okay. And, Dorothy, if you can continue on that question?

Ms. Dorothy McCabe: Yes. I would pick up on what Rob was saying, that I don't see how the finances work for that. I've asked for that information, and it has never been provided.

But ultimately, as I was saying, I do agree with Kevin. As I said, we're in the middle of the housing problems. We need to build the housing. We don't need yet another distraction from that.

Putting that aside, the best way to deal with what you just described is one municipality, right? You have one council that is determining resource allocations across the entire municipality. Really, what I am encouraging people around this table to consider—and people in my own community and my other elected colleagues to consider—is not just to think about the next two, three or four years, but we need to be thinking of 2050. What are we going to look like in 2050? We'll have a million people. What is the governance structure that we need to appropriately deliver the services that our citizens need?

Ms. Mary-Margaret McMahon: Okay. Thank you.

Sorry, Kevin, I'm going to talk to you later—next round.

Dorothy, you mentioned about taking the necessary steps at the—you didn't say "optimal," but you meant the optimal time for change, because we're in a housing crisis and it's more confusion and distraction. When would that be?

Ms. Dorothy McCabe: Well, at the city of Waterloo, as long as the developers put those shovels in the ground, we are going to vastly exceed the housing targets that we have. In 2023 alone, we've had pre-applications and formal applications—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Dorothy McCabe: —for just over 22,000 new housing units. That's just in 2023.

Ms. Mary-Margaret McMahon: But I'm just saying, you seem like you want a change.

Ms. Dorothy McCabe: What I'm saying is, at the appropriate time, which I think is in maybe two to three years, we need to move—

Ms. Mary-Margaret McMahon: Okay. That's what I'm looking for.

Ms. Dorothy McCabe: —to make this decision, right? This has been dangled before us too many times. Rip the Band-Aid off, pull the trigger—whatever expression you'd like. Let's just get it done.

Ms. Mary-Margaret McMahon: Thank you.

The Vice-Chair (Ms. Teresa J. Armstrong): Thank you so much for your presentations.

And now, I'm going to pass it to the government for MPP Rae.

Mr. Matthew Rae: Thank you to the presenters for your presentations this afternoon. Chair, I know it's talked about a lot in this committee that the minister asked us to look at housing and housing-enabling infrastructure and providing services. We are in a housing crisis, as everyone has heard today. And I know there's lots of discussion today from presenters around changes. We are doing those changes to the government to ensure we get homes built.

We are in a housing crisis. More than half of my friends can't afford to buy in the communities they grew up in. There's no magic bullet to this crisis we're in. If there was, any minister, no matter their political stripe, would have taken action on that. So we continue to propose solutions. The great solution that we proposed and advocated for in last year's provincial budget was purpose-built rentals. It's great to see the federal government finally agree to do that, so the PST and GST are both reduced on purpose-built rentals.

We have seen that over a year, despite economic conditions, those purpose-built rentals continue to increase across Ontario and will continue to do so. I know when Minister Calandra and Minister Bethlenfalvy made that announcement last fall now, they were talking to a home builder for purpose-built rentals, a big development in Toronto, and they said this was the difference from them breaking ground and not. It's saving them millions of dollars. I know it's saving others in the region as well, potentially, millions of dollars. So we'll continue to take those actions.

I found it very enlightening yesterday. We heard from a former provincial Liberal cabinet minister who admitted that he was at the cabinet table in 2016 and the housing crisis was apparent then and they took no bold action. So this has been around for a while, obviously, and I know our government is focused on taking action on that.

We heard from Mayor Vrbanovic earlier and, according to the mayor, they have met their housing targets for 2023. So obviously my question to Mayor McCabe is, why is Waterloo not able to meet their targets for 2023?

Ms. Dorothy McCabe: Waterloo is a very different municipality. We made the decision—former councils made the decision a number of years ago to build inward and upward. These are much more complex housing applications that come in. I don't know; I can't speak to what's coming in in Kitchener, but the housing applications that are coming in in the city of Waterloo require a significant amount of consultation and back-and-forth dialogue with our staff and the developers.

For instance, there's a development that we just approved on December 11 that is for 3,300 housing units, so over

6,000 people. That took well over a year's worth of discussion about how to transform that site from an employment—we're keeping the employment component of it, but how to transform that into a residential development.

As I said, we also have the challenge of being on a flood plain, so that further complicates some of the development, and I know I've spoken with MPP Mike Harris a number of times about some developments that we would like that are ready to go that are being held up, with all due respect, by the provincial building code, in some cases MTO traffic study requests that we think are—record of site conditions, things like that. So we are working feverishly to process the—there's an immense amount of interest in Waterloo to build and develop and to live in our city.

We have over 22,000 housing units approved last year or in pre-approval stage. We need developers to start building them, and the price of labour, the price of construction materials etc. is through the roof. We understand that, but that's why myself and other mayors from other municipalities have argued that—again, with all due respect—we think you're measuring the wrong things. We are approving more than necessary in terms to meet those targets of delivering permits. We can't control when they start building.

Mr. Matthew Rae: And we are using the CMHC, as you know very well, Your Worship, and we hear that as well, but I know it's—

Ms. Dorothy McCabe: You can call me Dorothy.

Mr. Matthew Rae: We use the federal accounting system for that. I know we hear it from other municipalities, but it's also something to raise with the feds because that's how they measure their housing starts in that aspect.

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Ms. Dorothy McCabe: Well, the feds aren't withholding money from us, though, right? So I mean we—

Mr. Matthew Rae: Well, we want to ensure that shovels get in the ground, which is tied—

Ms. Dorothy McCabe: Yes, as do we. We have a shared goal with that—absolutely—but we can only control the approvals end of it and the rest of it is up to our friends in the development community.

Mr. Matthew Rae: So do you support use-it-or-lose-it?

Ms. Dorothy McCabe: I think we need to take a really good look at that and work out the details. Obviously, right now, as I said, the construction prices are high, inflation is high etc., but there is a development that could have gone ahead as early as 2018.

There's numerous development applications in Waterloo, fully approved, pre this high inflation that we're in and pre-pandemic. Those could have gone ahead. That would have greatly helped the situation that we're in right now. So in cases like that, yes, I would.

Mr. Matthew Rae: Obviously, Mayor McCabe, six of the lower tiers in the region of Waterloo issued a statement today. Why did the city of Waterloo not sign on to that statement?

Ms. Dorothy McCabe: Well, first of all, I wasn't invited—I wasn't informed of it, that they were having this press conference today. We're the second-largest city—

Mr. Matthew Rae: So they never told you at all at any point?

Ms. Dorothy McCabe: That they were having this press conference today?

Mr. Matthew Rae: No, I mean about this plan—the advocacy, their recommendations to the province.

Ms. Dorothy McCabe: Well, we've been meeting over the past year. We actually had a meeting that I was going to host in December that was at I forget whose request—not mine but someone's request—that we scheduled that for February. So as far as I was concerned, we were still working collaboratively to try and sort these issues out. So, yes, it was a surprise to me that they went ahead without including the second-largest municipality in the region of Waterloo.

Mr. Matthew Rae: Thank you, Chair.

The Vice-Chair (Ms. Teresa J. Armstrong): You have a minute and four seconds left.

Mr. Matthew Rae: Oh, sorry. MPP Harris can—

The Vice-Chair (Ms. Teresa J. Armstrong): MPP Harris.

Mr. Mike Harris: —take the minute and four seconds, absolutely.

Listen, Mayor McCabe, we may agree to disagree on the point that I believe Mr. Rae was making, but—

Ms. Dorothy McCabe: I think it's interesting that you know that I was invited, but I don't know that I was invited. That's really confusing.

Mr. Mike Harris: I want to flip the script a little bit and talk about something, and I'll bring this up in the second round, but I just want to set the table a little bit as we move forward, but let's talk about interest rates a little bit and—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Mr. Mike Harris: Rob, I'm going to start with you when we come back because I think that's something that's really holding back some of the development from happening. So let's look at that and maybe some ways that we can address that collaboratively in the next round from the government side.

The Vice-Chair (Ms. Teresa J. Armstrong): There's only 16 seconds remaining, so we'll go to the next round of questions and you can come back.

So, official opposition: MPP Burch, please.

Mr. Jeff Burch: I just want to go back to Mayor McCabe and pick up on the discussion of the amount of money that the government withheld with respect to Bill 23 and the DC changes. What effect does that have on your municipality in terms of revenue losses?

Ms. Dorothy McCabe: Oh, it's a huge impact. Our DC bylaw isn't up for renewal for another year, but after that, over the next five years we'll lose somewhere in the neighbourhood of—we're estimating between \$23 million and \$31 million. As you know, that's for, like, infrastructure like parks and libraries in addition to roads and sewers

and pipes and things like that. So that's about a 35% reduction in funds that we would normally receive from development charges.

Mr. Jeff Burch: Right. And in the \$3 billion to \$4 billion in revenue that was taken away from municipalities across Ontario, the only way to get even partially some of that money back is to qualify with housing starts, which you have no control over, you pointed out, so that criteria clearly needs to change.

We've kept things pretty non-partisan over the last few days, but I have to say, I've brought this issue up in the Legislature a number of times and the Premier has responded that municipalities shouldn't always have their hand out asking for money, and my response was that's like accusing a mugging victim of whining when they ask for their wallet back. That's \$3 billion or \$4 billion and you have no way of getting that money back because of the criteria.

Ms. Dorothy McCabe: Well, there was the \$3 million or \$4 million, but we're looking at the quantum, like \$23 million to \$31 million. I mean, it's more than or close to—I don't know—8% or 10%, 10 times more than.

Mr. Jeff Burch: And I just want to go back to Mr. Eby. I also can't resist bringing this up. The very last line of your presentation, underlined, says, "Stop consulting only with the development industry."

The very last line of your presentation, underlined, says, "Stop consulting only with the development industry." Can you expand on that?

Mr. Kevin Eby: Yes. Certainly, an awful a lot of Bill 23 came out of discussions directly with the development industry. We're all in this together: the municipalities, the public, the developers and the province. No consultation with one party, creating provincial policy, is effective. It does not work. It hasn't worked for the government in this case, as we're seeing rollbacks of an awful a lot of things. That wasn't meant as a poke. It also means, don't just consult with the municipalities. You need to consult widely, because changes in policy have huge impacts that, quite frankly, some people at the provincial level do not understand, and you need to understand the implication of policy changes before you implement them.

Mr. Jeff Burch: I just want to get back to the point that was made earlier regarding what role the government has in creating housing. There is a lot of folks—and I think the federal government has just kind of taken a more aggressive approach, with an election approaching, with respect to getting more involved in looking at it more like a crisis, and some of the things that were happening maybe post-World War II with respect to getting into taking a much more proactive role in creating social housing, affordable housing of different types, co-operative housing, especially in large urban centres. Do you have an opinion on the importance of that kind of approach and what other roles the government could play in assisting municipalities?

Mr. Kevin Eby: There is no solution without government taking that kind of a role. The private sector will not deliver affordable housing. They never have; they never will. They're not charities, and we shouldn't expect them

to. If we have a problem—and we have a problem in affordable housing now, deeply affordable—the solution will only come through the government.

The problem is, we nibble away at it, but we're talking tens of thousands, hundreds of thousands that we need when you actually look at this problem. We need to re-create that. Do we need the type of housing that they had post-war? No, we don't need a whole bunch of little bungalows. What we need is the government to get involved in developing multiple residentials near transit so that people have the ability to live in a place they can afford to live in and travel in a manner that can get them to their jobs without significant costs.

Mr. Jeff Burch: So just taking the shackles off the private sector and cutting red tape, and all those kind of things—as important as those things are, and any improvements you can make are important—no matter what you do, it's not going to cut it.

Mr. Kevin Eby: Personally, from all the data that I've seen, there is not a chance that we are going to solve this without the government getting seriously involved. It will not happen through the private sector. They're not building what they already have approvals for. Again, I stress, I'm not bashing the development industry. They're not charities, and they're in it to make money. Making money is not a bad thing, but it will not deliver affordable housing in the amount that we require. We have to re-create the infrastructure that existed in the 1970s and 1980s, when especially the federal government got very involved in making sure that we were building, owning and maintaining affordable housing.

People think it will filter down, that if the private sector builds it today, it eventually gets run down and it becomes affordable. The problem is, today, we're tearing all those down to build new ones. It will never happen in my lifetime unless the government jumps in and does something.

Mr. Jeff Burch: Mayor McCabe, did you have a comment on that issue? Or what can the government do right now directly for the municipality?

Mr. Dorothy McCabe: Well, I think one thing that the government could do—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Dorothy McCabe: Sure, okay. In addition to what Kevin was saying, one of the big drivers of our regional budget right now is that we put about approximately \$170 million to \$180 million from our property tax levy into social housing and affordable housing. We believe, and this is not news to any of you in government, whichever side of the table you're on, that those are costs that really should be—that money should come from the federal and provincial governments. We quite simply do not have the wherewithal to continue to put that kind of money off the property tax levy. It's just not sustainable.

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The Vice-Chair (Ms. Teresa J. Armstrong): Now we'll go to the independent member. MPP McMahon, for four and a half minutes.

Ms. Mary-Margaret McMahon: So many questions, so little time.

Kevin, great report. Honestly, I loved hearing your history, but I was very frightened and alarmed, hearing your history of all the reviews and consultants and consultations and plans and whatnot that, over the years, have been developed and are sitting on shelves, some of them not even released, collecting cobwebs, and all the money spent on it—so if you could just reiterate your stance on that and your level of frustration with that and with us.

Mr. Kevin Eby: I think, at most, we have 21 municipalities that have up-to-date official plans. In the greater Golden Horseshoe, there are 110 municipalities; at least 89 of them are still dealing with the 2006 growth plan—is how their plans are based on. We're not giving municipalities the opportunity to update their plans before you make more changes, and you cannot do that to them. It hamstringing them to the point that they can't work on the other things. I know planners who have spent 10 years in their career at municipalities and haven't accomplished a thing because the rules keep changing and they haven't gotten anything through in final form. You can't do that in a policy-led system. It absolutely hamstringing us.

Ms. Mary-Margaret McMahon: You were talking about how there's no solution without governments delivering on affordable housing—and when you're saying us delivering, do you primarily mean us partnering with solid, great not-for-profits that have done it before, versus us trying to flail around and do it ourselves again, or both?

Mr. Kevin Eby: We're at a point that we need both. We need every solution that we can possibly bring to the table. We've got some brilliant minds in this room, and we need to bring them to the table and cast aside all of these distractions, and let's get on with delivering affordable housing.

Ms. Mary-Margaret McMahon: Last question—and it's going to be rapid-fire for everyone. We've been here before. We were just talking about our level of frustration. Do you have faith that we're actually going to do something this time around? So your level of frustration, and whether you have faith, and your level of optimism—30 seconds each.

Mr. Kevin Eby: I don't think that's a question for me to answer. I have to assume that everybody is going to come to the table and work together. There is no other possible solution.

Ms. Mary-Margaret McMahon: Thank you, Pollyanna. I love it.

Ms. Dorothy McCabe: I'm a politician, so I have to be hopeful and optimistic, but like I said before, the idea of amalgamation and creating one municipality has been dangled in front of us numerous times. Just give us a couple of years to get these houses built, and then just rip the Band-Aid off and get this done.

Mr. Robert Deutschmann: I think if we focus on the housing issue, there are things that can get done. The

whole governance issue really doesn't complicate the housing issue, and I think there—

The Vice-Chair (Ms. Teresa J. Armstrong): You have 30 seconds remaining.

Mr. Robert Deutschmann: —are things you can do with respect to housing to move the matter along, like some of the things that have been talked about today.

Ms. Mary-Margaret McMahon: I like that you mentioned supply chain, because that has not been mentioned at all in any of the consultations. So you get a point there.

The Vice-Chair (Ms. Teresa J. Armstrong): We'll move to the government side. MPP Harris.

Mr. Mike Harris: Mayor McCabe, I want to touch on the development charge thing for a minute. We've heard from the city of Cambridge and we've heard from the city of Kitchener, and you're projecting that you're going to have double or triple the losses in development charges than your other municipal colleagues are saying. I'm just wondering how you're figuring that when the city of Kitchener is twice the size, if not more, of the city of Waterloo.

Ms. Dorothy McCabe: I don't know what their calculations were. Mine were over five to seven years.

Mr. Mike Harris: Okay. You said, what, it would be about \$30 million?

Ms. Dorothy McCabe: I said about \$23 million to \$31 million over five years.

Mr. Mike Harris: Okay. Right. And—

Ms. Dorothy McCabe: And a 35% reduction in what we would normally get in development charges.

Mr. Mike Harris: So you're building that much in regard to affordable units, purpose-built rentals and non-profits? Because greenfield development—we've talked about the Beaver Creek subdivision, and I think you might be factoring that into some of these numbers. I just want some clarification.

Ms. Dorothy McCabe: You mean, am I taking the affordable housing and the purpose-built rentals out of that?

Mr. Mike Harris: Yes. Greenfield development doesn't count in the reduction of the development charges.

Ms. Dorothy McCabe: Like I said, we, in just one year, have had over 22,000 housing units in pre-application or formal application, and that's for market housing. In 2024—whatever day it is; the 17th—we've already had six more applications come in that total about 3,000 housing units. So there is a tremendous amount of interest in building in our city.

Mr. Mike Harris: But you're factoring in—

Ms. Dorothy McCabe: This is on average. The numbers that our finance department gave us, based on our average development—

Mr. Mike Harris: Right, but the development charges could still be levied on new development.

Ms. Dorothy McCabe: Yes.

Mr. Mike Harris: Correct?

Ms. Dorothy McCabe: Correct.

Mr. Mike Harris: It's only not-for-profit—

Ms. Dorothy McCabe: I understand that.

Mr. Mike Harris: —and purpose-built rental—

Ms. Dorothy McCabe: I understand that.

Mr. Mike Harris: —where the development charges are being waived.

Ms. Dorothy McCabe: I understand that.

Mr. Mike Harris: So you're telling me that you're losing, on average, five-ish million dollars a year in development charges based on purpose-built rentals and affordable—

Ms. Dorothy McCabe: Yes, I am.

Mr. Mike Harris: —where the city of Kitchener is projecting about half what you are.

Ms. Dorothy McCabe: We're two different municipalities.

Mr. Mike Harris: But they're twice the size.

Ms. Dorothy McCabe: Unfortunately, we're two different municipalities.

Mr. Mike Harris: Okay. All right.

Let's talk a little bit about interest rates, maybe, and why things aren't being built as quickly as we'd like to see in the current market. Rob, maybe your thoughts on a little bit of that and how some of that could be hindering seeing these developments actually move forward?

Mr. Robert Deutschmann: I'm happy to comment. I'm not an economist, but I did reference that in my comments. It's those external factors which we all read about that we know are not allowing us to build what we want to build in the community.

Interest rates are a factor. They've slowed down in a lot of ways. Inflation affects interest rates, which affects mortgage rates. You'll know this: You would have come in on Highway 8 to get in here today, and you would have seen a building with a big Gillam sign on the outside of it. That's about, I don't know, a 15-storey condominium project that looks like it's about to be finished. It's in bankruptcy. It stopped; it stalled. Those are some of the things that are affecting builders today. That's why there's a caution about doing anything.

So it's not for lack of wanting to build. We're all politicians who want to get things built. We're not builders.

Mr. Mike Harris: So what do you think we could do as local government and as provincial government to either work to advocate to the federal government—which I know that we've done from a provincial standpoint. It's tough. Really, all you can do is write a letter or get on the news and say that you want these things done. But what are some real, concrete things that you think we can do to help alleviate some of the interest rates that we're seeing?

And this is the other thing, right? We're focused on development here, but there are lots of people that have to refinance, or already have, who currently own a home, who may not be able to stay in their home.

Mr. Robert Deutschmann: Yes, maybe more homes coming on the market, unfortunately.

Mr. Mike Harris: Which is not something that we want to see.

Mr. Robert Deutschmann: Right, absolutely.

Mr. Mike Harris: So how do you think we can tackle that from our levels that we—

Mr. Robert Deutschmann: I think, along the theme that Mayor McCabe and Kevin Eby have been talking about, that you all have to get together and collaborate and talk about what needs to be done. That's the only way we're going to do this. Federally, provincially, municipally: Is everyone sitting down and figuring out what needs to be done to move projects along?

Interest rates and inflation are a global thing. We'd like to say maybe some actions have been taken that influence that, and you have taken some steps: HST and GST rebates, which you mentioned, and all builders have said that's great for the rentals. There has been an influence by the federal government to municipalities to make fourplexes as of right. That's going to increase the housing supply—how big, I'm not sure. Someone like Kevin, who's a planner, will know more about that.

But everything we can do—Build Now, which is a project you'll be familiar with, is the Habitat for Humanity project that is multi-level. That's innovative: 10,000 homes in seven years—if we can just find land, so now that's another thing too. So as long as we can all collaborate and talk about it and work through this together, it's not a one person or another situation.

Mr. Mike Harris: I think the challenge is when you have arbitrary rate hikes by the Bank of Canada to try and lower that threshold.

Mr. Robert Deutschmann: I don't think anyone can talk to the governor of the Bank of Canada.

Mr. Mike Harris: But that's the thing, though. You have to realize, when you look from a provincial government standpoint, we represent half the population of Canada. So you can laugh about it, but at the end of the day, we're still at the point where we need to be able to try and make a concrete difference. And I think we all want to be able to do that.

Mr. Robert Deutschmann: What I was chuckling about was thinking we could tell the governor of the Bank of Canada to reduce interest rates. That's what I was chuckling about.

Mr. Mike Harris: So then that's the thing: Where do you draw the line, right?

Ms. Dorothy McCabe: Can I just make one suggestion?

Mr. Mike Harris: Sure, absolutely.

Ms. Dorothy McCabe: You're the government and we know we need to work collaboratively with you, but I do want to remind you—and we've talked about it, Mike—that we have about six developments that are held up by things to do with the building code, and we've been talking to Minister Calandra's office about that. Like I said, the streamline development fund was really, really helpful. That \$1 million? Excellent. Please give us another million; we can do some more good things.

But we also, with all due respect, need the provincial government to really look across your ministries and figure out, especially in transportation—

The Vice-Chair (Ms. Teresa J. Armstrong): Thirty seconds remaining.

Ms. Dorothy McCabe: —environment, where those policies are holding up some of our development.

Mr. Mike Harris: These are all great ideas and that's why we're here doing this, so that we can hear about it. And I think that's how we're going to end it off. Thank you, everybody.

Ms. Dorothy McCabe: The ball is in your court.

Mr. Mike Harris: Well, the ball is in everybody's court. The ball is in everybody's court, Mayor McCabe.

The Vice-Chair (Ms. Teresa J. Armstrong): Okay, thank you. We're going to end it here.

I do want to put out a very important reminder that for all written submissions, there is a deadline of 7 o'clock p.m. on Thursday, January 18. So get those submissions in by 7 o'clock on January 18.

I want to thank everyone who was attending today, listening and presenting, and for all the information that you provided to the committee. Thank you to all the MPPs for doing such a wonderful job and all the Legislative Assembly for making this run smoothly. Safe travels to everyone.

I'm happy to say that the committee is now adjourned.

The committee adjourned at 1802.

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