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Assembly
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**Official Report
of Debates
(Hansard)**

F-57

**Journal
des débats
(Hansard)**

F-57

**Standing Committee on
Finance and Economic Affairs**

Cutting Red Tape to Build
More Homes Act, 2024

Selection of estimates

1st Session
43rd Parliament

Tuesday 7 May 2024

**Comité permanent
des finances
et des affaires économiques**

Loi de 2024 pour réduire
les formalités administratives
afin de construire plus
de logements

Sélection des budgets
des dépenses

1^{re} session
43^e législature

Mardi 7 mai 2024

Chair: Ernie Hardeman
Clerk: Vanessa Kattar

Président : Ernie Hardeman
Greffière : Vanessa Kattar

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CONTENTS

Tuesday 7 May 2024

Cutting Red Tape to Build More Homes Act, 2024, Bill 185, Mr. Calandra / Loi de 2024 pour réduire les formalités administratives afin de construire plus de logements, projet de loi 185, M. Calandra.....	F-1815
Statement by the minister and responses.....	F-1815
Hon. Paul Calandra	
Canadian Federation of Independent Business; Association of Municipalities of Ontario; Ontario's Big City Mayors	F-1825
Ms. Julie Kwiecinski	
Mr. Brian Rosborough	
Ms. Marianne Meed Ward	
Mr. Josh Morgan	
Ms. Lindsay Jones	
Advocacy Centre for Tenants Ontario; Colleges Ontario; Ontario Federation of Agriculture	F-1834
Ms. Laura Murphy	
Ms. Marketa Evans	
Mr. Drew Spoelstra	
Selection of estimates	F-1843

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Tuesday 7 May 2024

Mardi 7 mai 2024

The committee met at 0901 in room 151.

**CUTTING RED TAPE TO BUILD
MORE HOMES ACT, 2024
LOI DE 2024 POUR RÉDUIRE
LES FORMALITÉS ADMINISTRATIVES
AFIN DE CONSTRUIRE PLUS
DE LOGEMENTS**

Consideration of the following bill:

Bill 185, An Act to amend various Acts / Projet de loi 185, Loi modifiant diverses lois.

The Chair (Mr. Ernie Hardeman): I call the Standing—

Failure of sound system.

Mr. Deepak Anand: Wow, we can hear you everywhere.

The Chair (Mr. Ernie Hardeman): Well, I know the world likes to hear my voice.

I call this meeting of the Standing Committee on Finance and Economic Affairs to order. We're meeting today to begin public hearings on Bill 185, An Act to amend various Acts.

**STATEMENT BY THE MINISTER
AND RESPONSES**

The Chair (Mr. Ernie Hardeman): I will now call on the Honourable Paul Calandra, Minister of Legislative Affairs, as the sponsor of the bill.

Minister, you will have up to 20 minutes for your opening statement, followed by 40 minutes of questions from the members of the committee. The questions will be divided in 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 five minutes for the independent member of the committee.

Minister, with that, the floor is now yours.

Hon. Paul Calandra: Thank you so much, Mr. Chair.

Colleagues, I'm honoured to be here to provide the Standing Committee on Finance and Economic Affairs with important details about our government's Cutting Red Tape to Build More Homes Act. The proposed legislation includes a variety of measures that would improve service delivery, while saving people and businesses time and money, building on our government's

previous success in those areas. These targeted steps would build on the actions Ontario has taken to cut red tape to date. Together, they are expected to save people and businesses over 1.5 million hours and \$1.2 billion every single year.

The spring 2024 red tape reduction package focuses on cutting red tape where it's needed most, which is building homes. It takes significant steps toward streamlining approvals and increasing housing infrastructure development across the province. They are the latest steps we are proposing in our efforts to tackle Ontario's housing supply crisis and to keep the commitment we made to Ontarians to help get 1.5 million homes built by 2031.

Before I go into details of the initiatives we are here to discuss, I do want to mention that many stakeholders have had the time to study the benefits of our bill since introduction, and the feedback so far has been quite positive. For example, the Federation of Rental-housing Providers of Ontario has said, "We are pleased to see the government make significant investments in municipal ... infrastructure, reduce parking requirements around ... major transit stations, update Ontario's building code to facilitate more innovation, and standardize housing design across the province."

The Council of Ontario Universities said, "Exempting ... universities from provisions in the Planning Act and removing zoning barriers will help expedite the development and construction of much-needed campus housing projects, as well as help ... student success."

And Ontario's Big City Mayors was equally enthusiastic about Bill 185. They said, "The government has listened to our suggestions for how we can better partner together to reach our goals."

I'm grateful for all of these supportive words from our stakeholders. I'm also grateful for their input in helping shape Bill 185.

We know that building more homes cannot be done by one person, one organization or one level of government. We have to work hand in hand to deliver on our commitment to Ontarians to build more housing. That's why, if passed, our legislation and targeted housing measures focus on ways to help municipalities and other partners. We are proposing to build homes faster at a lower cost, prioritize infrastructure for ready-to-go housing projects, improve consultation and provide municipalities and builders with greater certainty to get homes built faster.

Now, I want to talk about some of the specific measures in our government's proposed Cutting Red Tape to Build More Homes Act, some of the key areas with respect to housing and how they would create efficiencies for getting shovels in the ground quickly. I want to highlight some of our new proposed initiatives to build homes faster at a lower cost. This includes our recently released new addition to the Ontario building code. Although the code is not a part of the proposed legislation we are discussing today, its focus on increasing housing supply, innovation and supporting public safety are completely aligned with the goals of Bill 185.

What's more, we recently completed building code consultation on advanced wood construction, which is called encapsulated mass timber. Ontario's building code currently allows buildings using encapsulated mass timber construction to be up to 12 storeys tall, but based on the proposals we've consulted on and the feedback that we have received, we are committed to amending the building code in the coming months to permit encapsulated mass timber construction in buildings up to 18 storeys in height.

The use of encapsulated mass timber would provide the home building sector with a great opportunity to build more homes. That's a great opportunity to build more quickly and to keep construction costs down, and it's a boost to our northern economy. Encapsulated mass timber construction offers an environmental solution for quieter, less disruptive and faster construction. And I want to emphasize this: It has the same fire and structural protection as all other building methods.

I want to add that this is only one part of our plan to support advanced wood construction. As you know, colleagues, we also have Ontario's Forest Sector Strategy, which offers a significant opportunity to shift housing construction off-site and into factories. This would support more efficient and rapid construction processes using renewable forestry resources grown and harvested in Ontario by Ontario workers and Ontario families. And we can leverage both through our proposed new approach to using mass timber to help increase housing supply.

One advantage of our updated building code is that we are also increasing harmonization with national construction codes. This allows for greater consistency, reduces interprovincial trade barriers and helps to streamline product manufacturing. This, in turn, leads to more productivity and faster construction times.

Of course, we can put in place many rules and regulations, but they are only meaningful if development can get off the ground. Stalled developments can limit a municipality's progress in meeting provincial housing targets. For example, seven municipalities have reported that 70,000 units have remained inactive for at least two years. That is why Ontario has proposed to create a new use-it-or-lose-it process to enhance and expand a municipality's ability to address this obstacle and to support the official allocation of housing-enabling infrastructure. If passed, the proposed changes to the Municipal Act and the City of Toronto Act would enable municipalities to adopt policies setting out how water and waste

water servicing may be allocated and then reallocated. This would allow developments that are ready to proceed to encounter fewer barriers and delays prior to construction.

Proposed changes to the Planning Act would also establish a three-year time frame for conditions to be met on subdivision approvals that were drafted before 1995. This is a conditional approval for a development, subject to some conditions being met, such as making roads wider or parkland requirements. Under this proposal, if existing conditions are not met within the time frame, the approval would expire or lapse. The ability to impose lapsing conditions has been in place for draft approvals since 1995; however, our proposed changes to the Planning Act would require a lapsing condition on all new draft subdivision and condominium approvals. Proposed changes to the Planning Act and City of Toronto Act would also allow municipalities to apply lapsing conditions on new or previous site plan applications.

I want to now turn to the importance of working toward greater certainty for getting homes built faster. As you know, colleagues, in the bill, if there is no local newspaper, we are proposing to enable municipalities to give notice of new planning applications, community benefits charge bylaws and development charge matters on a municipal website. We want to ensure that the public is well informed about proposed changes in their communities.

Ontario is also proposing to enhance public engagement of new planning applications by developing municipal best practices for public notices. This includes multilingual notices to support culturally diverse communities. We plan to do this in partnership with our municipalities.

We also know that in order to build the housing we need, we have to provide more certainty for our building partners. For example, when a community builder starts a project, they may be obligated to provide financial assurance to the municipality that the infrastructure needed to support those homes will be constructed as well. I'm referring specifically to infrastructure such as sidewalks, by way of an example. The financial assurance is commonly provided through a letter of credit or cash. Our government intends to consult on a potential regulation that would enable landowners to choose the instruments to be used to secure the obligations as conditions for land use planning and approvals. We have already heard that wider acceptance of pay-on-demand surety bonds by municipalities could help to free up money for home builders so that they can pursue additional home building projects. It would also make some projects that currently can't obtain financing more viable.

This may seem like a small change, but this could have a notable impact on housing supply. Whether it's here or elsewhere in the home building process, our government is committed to reducing burdens and increasing flexibility for municipalities and our partners, all in the name of building more homes. This also means more types

of homes. We have a list of proposals to build more types of homes for more people.

An issue you may have experienced in your own lives as your children get older is where they will be living when they go to college or university. When students leave home to pursue higher education, they obviously need a place to live. But a scenario we don't want, and which we have seen in recent years, is having students competing with families for housing. That is why our bill is proposing to remove barriers faced by publicly assisted universities when building student housing, and it would reduce approval timelines for these projects.

Specifically, we're proposing to exempt publicly assisted universities from the Planning Act, so as to accelerate the building of new student housing. If our bill is passed, these universities would then have the same benefits that are already available to publicly assisted colleges. This proposal could save these universities years of time in approvals. It would also allow them to avoid planning application fees that they currently must pay, and it would remove more barriers to building higher-density student residences.

0910

Building faster would enable our universities to better meet the needs of their student population. What's more, we are also planning to require all colleges and universities in Ontario to publish student housing policies. This would ensure that students have access to and are aware of student housing options that are safe, that are affordable and that are within an easy commute to the campus. Importantly, it is also better for communities, because it frees up housing within communities, and it makes those housing spaces available for individuals and families who themselves need housing.

Another initiative in Bill 185 is the proposal to create a regulation-making authority to exempt standardized housing designs from certain planning provisions in the Planning Act. This includes those sections that deal with zoning. It would also provide authority to exempt them from sections of the City of Toronto Act that deal with planning. If this bill is passed, this province could then make regulations that speed up approvals for standardized designs that would result in more homes being built faster.

What's more, our proposal would also allow Ontario to potentially partner with other jurisdictions on a catalogue of standardized housing designs. If passed, we expect that the housing-related measures in our bill would also help to lower the cost of building more homes, and again, I'm referring to costs in not only dollars but, obviously, in time.

Mr. Chair, in addition to the housing measures, the spring red tape package contains several complementary initiatives to grow a stronger economy, keep costs down, and save time while improving service delivery for people and businesses across the province. We've been working hard across government to come up with proposals to do that in a number of ways. We want to attract investment and create jobs by making it easier for municipalities to provide incentives to attract game-changing global invest-

ments. We want to build transit and infrastructure projects faster by reducing delays and costs for utility relocation projects. And as part of an ongoing effort to establish a single window for business, we're providing predictability and certainty to businesses by implementing service standards for permits and licences, and launching an online tracker so businesses can see how their applications are being processed in real time.

Enabling municipal incentives, less costly utility relocation and service standards are just some of the measures in our bill to help lower costs for Ontario's people and businesses. We're also listening to stakeholders across the province and taking action to address administrative concerns that impede their operations. For example, we're proposing amendments to the Niagara Parks Act to remove the requirement for an annual appointment resolution for municipal representatives to the Niagara Parks board of commissioners. This is a common-sense change which will reduce burden on municipalities without affecting municipal representation on the board, and aligns the Niagara Parks Act with other similar agency acts that include municipal representation on their respective boards.

We're also proposing amendments to one of Ontario's oldest pieces of legislation, the Line Fences Act, which will reduce burden; align the legislation with the Municipal Act, 2001, and the City of Toronto Act, 2006; and modernize outdated language. These changes will provide clarity and reduce uncertainty to municipalities and other stakeholders to rely on the act to resolve fencing disputes between adjacent property owners.

So in summary, the purpose of all the initiatives of Bill 185 is to ensure that we no longer rely on rules and regulations that are outdated, inefficient or no longer serve their purpose. Some of these will help to build more housing and others will help to reduce red tape in other sectors. Either way, they will help to move this great province forward.

With that, Mr. Chair, I turn it back over to you and I am prepared to take any questions that the committee has.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

We will now start with the questioning, and I do want to remind you that at the one-minute mark, I will notify you that your time is expired.

We'll start the first round of questioning with the opposition. MPP Bell.

Ms. Jessica Bell: Thank you, Minister, for presenting today. I have a few questions. The first question is about Bill 185 and the provincial policy statement and how both of these measures are really making it a lot easier to move forward with low-density, single-family housing, some of it on farmland. We're talking sprawl. And this is despite the fact that the Housing Affordability Task Force was very clear and said we don't need to open up new land to meet our housing targets. It's also at the same time as municipalities are telling us that servicing low-density housing is very expensive, and I don't think there's any taxpayer out there who wants their property tax bill to be

unnecessarily raised. It's also happening at a time when AMO is telling us loud and clear that they need to preserve farmland in order to continue to have a thriving farming economy in Ontario.

So my question is, why the decision to make it easier for the development of low-density, single-family housing on farmland?

Hon. Paul Calandra: Well, both Bill 185 and the provincial planning statement make it easier to build all types of housing across the spectrum. What we've heard very clearly from our municipal partners, from AMO, and frankly, even last week, when I was at NOMA, is that our municipalities, our partners, want the ability to build all types of housing—affordable housing, towns, singles—and that is what the provincial planning statement does.

Moreover, the planning statement that you reference, it really updates our policies so that we can build that type of housing around the infrastructure they already had. It updates rules with respect to building around our major transit station areas. It updates rules on how we can reallocate housing in some of those under-serviced areas, and by that, I mean within municipalities. We all know of communities that have that old-school type of plaza that takes up a full block—underutilized, usually on major transit, major arterial roads. The statement allows that to be converted more quickly and more—

Ms. Jessica Bell: Minister, I have additional questions on the transit piece and building more density on transit. It does concern me that the provincial policy statement made the decision to move away from having any kind of firm density targets for municipalities, even though we know that it is cheaper to build those kinds of homes, and that Bill 185 makes it much harder for municipalities to say no to sprawl and much easier for developers to force municipalities to say yes to sprawl. I have a lot of concerns about that.

You mentioned that the government is interested in building all types of homes. We agree. I would like to see—I think many people would like to see an amendment to Bill 185 where fourplexes are allowed as of right in towns and cities across Ontario. Is the government willing to introduce that amendment to Bill 185?

Hon. Paul Calandra: No. Look, we've gone down this road so many times. Half the province lives in as-of-right four without provincial mandating of that. I think close to eight million of our 15 million people live in as-of-right four. The policy itself has not been one that has helped get housing built. Frankly, we've heard that very clearly from our municipal partners, that it is not the silver bullet that will help get housing built. As-of-right three, which we enabled in a previous bill, has also not been as effective as it should be. That's why Bill 185 helps move that process forward.

I was, as I said, in NOMA last week, and in most of those communities, a vast majority of northern Ontario, building one or two homes would make them happy, the ability to get infrastructure that they can support building of any number of units. We don't stand in the way of any municipality that wants to do that. Many have chosen to

do it, and that is fine, but local municipalities can make that decision on their own. Frankly, I think that the focus on as-of-right four is an ability to focus away from the real job, which is building more homes. It is a way of getting communities to fight with themselves. Our job is to build the infrastructure, get the infrastructure in the ground—

Ms. Jessica Bell: Okay. I want to get to that, Minister—

Hon. Paul Calandra: —to support municipalities that want to build homes, and that's what the bill does.

Ms. Jessica Bell: Thank you. Minister, I want to get to that question again. There seems to be a bit of a double standard when it comes to municipalities. This is a government that rewrote election rules in the middle of the election, dramatically changed development fees and how they work without adequately consulting with municipalities, but then when it comes to making it easier to build fourplexes as of right, there seems to be this reluctance. It's very surprising.

0920

What we see in Bill 185 is a decision that if we want to have three lots per property, the province does need to step in to make that easier to do. That's a move in here that I support, and my hope is that this government understands that fourplexes are one of a whole range of policy measures that we need to move forward on to address our housing crisis. We both know there's no one single magic bullet to this issue.

I want to get to the issue of infrastructure. This government has said again and again—and we agree—that in order to meet our housing targets, we need enough money for infrastructure. Given that, it concerns me that this government has not moved forward on increasing density targets in a way that would make the federal government happy and allow federal money that we should be getting to flow.

What is this government going to do to ensure that the federal government provides us with the necessary infrastructure money?

Hon. Paul Calandra: I'm not specifically certain of what you're talking about—

Ms. Jessica Bell: I'm talking about the Housing Accelerator Fund—

Hon. Paul Calandra: Well, again, I—

Ms. Jessica Bell: —which I don't think we have yet—

Hon. Paul Calandra: I was at NOMA last week and I asked—

Ms. Jessica Bell: —because of this government's failure to increase density targets and move forward on—

Hon. Paul Calandra: Well, there are many communities that have achieved the housing accelerator targets. You know that a vast majority of the province is not eligible for the housing accelerator funding? When I was at NOMA just last week, I asked for a show of hands: How many communities are actually eligible for that housing accelerator funding? The room was full of municipal politicians from all over northern Ontario and only two raised their hands. The rest are ineligible. The vast

majority of the province is not eligible for housing accelerator funds, so it doesn't actually help them.

I understand in big cities, where they can get access to that—

Ms. Jessica Bell: Minister, I don't have a lot of time left. But my hope—

Hon. Paul Calandra: My job is to build—

Ms. Jessica Bell: Minister, I'm taking the time back.

The Chair (Mr. Ernie Hardeman): One at a time.

Ms. Jessica Bell: Minister, my hope is that we get every cent of federal money eligible to us to build infrastructure, and our hope is that the Ontario government does everything it can to get that money.

Hon. Paul Calandra: I'm very encouraged that by working together with the—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes that time.

We'll now go to the independent. MPP Hazell.

MPP Andrea Hazell: Good morning. Thank you for coming in. With the little minutes I have, I'm going to go very quick to the question.

I want to support the voice of the young people of Ontario, the young families, the young people between the ages of 25 and 35. Over the past couple of years, we've had now over 50,000 young people leave in droves out of Ontario for better, affordable housing and, of course, better jobs. Every Friday, I'm in my constituency. I hear from young couples who want to start their families, but because of the housing crisis, they are concerned about raising their family in Ontario or even starting a family.

We know that you have missed your affordable housing goals now, and consequently the federal government is giving money directly to service managers instead of the provincial government. So, to me and the people of Ontario, it appears that the province is abdicating its responsibility to get affordable housing built and is instead passing the buck to municipalities.

My question to you—you've got my minutes: How can you give the young people of Ontario hope to remain in Ontario? As a parent, as a mom with three kids, I hope my children never have to move away, that I have to travel very far to see them or to be with them. They're losing hope.

Hon. Paul Calandra: Look, I will tell you this: When we came to office in 2018—I would completely agree with you—thousands of jobs had left the province. The previous Liberal government had decided that we were going to transition the economy to a service economy—

MPP Andrea Hazell: But, Minister, you've had six years.

Hon. Paul Calandra: We said we would do differently, and that is why we have started to restore the economy of the province of Ontario, following the devastation that was left behind. That is why 700,000 jobs have been created by our small, medium and large enterprises across the province of Ontario. That is why \$40 billion worth of investment have come to the province of Ontario.

In your own community, despite the fact that Liberals were in power—

MPP Andrea Hazell: Can we concentrate on housing? Because the housing is the major issue here.

Hon. Paul Calandra: Well, it's about building communities. You asked me about bringing hope back to people, and I completely agree with you. Hope is about jobs. Hope is about education. Hope is about transit and transportation to get to those jobs. Hope is about housing. Hope is about affordability. When I look at hope, I look at all of the things that make a family grow and prosper. That is why my family came here. The number one issue facing young Ontarians who want to get into the housing market right now is high interest rates. You've heard it over and over and over again. The fastest—

MPP Andrea Hazell: But, Minister, there could be high interest rates, but if there is no housing, there is no sense talking about high interest rates.

Hon. Paul Calandra: The high interest rates have stopped our home builders from building. The high interest rates have kept thousands of people out of the market with an inability to actually be able to afford those houses.

You talk about affordable housing; let's talk about the numbers on affordable housing. The agreement that was signed by the previous Liberal government in 2018 called on us to build—

MPP Andrea Hazell: But, Minister, you've had six years—six years—on this file. Six years on this file, and we're in a housing crisis right now.

Hon. Paul Calandra: Let me get to the answer, then, on that.

MPP Andrea Hazell: I want to be the voice for the young people.

Hon. Paul Calandra: Okay. So let me give you the specific answer.

MPP Andrea Hazell: I have my time on the floor. This is my time.

Hon. Paul Calandra: The specific answer is that we were asked to build—the previous government set a target of building 19,000 affordable housing units; we've built 11,000. The previous government set a target of 26,000 units to be rehabilitated, refurbished.

In your own community—you know how old and outdated that stock of housing in your community is. You know the housing on Galloway. You know the housing on Danzig. You know the housing at Lawrence and Morning-side. It was outdated. It was old. Many of those units were taken out—

The Chair (Mr. Ernie Hardeman): One minute.

Hon. Paul Calandra: —and were not available for people to live in. We've smashed that target: 123,000 units. We—

MPP Andrea Hazell: Minister, we're still in a crisis. We're still in a crisis.

Hon. Paul Calandra: Exactly: a crisis that acknowledgedly started under the previous government, that we are fixing.

MPP Andrea Hazell: That's six years ago.

Hon. Paul Calandra: And the best thing that we can do to help new and young Ontarians is give them jobs,

build a strong economy. We're doing that. The next best thing that we can do is get interest rates down, so that young Ontarians can get into their first home and so that the people who build homes in communities can afford to get shovels in the ground. We had the fastest interest rate increases ever in this country. It is unacceptable, and at a time when we want to continue to build the province of Ontario—

MPP Andrea Hazell: The young people are not seeing the positives on that—

Hon. Paul Calandra: —we need the federal government to do its job and bring the interest rates down.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

MPP Crawford.

Mr. Stephen Crawford: Thank you, Minister Calandra, for being here today. We really appreciate it. I have a couple of questions. I'd like to start with a general question and then I'll have a specific question pertaining to the bill.

Hon. Paul Calandra: Sure.

Mr. Stephen Crawford: You are correct in that for 15 years, we had mismanagement of the economy. We had overburdensome regulations that did send jobs out. In fact, we had 380,000 regulations in Ontario, the most in any jurisdiction in the world. I believe this bill and this government are committed to reducing that regulatory burden, to make Ontario a great place to live, work and raise a family. Could you just give a general commentary, as it pertains to this bill, in terms of how we are reducing regulations to ensure we continue on that path to prosperity?

Hon. Paul Calandra: The work of the red tape reduction ministry has been phenomenal and has been one of the main reasons why the province of Ontario is now in a position where we have welcomed back billions of dollars' worth of investments, where we have encouraged thousands of jobs to come back.

Look, 700,000 jobs have been created by our small, medium and large enterprises. Think of that. When we talk about the success that is Ontario—despite the challenges that this province faced back in 2018, despite the current challenges we face with a federal government whose spending is out of control, who have raised interest rates to levels faster than has ever happened at any other time, despite the red tape that they are putting in the way, Ontario has been able to attract 700,000 jobs, over \$40 billion worth of investments. A lot of that is due to the work of the red tape reduction commission.

You talked about this: We have removed a little over \$8 billion on the cost of doing business in the province of Ontario—\$8 billion. That is money that has gone directly to our job creators, and they have come through in a way that is incredible. They're creating wealth and opportunity for Ontarians.

When you look at the measures in this—another billion dollars we've hit in direct savings for people and businesses, over 1.5 million hours in savings for people and businesses. We're moving towards ensuring that those who do business in the province of Ontario can do it faster,

know what it is that they have to accomplish, and we're making it more affordable for them to do it.

0930

And then on the opposite token, we have heard over and over and over again, anybody who ever has to deal with their government, whether it's a municipal government or a provincial government—the fear, having to go to the ServiceOntario office or having to go get a permit. We are putting very real steps in place that reduce people's need to interact with the government, making it seamless, and, where they do, putting timelines in place so that they know where they are in the process and what they have to accomplish.

We've reduced red tape and regulation massively in the province of Ontario. We are leaders, and it is the extraordinary work of the Ministry of Red Tape Reduction that has helped us get there. The businesses have shown, when you do it, they will come through and choose Ontario.

Mr. Stephen Crawford: That's definitely appreciated, and the fact that we actually have a ministry dedicated to red tape reduction I think is important.

A question as it pertains to parking in buildings that are built near transit stations: This bill in particular reduces the minimum amount of parking in, I guess, towers that are located near GO transit or subway facilities. How is that going to facilitate new housing?

Hon. Paul Calandra: First of all, it brings down the cost per unit significantly. I heard this throughout our travels in southern Ontario. The Guelph mayor, for instance, had suggested that this would be an incredibly important measure to help him when it comes to housing around his major transit station areas. It reduces costs; it helps better utilize the infrastructure that we're putting in place.

Let's all remember that Ontario is in the midst of the largest transit and transportation infrastructure build in our history. It's not just new subways in Toronto; it's expanding the GO trains. They're expanding GO train service to my community up in Stouffville. Many of our colleagues on both sides of the table are getting expanded two-way, all-day GO trains. It's including the expanding of roads across the province.

So by focusing on where the infrastructure is being built, it helps people make choices, it reduces the cost of those units, and I think it is a measure that will increase affordability, increase options and increase supply and help us better utilize those billions in infrastructure investments.

Mr. Stephen Crawford: Okay. Thank you.

I'll pass it to my colleague.

The Chair (Mr. Ernie Hardeman): MPP Rae.

Mr. Matthew Rae: Thank you, Minister, for being here this morning.

I just want to begin, Chair, by saying it's kind of ironic: The NDP talks about infrastructure and they voted against our most recent provincial budget. We're investing over \$3 billion in infrastructure, a historic amount in Ontario. For the people who may be watching, the federal government is only proposing \$6 billion across all of Canada.

Ontario, we are going alone and investing \$3 billion to get shovels in the ground.

I think it's also very telling that the NDP members, their number one concern is making Justin Trudeau happy. I know Jagmeet Singh's number one job is making sure Justin Trudeau remains happy, but I think it's very telling that the Ontario NDP is pursuing that same course of action. I know our members on this side of the committee and the House will be fighting for the people of Ontario in that aspect.

I know the independent Liberal member mentioned young people. I am one of those young people, as the minister knows. I'm very proud. I'm not the only young person, obviously, in our caucus. The challenges of home ownership and getting into the market, obviously, are very real for my generation.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Matthew Rae: So I go to that aspect, Minister: Why is it important that we get shovels in the ground on infrastructure?

Hon. Paul Calandra: Because it's the difference between building hundreds of homes or thousands of homes and millions of homes. Frankly, there is not one community across the 444 municipalities that I have the privilege of working with that has not said to me that their number one issue of building homes has been infrastructure: sewer and water and then the roads and bridges to support that. And then you go a step further. Once you have built that infrastructure, once you have built the homes, you also have to have the schools to build these types of communities. One leads to the other. But ultimately, if you don't get a shovel in the ground, if you don't build sewer and water, you're not building homes, full stop. It is not just in our urban areas; it is in our rural areas.

Many of our urban areas where they talk about four as of right, you also need millions—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We'll now go to the opposition. MPP Fife.

Ms. Catherine Fife: Thank you very much, Minister, for being here.

I have two lines of questioning. I just want to address some of the rhetoric from the other side, though. Only a fiscally Conservative government would leave \$357 million on the table when we all agree that we are in a housing crisis. We should be doing everything, right? Eighty-eight per cent of Canadians feel that they'll never have the chance to ever purchase a home. Renters: 77% of the housing market in Ontario are really precariously housed renters. Yet the government has failed or refused to address that insecurity.

I'm going to ask you a couple of questions specifically on schedule 7 of the bill, Minister. This was the repeal of the Hazel McCallion Act. Of course, this is a piece of legislation that has had to walk back a number of poorly-thought-out pieces of legislation. The dissolution of Peel was found to be very expensive for Peel, Caledon and Mississauga. Since that time, though, you did have a

transition board in place. You are repealing and walking back this piece of legislation, but you've actually put in a piece in the act around immunity provisions. Part of those immunity provisions to protect you and the government is that this would include no costs or damages payable for anything done under the act, including acts of misfeasance, bad faith, breach of trust or breach of fiduciary obligations.

When we had Peel come to our committee during pre-budget, they told us that the decision to dissolve Peel was already very costly for them, into the hundreds of millions of dollars, and impacted staff retention. We've since learned that this transition board has a bill right now of \$1.5 million to find efficiencies, but the government has said that Peel is going to have to pay the bill. My question to you is very simple on this one issue: Why is Peel being punished for a very weak piece of legislation—

Hon. Paul Calandra: First, let me address the \$357 million that you're saying that we are leaving on the table and not spending. To be clear, no money has been left unspent. In fact—

Ms. Catherine Fife: It's promised to the province if you met those conditions.

Hon. Paul Calandra: Actually, no.

Ms. Catherine Fife: Yes.

Hon. Paul Calandra: The \$357 million was spent by the province of Ontario already. This is—

Ms. Catherine Fife: And you won't get the money back. We understand that.

Hon. Paul Calandra: Well, no. We fronted the federal government their money because they usually take a lot longer to pay their bills. So as an agreement with the federal government, we actually paid the \$357 million of their money in advance. They're choosing not to fund the province of Ontario \$357 million.

Ms. Catherine Fife: Okay, well if we're going to stay on this topic, then we'll stay on the topic. Because you called the federal minister—

Hon. Paul Calandra: Now, back to the Peel transition board—

Ms. Catherine Fife: I am reclaiming my time, please. You called the federal minister responsible for housing yesterday "the big bad housing minister." This is the kind of sandbox negotiations that don't serve the people of the province of Ontario. It's going to take federal, provincial and municipalities to—

Interruption.

Ms. Catherine Fife: That was good timing—to actually settle the housing dispute. But I, like my colleague, urge you to work with the federal government to get that done.

But the \$1.5-million bill for Peel residents because of the Hazel McCallion Act being repealed—why does Peel have to pay that bill when it's your government's fault?

Hon. Paul Calandra: There are two parts to the question. The first part with respect to the National Housing Strategy: The federal minister has agreed to fund the program the way we have funded the program for 30 years, and that is through our service managers. There is literally no change.

Ms. Catherine Fife: Why is Peel getting the bill for \$1.5 million?

Hon. Paul Calandra: Specific to that question—sorry, I just thought, since you had asked the National Housing Strategy question, that you cared about affordable housing as well.

On the Peel side of—

Ms. Catherine Fife: Well, I wish you cared about affordable housing, Minister. I wish you cared about affordable housing.

Hon. Paul Calandra: On the Peel side of things, the Peel transition board is working with Peel to help us better understand ways that we can not only review how Peel is doing things, but I think it will help shape and frame some of the discussions that we're also having right now, that the committee is having with respect to regional governance reform across the province of Ontario.

0940

That's why I've increased that mandate for the Peel transition board. Where those costs will have an impact on more than just Peel, then it would be my intention to provide Peel with the funding that is required to offset those costs that they are taking right now, but the Peel transition board is in operation right now. They're working at the same time the committee of this Legislature is looking at regional governance reforms. It struck me that it would be the perfect opportunity to utilize that service to work in conjunction with the regional governance reform panel. They are going to be coming forward with their recommendations in virtually the same time frame—

Ms. Catherine Fife: Actually, what I heard is encouraging, because you said that the government of Ontario is going to help Peel with some of those costs.

Hon. Paul Calandra: Of course.

Ms. Catherine Fife: I did hear that.

The other thing is that in your opening comments, you referenced some of the positive feedback that this bill has received from stakeholders. Farmland for Farming have said, "Ontario needs more housing urgently but not at the expense of future generations' food security and the environment..."

"Bill 185 will be a disaster for farmland in Ontario—a far greater threat than the proposed development of parts of the greenbelt on which the Ford government was forced to reverse course last year."

The Ontario Chamber of Commerce has weighed in on the sustainability of planning and preserving farmland, saying that food security and economic stability are tied in with progressive, sustainable planning. This is actually playing itself out in Wilmot right now.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Catherine Fife: Why did you ignore your own housing affordability recommendations around preserving farmland, and Lisa Raitt, who was the Conservative deputy leader, who recommended that stronger protections for farmland and natural areas be an essential component of any measures that encourage more and better housing? Why have you abandoned the farmland in Ontario?

Hon. Paul Calandra: I think just the opposite: The provincial planning statement in Bill 185 does focus around rebuilding infrastructure, first of all rebuilding infrastructure in our urban areas. It also focuses on reallocating resources, as I said, along these old plazas, around major transit station areas. It is about using utilizing the resources that we have available—

Ms. Catherine Fife: There are parts around intensification, Minister, but the acceleration in the loss of wetlands and environmentally sensitive areas, especially in farmland in Ontario, is baked right into this bill, and it's fiscally irresponsible and it's generationally irresponsible—

The Chair (Mr. Ernie Hardeman): Thank you very much.

We will now go to the independent, MPP Shamji.

Mr. Adil Shamji: Good morning, Minister. According to Dr. Moffatt, Ottawa is currently planning infrastructure and development charges to facilitate 82,000 homes, instead of the 151,000 they have pledged to see built under your 2031 housing supply target. Do any of your regulatory or legislative changes incorporate 2031 housing supply targets for 1.5 million homes into planning requirements to ensure these homes are built, or are you counting on a hope and a prayer?

Hon. Paul Calandra: Everything we've been doing since 2018, actually, has been building up to building the inventory that gets us to 1.5 million homes. We started off in 2018 and in subsequent years with a transit-oriented community process. We made it easier to build around our major transit station areas. We're removing the parking minimums around those major transit station areas.

The number one obstacle that we have been facing lately is not only high interest rates coming from the federal government, but we're also facing massive, massive infrastructure gaps. In York region alone, the difference between having sewer and water and building homes is—

Mr. Adil Shamji: I have to just redirect you and reiterate again: I understand the work that you purport to have been doing, but as your government falls further and further short of its own targets, do any of your regulatory or legislative changes incorporate the housing supply targets into planning requirements to actually make sure that homes get built?

Hon. Paul Calandra: The use-it-or-lose-it, first of all, which is something that our municipal partners have asked for for a very long time, helps us to redirect and ensure that our water and waste water resources are being—

Mr. Adil Shamji: That has nothing to do with housing supply targets, though. Are they incorporated into regulatory or legislative changes?

Hon. Paul Calandra: Well, then, I guess—

Mr. Adil Shamji: Yes or no? It's very simple.

Hon. Paul Calandra: I guess if we disagree on the challenges, then the Liberals would disagree that interest rates have an impact on housing affordability. You would disagree, then, that infrastructure, sewer and water capacity, has an impact on building housing. You would disagree that a use-it-or-lose clause that allows municipal—

ities to unleash stalled developments and reallocate that to those that are shovel-ready. This is why I suspect previous minister Steven Del Duca, now the mayor of Vaughan, has said that the housing crisis started under a Liberal government, and this is why we are so focused on removing the obstacles. I thank you have explained precisely in your line of questioning why the province of Ontario is where it is at and why we are working so hard to remove the obstacles that previous Liberal governments put in the way of building homes.

Mr. Adil Shamji: I must admit, there is one thing you mentioned I can agree with, which is that there are massive infrastructure issues. Certainly the FAO has pointed out that there's a \$52-billion infrastructure repair backlog that your government is frankly barely touching, but I will move on.

My next question for you is, do you have anything to say to the home builders whose projects no longer pencil due to Bill 185, and do you have anything to say to the purchasers who will bear the burden of those increased costs.

Hon. Paul Calandra: Sorry, the first part of the question?

Mr. Adil Shamji: Do you have anything to say to the home builders whose projects no longer pencil out due to Bill 185?

Hon. Paul Calandra: Well, I think the reason that some home builders are delaying projects is because of the massive increase in interest rates. I'm not sure which home builders you're talking to, but the ones that I'm talking to, the 444 municipalities that I meet with have said that the number one reason that developments are not going ahead for building homes, for building long-term care, for building university and college campus additions is because of the high interest rate increases.

Mr. Adil Shamji: I must admit the home builders that I'm talking to are speaking to the chaotic and toxic home building environment created by this government, exacerbated by Bill 185 due to the unpredictable reversal of things like the five-year phase-in period for development charges.

Hon. Paul Calandra: Our municipal partners across the board—

The Chair (Mr. Ernie Hardeman): One minute.

Hon. Paul Calandra:—have asked us to look at how we did the phase-in. The phase-in will still exist over 18 months. We worked very closely with Ontario home builders to not only address Bill 109 challenges but also the phase-in period so that it could be tied to a use-it-or-lose-it provision. We want to be able to use the resources and the infrastructure that we have in place more effectively, and that is why we are tying the phase-in to a use-it-or-lose-it. I suspect why our builders get a bit more frustrated is when members such as yourself, you say one thing in public, but then you go to community meetings and—

Mr. Adil Shamji: It's okay. I don't need you to pontificate on whatever, but you did mention municipalities, and I do want to invite you to say when exactly you'll

make municipalities whole for the \$5 billion that they're now suffering for because of your previous legislation.

Hon. Paul Calandra: As you know, with the changes in Bill 185, with the \$1.8-billion infrastructure fund, with the \$1.2-billion Building Faster Fund—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We will now go to the government. MPP Hogarth.

Ms. Christine Hogarth: It's interesting to follow that. The Liberals opposite, you listen to them and the member from Scarborough—Guildwood—the Liberals' plan to build affordable housing was chasing jobs out of the province. When you lose 300,000 people, then you don't need housing for that.

But I'll tell you, there is no government than this government, under Doug Ford, who's done more for Scarborough, and that's talking about building infrastructure. That is building houses. That's building long-term-care beds. That's building a subway in Scarborough. So I just find it fascinating to sit here and listen to that, because we have done—

Mr. Deepak Anand: Medical school.

Ms. Christine Hogarth:—a medical school, absolutely. Bringing more jobs to our great province, under Premier Ford, has been a lifesaver for Scarborough members.

You talk about housing being a crisis. Well, crisis happens because of inaction, and who was in government before us? That was 15 years of Liberal rule, which did not do a thing, and that is why we are in a crisis situation now, which—thankfully, under this minister, the previous minister and this Premier, we are actually getting shovels in the ground and building. If you're in Scarborough, if you're in Etobicoke, you can see cranes everywhere and things being built.

Now, on some questions with regard to this bill, I think it's a great bill. I think there's some great ideas here for developers and for communities to get shovels in the ground quicker, faster. I know you touched a little bit on the use-it-or-lose-it clause in this bill—and one of my stakeholders was actually asking me a little bit about that, because we see a lot of vacant properties, especially in Etobicoke, and we want to see shovels in the ground.

I'm going to have two questions, but my first one is just if you can explain to us a little bit about that use-it-or-lose-it clause and how that will help get homes built faster.

0950

Hon. Paul Calandra: We've seen a lot of municipalities, my own included, where they have given approvals to build housing, they have allocated sewer and water capacity to those projects and then the project does not get under way. That housing that follows them cannot move forward because the first proponent who has the sewer and water, for instance, allocated towards them is not getting a shovel in the ground and they can't reallocate those resources. This bill allows them to reallocate the resources that are already in the ground to shovel-ready projects, without taking away the first proponent's ability to continue on with the project when they are ready and if

they are ready. It is a measure that our municipalities have long been calling for and it will help spur on growth and development in communities where we've seen it stalled.

Ms. Christine Hogarth: Thank you for that answer. Just on that, in my community of Etobicoke–Lakeshore, the former housing minister, who was a Liberal member, was the minister of the day and tried to build some housing, but didn't think of building roads around those houses. So we have a bunch of communities—we have Humber Bay Shores area, which has one road, so when you add some bike lanes, there really isn't a way to get in and out of your house.

I just wanted to talk about our transit-oriented communities and how that is really helping. We are, as a government, building complete communities, versus tossing something in here, tossing something in there. This is some of the infrastructure plan. It might be a little bit out of scope from this bill, but I just think it's important talk about how this government is building complete communities. It's not just about the housing; it's the transit part.

Hon. Paul Calandra: If you're going to make massive investments in transit and transportation, you want to utilize those investments to build housing around that. The transit-oriented-community process that we started early on in government, frankly, along with the other measures that help speed up that development—both measures which were not supported by the opposition. It's ironic that they now come and ask us to move faster on our successful programs, and we're going to do that.

These have been instrumental in helping us move along not only building transit and transportation, but you hit the nail on the head: It is about building communities. That is why we're making historic investments in rebuilding schools—the largest investment. Whereas the previous government was closing schools, we're reopening schools, refurbishing those schools.

In your community, much like Scarborough and other communities, frankly, you have these long plazas, for instance. You have these long plazas, single storey with an apartment on top, on major transit routes. The provincial planning statement allows us to reuse those to build more density along those quicker than we have ever done before.

I hear the member from Scarborough shouting out and heckling about that. I know Scarborough. I grew up in Scarborough. I grew up in the very member's riding. I dealt with and worked as a constituency assistant in Scarborough east, which is now her riding. I understood then how underfunding by the previous Liberal and NDP governments led to different challenges in our affordable housing stock then.

That is why we're focused on rebuilding that stock. That is why we're focused on building around major transit station areas. We're getting the job done and it frustrates the hell out of them. But we're going to continue to get the job done for the people of the province of Ontario.

Ms. Christine Hogarth: Thank you, Minister. It sounds, actually, like it was a Liberal government who created this crisis.

I'll pass off to my colleague.

The Chair (Mr. Ernie Hardeman): MPP Harris.

Mr. Mike Harris: You did talk about jobs in Ontario, and I just wanted to highlight that in Waterloo region during the previous government's tenure, we lost almost 15,000 manufacturing jobs alone—just in manufacturing—because of a lot of the things that you highlighted. I just wanted to get that on the record, as we do have a couple of members from Waterloo region here today.

With my short amount of time, I wanted to get into the weeds on something. You talked about bonds—surety bonds, letters of credit. This is something that I have heard from developers in Waterloo region, home builders in Waterloo region, that it is a real true barrier to building homes. I was hoping that you could maybe just touch a little bit on how this bill will rectify some of that.

Hon. Paul Calandra: Yes, this is something we've heard from a lot of building partners has become a challenge to them. Some of our municipal partners have said that there are different ways—

The Chair (Mr. Ernie Hardeman): One minute.

Hon. Paul Calandra: —that we can do this. We are consulting on it and I hope to have something in the fall.

I will just say this: The mayor of Waterloo, Dorothy McCabe, is strongly supportive. Congratulations to them: 700 affordable housing units that they're going to be bringing online. Her community is asking for a ministerial zoning order to build those affordable housing units, and I intend to work very closely with the mayor to get this done. They're doing a lot of great things in the Kitchener-Waterloo area. We're going to help them succeed.

Mr. Mike Harris: Great to hear it. Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much. You have 28 seconds.

Mr. Deepak Anand: Thank you.

The Chair (Mr. Ernie Hardeman): With that, we conclude the time and thank the minister. That concludes the time for this presentation. We thank the minister for your presentation and also thank all the staff who came to answer the difficult questions, and obviously there weren't any.

Again, we thank everybody here, and we will now stand recessed until 3 o'clock this afternoon.

The committee recessed from 0957 to 1500.

The Chair (Mr. Ernie Hardeman): Good afternoon, and welcome back. We're continuing public hearings on Bill 185, An Act to amend various Acts.

As a reminder for the committee, please wait until I recognize you before starting to speak. As always, all comments should be made through the Chair. I know, from time to time, we get going back and forth with the presenters, so make sure we do the comments through the Chair.

The Clerk of the Committee has distributed committee documents, including written submissions, via SharePoint.

As a reminder, each presenter will have seven minutes for their presentation. After we've heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from the members of the committee. This time for questions will be divided into two rounds of seven

and a half minutes for the government members, two rounds of seven and a half minutes for the opposition members and two rounds of four and a half minutes for the independent member.

CANADIAN FEDERATION OF
INDEPENDENT BUSINESS
ASSOCIATION OF MUNICIPALITIES
OF ONTARIO
ONTARIO'S BIG CITY MAYORS

The Chair (Mr. Ernie Hardeman): Now we will ask the first panel to come forward: the Canadian Federation of Independent Business, the Association of Municipalities of Ontario and Ontario's Big City Mayors.

As you heard, you will have seven minutes to make a presentation. At six minutes, I will let you know that you have one minute left. That's the punchline minute, so don't stop. Get it done, because at seven minutes, I will say, "Thank you."

We also ask that as each presenter starts the presentation—and if there's more than one presenting—to introduce themselves, to make sure we have the Hansard recording attributed to the great people who made the presentation.

With that, we will start with the Canadian Federation of Independent Business.

Ms. Julie Kwiecinski: Good afternoon. My name is Julie Kwiecinski. I'm director of provincial affairs for Ontario at the Canadian Federation of Independent Business. Thank you for the opportunity to address committee.

The Canadian Federation of Independent Business is the non-partisan voice of 38,000 small businesses across Ontario. Fifty-seven per cent of our Ontario members have zero to five employees, and 92% have 25 or fewer employees. Our members fall under all sectors and professions from A to Z, accountants to zoos and everything in between, including a significant number in construction.

Before I get to the heart of my presentation, it's important to highlight in general why reducing red tape is so important to small businesses. Regulation disproportionately impacts smaller firms, both in time and in money. On average, every year, Ontario businesses with fewer than five employees spend \$6,776 per employee in regulatory costs, taking an average of 177 hours per employee. By contrast, Ontario businesses with more than 100 employees spend only \$1,552 and 25 hours per employee annually. If you're wondering why there is such a large discrepancy in these numbers, it's because small businesses don't have compliance departments like their larger counterparts to navigate the many rules coming at them all the time from all government levels.

The government has come a long way on red tape reduction since 2018, starting with the much-needed recount of the regulatory burden in legislation, regulations, policies and forms across government. A new regulatory burden count was critical, because you can't measure

progress without a baseline. The count and other measures, like bringing in two red tape reduction packages every year, publishing an annual burden reduction report and offsetting 125% of direct compliance costs within 24 months, have elevated Ontario's Red Tape Report Card grade to the current A-, one of the country's top scores.

Even with all its progress, the government must remain vigilant on the red tape file. Close to 40% of small business owners might not have gone into business if they had known about the burden of government regulation. This hidden tax is estimated to cost Ontario businesses billions of dollars annually. Every minute devoted to filling out duplicative, excessive and unnecessary paperwork is a minute not spent on growing the economy and creating employment opportunities for Ontarians.

Now I'll focus on an important part of the government's latest red tape reduction package, which includes Bill 185, and that's creating and publishing service standards across government for licence and permit approvals under the At Your Service Act. This legislation was recognized by CFIB during last year's Red Tape Awareness Week for being one to watch for regulatory innovation in customer service. We urged the government to move forward with regulations under the At Your Service Act, so we welcome the regulation that will see service standards for business-related permit and licence applications in place by January 1, 2025.

It will be extremely helpful to small businesses for the Ontario government to publish a specific timeline to get a decision on a permit or a licence application—for example, 10 business days. Businesses can better plan their activities with this information, provided that the government sticks to its self-imposed deadline. A delay of even one day could cost a business thousands of dollars and have a devastating domino effect on a business's active and future projects.

The At Your Service Act also allows the government to create guaranteed service standards. Under these standards, mandatory refunds will be provided to businesses when government offices are late in meeting their deadlines. In a February 2024 CFIB survey, a resounding 95% of Ontario small business owners agreed that the government should also introduce guaranteed service standards.

We understand that the government needs to start with the basic standards to make sure they set timelines that are reasonable for business owners and for government. We look forward to continuing our work with the government on this important file and seeing guaranteed service standards brought forward very soon.

It goes without saying that you can't build houses faster unless permit approvals are simpler and quicker. I'll take it a step further, especially since I'm joined in this segment by municipal representatives: You could build houses even faster if service standards are also put in place for municipal permit approvals and/or governments worked together to streamline their permitting processes to avoid duplication and excessive and unnecessary paperwork.

Nobody says it better than a business owner. So I'm going to end with a quote from a CFIB member in the

construction industry who attended our round table in 2019. Here's what he said: "So much paper and so many requirements. There must be a better way if we all work together and find answers."

Thank you very much for your time and attention.

The Chair (Mr. Ernie Hardeman): Thank you very much for that presentation.

We now will hear from the Association of Municipalities of Ontario.

Mr. Brian Rosborough: Mr. Chair, Madam Vice-Chair, members of the committee, good afternoon. My name is Brian Rosborough, and I am the executive director of the Association of Municipalities of Ontario. I am joined online today by my colleague Lindsay Jones, AMO's director of policy and government relations. Thank you for the invitation to be here today.

I also want to express thanks to Minister Calandra for introducing Bill 185, which contains a number of measures that reverse problematic elements of Bill 23. Thank you as well to the minister and to officials at the Ministry of Municipal Affairs and Housing for a productive consultation with AMO as Bill 185 was being developed. I also want to extend AMO's thanks to all members of the Legislature who played a role in encouraging the government to correct errors brought about in Bill 23, including opposition members and members of the government caucus.

I'll be speaking today mainly about development charges. Development charges have been part of the municipal fiscal framework in Ontario for many decades. They're a tool which allows municipalities to recover the costs—incremental infrastructure investment—tied directly to increased housing supply. The description of development charges as a tax, which we've heard recently, is incorrect. But there are many taxes on new housing construction, including the HST and the provincial land transfer tax, generating billions of dollars in revenue for the federal and provincial governments.

I think we've all acknowledged that we have a housing supply crisis in Ontario. Whether it stems from an historical lack of supply or an unanticipated spike in demand related in part to provincial and federal policies doesn't really matter. What matters is that we all agree that the market price of a house is the result of the law of supply and demand.

The notion that discounting development charges will result in lower house prices is an entirely different economic argument. That argument requires that we set aside supply and demand and adopt an alternate theory of housing prices. That theory assumes that the price of a house is simply the aggregate of the cost of inputs. That notion also requires that you accept, as an article of faith, an idea that defies economic principles that people will act according to self-interest. That article of faith is that developers would make a business decision to pass along the reduced costs to the consumer rather than realizing a higher return on investment and fulfilling their duty to their investors.

Does anyone actually believe that discounting development charges will make housing more affordable? Probably not. The single exception is where the price of a house or rent is regulated and not subject to market forces, such as the creation of deeply affordable, non-market housing, where prices and rents are regulated by government.

1510

Ontario's long-standing and highly productive DCA framework was designed to support the development of complete communities, including social, transportation and environmental infrastructure, and to ensure that new growth was not substantially subsidized by existing property taxpayers. That leaves two choices for policy-makers who wish to discount development charges for any reason. They can offset municipalities' restricted ability to recover the incremental costs of new development with an alternate source of funding, such as permanent provincial or federal grants, or a new revenue source, such as a share of the HST, or they can effect increased property taxes on residential and commercial property taxpayers, including people on fixed income and small businesses.

AMO is very open to a discussion with the province about other ways that infrastructure supporting growth can be financed. In fact, AMO is calling on the province to sit down with municipalities to explore how best services that Ontarians rely on most can be delivered more effectively, more affordably and more sustainably. That includes an opportunity to better understand how, as partners, we can make the necessary investments in infrastructure to support growth, to maintain about a half a trillion dollars' worth of existing infrastructure owned by municipalities and to ensure that the impacts of climate change are factored in to protecting Ontario's economic, social and environmental infrastructure.

AMO estimates that Ontario municipalities are already planning to invest more than \$250 billion in essential infrastructure over the next 10 years, and more than \$100 billion of that is intended to support growth, but we cannot do that alone, and we can't do it with policies designed to reduce our capacity for infrastructure investment. Success is dependent on a partnership among all orders of government, and AMO is confident that the government of Ontario will answer our call for a social and economic prosperity review to ensure that communities in every part of Ontario have access to a productive and sustainable future and a quality of life that can be the envy of North America.

Thank you for the opportunity to present today.

The Chair (Mr. Ernie Hardeman): Our next presentation will be Ontario Big City Mayors, and I believe it's going to be virtual.

Ms. Marianne Meed Ward: Thank you—

The Chair (Mr. Ernie Hardeman): There we are.

Ms. Marianne Meed Ward: Can you hear me okay?

The Chair (Mr. Ernie Hardeman): Yes, we hear you just fine. The floor is yours.

Ms. Marianne Meed Ward: Well, thank you very much. I'm Marianne Meed Ward, mayor of the city of Burlington and chair of Ontario's Big City Mayors' Caucus.

I am joined virtually by Mayor Josh Morgan, who is the mayor of London and the vice-chair of Ontario's Big City Mayors' Caucus.

I want to thank you, Chair Hardeman, Vice-Chair Catherine Fife and all members of the Standing Committee on Finance and Economic Affairs for inviting us to participate and to present.

OBCM is an advocacy organization representing the mayors of the 29 largest cities in Ontario, over 100,000 people, and we collectively represent over 70% of Ontario residents. Our mission is to be the united voice of Ontario's big cities through policy development, discussion and strategic partnerships.

I'm here today to speak to Bill 185 and more specifically to the schedules that impact the development charges and the Planning Act.

OBCM was pleased to have been one of the municipal partners brought into early discussions on the initiatives introduced as part of Bill 185, along with AMO. We want to thank Minister Calandra and his staff for including us in this process. We believe that having municipalities at the table for these preliminary conversations creates solutions that make sense for all parties involved and avoids the unintended consequences that we have seen in the past.

The initiatives proposed in Bill 185 represent progress towards addressing the housing challenges faced by all municipalities across Ontario. We are pleased that Bill 185 addresses some of the concerns that municipalities outlined in Bill 23, and this shows that this government is listening to municipalities. We thank you for that.

Some of the proposed initiatives in Bill 185 that I want to touch on today that will help municipalities reach our housing goals include expanding the use-it-or-lose-it powers through a system that allows municipalities to ensure that projects that are ready to go will get the housing-enabling infrastructure they need as quickly as possible.

If passed, municipalities will have the power to reallocate servicing capacity from developers who are not building, for whatever reason, within a reasonable amount of time, to developers without servicing allocations who are ready to get going and put shovels in the ground.

Additionally, eliminating the phase-in on development charges and lowering the DC freeze to 18 months allows us to collect the necessary funds for housing-enabling infrastructure. Eliminating the refund of fees for applications that require additional time was very welcomed, and we recognize that not all applications are the same, and varying numbers of ministry and government agency approvals will differ depending on the complexity of the project.

We also support rolling out a central and standard data collection system to more municipalities. There is no such standard for municipalities in Ontario. Even between our 29 members, it can be difficult to compare data with so many variables, collection methods and criteria. We're

pleased that more municipalities will be included in this data collection and hope the government will start publicly sharing this data.

We support streamlining the building code, providing additional flexibility for construction methods and taking steps towards streamlining ministry and municipal approvals.

While we acknowledge the government's efforts to alleviate the burdens faced by municipalities, it is imperative to recognize that a one-size-fits-all approach may not fully address the diverse needs of all of our communities. We have historically operated on a growth-pays-for-growth model, which ensures development charges contribute proportionally to the cost of infrastructure and services. Any deviation from this principle would shift financial burdens onto the property tax base unless accompanied by adequate provincial and federal support. We saw that shift in the number of our municipal budgets in 2024.

While the proposed changes to development charges outlined in Bill 185 are a positive step forward, further adjustments are needed to ensure that municipalities can adequately fund growth-related infrastructure and community housing initiatives. Without reinstating housing services and land costs as eligible development charge expenses, municipalities in Ontario risk being underfunded by approximately \$4 billion over the next decade. That severely limits our capacity to invest in essential infrastructure.

We remain committed to collaborating with the provincial government to address these challenges and advocate for a comprehensive municipal fiscal review, as proposed by the Association of Municipalities of Ontario. Such a review would provide an opportunity to holistically assess the financial indications of policy changes and identifies sustainable solutions to support municipalities and our efforts to address the pressing issues that we face, including mental health, addictions and homelessness.

In closing, while Bill 185 represents a significant milestone in accelerating housing development, there is still much work to be done. Ontario's big cities stand ready to partner with the province in the detailed implementation of these initiatives and the development of future regulations. Together, we can build vibrant, inclusive communities that meet the diverse needs of our residents.

Thank you for your attention. Myself and Mayor Morgan are happy to address any questions you might have.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation. That concludes the presentations.

We'll now start the first round of questioning. We'll start with the independent. MPP Hazell.

MPP Andrea Hazell: Thank you, online and in-person, for your presentations. Thank you for coming in today.

My first question is going to go to CFIB. As a small business owner, I'm really concerned about our small businesses. They're the backbone of this economy. I get this, right? Coming off of COVID, how are the businesses responding to their revenue pressures? Because I don't think small businesses are back to pre-pandemic.

Ms. Julie Kwiecinski: That is very true. It depends on the sector. For example, it will take tourism and hospitality a lot longer to recover. But I think nobody foresaw post-COVID that there would be the perfect storm of other elements: high inflation rates; war in the Ukraine affecting supply chains worldwide.

1520

So, just to give you an example, we publish something called Business Barometer, and every month, we measure the pulse of small businesses, small business confidence levels. Small business confidence is really low in Ontario, both short and long term, not for any specific reason, not specifically aimed at any particular government.

But what Business Barometer also tells us, MPP Hazell, is that for the last eight consecutive months, the one big thing that's stopping sales and growth is lack of demand, both foreign and domestic. What this tells us is people are not buying businesses' products and services. They may be shoring their acorns because they're worried about the economy. So, a lot of businesses, sadly to say, their wheels are stuck in the mud. It's like, I do one step forward, two steps back, like the Paula Abdul song. That's what's happening.

Others are doing better, but on the whole, because we represent the smallest businesses—you heard the number of microbusinesses we represent that have zero to five employees. They're finding it more challenging. And every time there's a higher cost, whether it's a labour cost, higher CPP costs, higher EI costs, you need to take a microscope, because it's magnified five times. It's five times worse, five times harder, for small business to absorb higher costs of any kind, so—

MPP Andrea Hazell: So, because I have another question—

Ms. Julie Kwiecinski: Sure. Sorry.

MPP Andrea Hazell: In this this Bill 185, what is your highest one to three priorities for your small businesses?

Ms. Julie Kwiecinski: Definitely the top priority is not in the bill itself—it's part of the package; it's the guaranteed service standards. We have a lot of people in the construction industry. I think something like 15% to 18% of our members in Ontario are in the construction sector, and we hear time and time again, like a broken record, "My project is held up. Permits, permits, permits. Approval processes."

But I think, truth be told, all levels of government have to get on the same page on this, not just the provincial government; the municipal government, the federal government—anything that involves permitting, because what business owners are finding is that, at the end of the day, they're just buried in paperwork. And if you get one permit that is delayed—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Julie Kwiecinski: —it has the effect of that domino effect of affecting that project and any future projects that are being planned. So that's a key for us, because those service standards won't be just for construction. Eventually, they will expand. The At Your Service Act allows them to be created across government.

That will make a huge difference for our members, because time is money for a small business. Remember, they don't have a compliance department like a big business. The owners, Jack and Jill of all trades, rolling up their sleeves, doing everything, they can't keep track. Every day, it's a different new rule, new this, new that—really hard to follow.

Thank you for your questions.

MPP Andrea Hazell: Thank you for putting that on the record.

Ms. Julie Kwiecinski: And thank you for your great questions, MPP Hazell. I appreciate it.

The Chair (Mr. Ernie Hardeman): Thank you very much for that question. The time is up.

I just have a note here. Before we continue. I'd like to take this moment to welcome the delegation from the Parliament of the Republic of Trinidad and Tobago, who are visiting the committee today. Welcome to the committee.

Applause.

The Chair (Mr. Ernie Hardeman): We ask the committee members to be on their best behaviour.

Laughter.

The Chair (Mr. Ernie Hardeman): Next, we will go to the government. MPP Harris.

Mr. Mike Harris: I promise to be on my best behaviour. Sometimes it's difficult for me, but I will do my best.

Thank you to all our presenters here today. I wanted to focus a little bit about—you talked briefly about the report card in your opening remarks. I wanted to ask a little bit about what that means to business and also what that means—obviously, we're here talking more about municipalities today. But what that red tape reduction—and we're talking about true, meaningful red tape reduction, right? When you go from, I think it was, a C+ to an A- in a pretty short time span, that means we're on the right track.

So tell me a little bit more about what that looks like from your perspective, and maybe if AMO wants to chime in on it as well. I know that a couple of my colleagues also do want to have some time to ask a few questions, so I'll turn the floor over to you.

Ms. Julie Kwiecinski: Thank you, MPP Harris. First, I should point out that we constantly survey our members. We have a great research department, and when I speak before you, I'm beating to the drum of our members. They're essentially telling me what to say based on what's in the survey results. Consistently, taxes and regulatory costs are rated high on areas of importance for business owners.

Again, I go back to my earlier comments. Repetition is great; I can never say this enough times: For a small business owner, any higher cost, any additional compliance requirement is magnified. It's tougher to absorb, it's tougher for the small business owner to figure out all the different rules that they have to comply with.

When you focus on red tape—and the government has done a great job of keeping the pedal to the metal. One of

my jobs today coming here was to make sure that that is consistent. I wanted to come before you to explain that you've got to keep doing this. You heard that one stat where I said that 40% of small business owners say that if they knew there would so much compliance, they wouldn't have gotten into business to begin with.

So I think keep up the great work on consistently reducing red tape and looking for ideas—I know the red tape reduction minister's office has been great, and I wanted to give a shout-out to Kosta Zoes. Nobody ever does this to staff members; they always thank the ministers. A shout-out to Kosta Zoes because he has been fantastic. That ministry has been taking calls from business owners on really weedy changes that need to be made, like, for example, in the bereavement industry, there is so much red tape, so much red tape in probate. We're working with them on different areas that could be incorporated in future bills.

Mr. Mike Harris: That's fantastic. I hate to cut you off when you're on a roll—

Ms. Julie Kwiecinski: I'm sorry. When I'm on a roll—

Mr. Mike Harris: As a former small business owner myself, I am aware of the taxing cost, we'll say, of compliance and regulations and red tape, and what it was like having around that 10 employees, that sweet spot where it does take time and cost.

I just wanted to quickly turn it over to you. What does red tape reduction mean for your CAOs, for your mayors, your councils, your planners, and how does that help them do their job more effectively?

Mr. Brian Rosborough: Happy to respond, and perhaps I'll share my time a bit. Municipalities also benefit greatly from provincial red tape reduction. On the other side of the equation, municipalities are also seized with the need to streamline their own approval and permitting processes to create a more citizen-focused, resident-focused customer service.

Perhaps, if time permits, our front-line big city mayors probably have very concrete examples of that if they want to share.

Mr. Mike Harris: Sure. It looks like Marianne might want to chime in.

Ms. Marianne Meed Ward: I can't wait to chime in. Through you, Chair: We have recognized, as municipalities, that we need to do our part to reduce the time that it takes—time is money for all of us. The delays also mean we don't get revenues in the door, eventually, through property taxes and other things.

We have done a lot in municipalities, but it is true that there are many agencies involved, particularly with housing but also with business. Some of those are provincial, some of those are federal, so the name of the game really is partnerships, and, unless we are partnering together to everyone do their part, there will be blockades for businesses, and we want to remove those as much as possible.

We are very committed to this. We know that the government is too, and we want to thank you for that.

Mr. Mike Harris: Thank you.

I'll pass it over to one of my colleagues.

The Chair (Mr. Ernie Hardeman): MPP Triantafilopoulos.

Ms. Effie J. Triantafilopoulos: Thank you very much to the presenters for being here. I'd like to go to Julie first. Specifically, the CFIB, as you know, was a strong critic of the previous Liberal government on this whole issue of red tape and what it was doing to our small businesses. At that point, I think you actually gave a report card and it was a C+ report card. I'm happy to say that, most recently, with our government, since we went elected in 2018, we've gotten down to business in terms of cutting red tape; we think we're at about a billion dollars in annual savings in terms of red tape regulation. I believe you gave us an A- in your report card most recently. Thank you very much for that.

1530

Going forward, though, I'd like to talk to you specifically about this bill in terms of what actions Ontario is going to be taking further to cut that red tape and ask you—we've got savings of about 1.5 million hours and \$1.2 billion every year in terms of achievements. We also have over 500 actions that we've taken to reduce red tape, and that's stacking up. Could you tell us what you can compare us with in terms of other provinces? What are they doing? How are we doing vis-à-vis them?

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Julie Kwiecinski: That's a great question. Just to put it in perspective, you are correct. The latest grade for the province of Ontario in CFIB's annual Red Tape Report Card—that goes out usually January, February—was a glowing A- grade, and that put the province in third. Alberta, I believe, and Nova Scotia are tied for first with an A, and then came Ontario with an A-. So it's definitely a score to be proud of.

It's based on some of the things I mentioned earlier. Because let's face it, red tape isn't the most media-savvy type of topic that people like to talk about. It's hard to really get interest in it, but it is very, very important to businesses. It may not sound exciting, the things that you're doing with direct compliance costs, or the excitement of counting regulations, but this is really, really important, and being transparent—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes that question.

We will now go to the official opposition. MPP Bell.

Ms. Jessica Bell: Thank you to Julie, Brian and Mayor Marianne Meed for coming in and speaking. Most of my questions are going to be focused on AMO and the big city mayors, although I really enjoyed listening to you speak. You're really so good at it.

My first question is around development fees. With Bill 23 and a few other government bills, municipalities did lose some of their ability to help pay for infrastructure and services, and there's been a request from AMO to have the Conservative government make municipalities whole again. Does Bill 185 make municipalities whole again, and if it doesn't, what's the shortfall?

Mr. Brian Rosborough: I'm happy to take that question. Thank you for the question. I will say that we're very

grateful to the province for consulting very closely with us on the development of Bill 25, and it does take very important steps toward restoring the fiscal sustainability of the development charges framework.

There are two items that we would like very much to have seen added there—restored, as well. One is the eligibility of land acquisition costs for the infrastructure that supports housing growth. That would restore about \$2 billion of the overall \$10 billion initially estimated by us. The second is—and you'll see in our presentation, on page 3—that we also had sought the reinstatement of costs of housing services as an eligible DC expenditure, and that would be about \$2 billion as well. So we would like to see restored those two items. As Marianne Meed Ward said, that would fill a gap of about \$4 billion combined.

Ms. Jessica Bell: Thanks for clarifying that. Mayor Marianne Meed, is there anything else you'd like to add, or did Brian cover it?

Ms. Marianne Meed Ward: Just to reinforce that development charges paid for the infrastructure needed for housing and they paid for the community services needed for residents to enjoy high quality of life. That's transit, community centres, libraries—it's not just about sewers and roads, it's all those other things too. And a portion of that is already absorbed by the taxpayer because you can't fully charge for those things on development charges.

But any dime that we cannot collect for development charges has to be paid by somebody, and usually the somebody is the property taxpayer, and that's not fair. The federal and provincial announcements for funding have been very welcome and well received, but there are still gaps, as you have heard.

I'll ask if my vice-chair, Josh Morgan, wants to say a few words as well.

Ms. Jessica Bell: Josh, if you could be quick, because I have a bunch of questions I want to get through.

Mr. Josh Morgan: Sure, I'll be very quick. The only other piece I would add is that, particularly in cities that are building a lot of affordable housing, the mandatory DC waiver on affordable housing—although we all support building more affordable housing—does create a gap for municipalities as well, as we have to still fill the development charges fund to ensure that we have money there for the infrastructure, so the waivers aren't costless. I know in the city of London, they're being filled by an increase in the budget through property taxes to try to mitigate that. Being made whole on that as well would take pressure off of our property tax base, as well as other municipalities that are striving to build a lot of affordable housing.

Ms. Jessica Bell: I am noticing it, too. It does concern me that in the middle of a housing and homelessness crisis, municipalities are short \$2 billion in funding that could and should be used to provide shelter, supportive housing and permanent housing to people who, quite frankly, have none. It is concerning.

The second question I have—I just want to note that I was listening very carefully, Brian, when you were talking about the summary that if a developer receives a discount in developer charges, there's no guarantee that they're

going to bring that discount or that reduction to the home-buyer or renter so that it benefits them. Thank you for bringing that up.

I want to talk a little bit about affordability. When I read Bill 185, I notice that there is no strong commitment to build affordable housing. I would like it if AMO could give us a bit of a description on how municipalities are moving ahead with building new affordable housing. How's that going? And what do you want from the province to build and maintain more affordable housing?

Mr. Brian Rosborough: If I may, I'm going to defer to my colleague Lindsay Jones, who's online, to answer the question.

Ms. Lindsay Jones: Thank you so much for the question. Building more community housing is an incredible priority for municipalities across the province. Municipalities worked closely with the province to negotiate with the federal government on the National Housing Strategy, which provides critical supports for—

The Chair (Mr. Ernie Hardeman): If I could just stop you for a moment, if you could introduce yourself before you start speaking to make sure Hansard can record your wonderful answer.

Ms. Lindsay Jones: Apologies for that. Lindsay Jones, director of policy at AMO.

The National Housing Strategy, which was signed in 2018, enabled municipalities to move forward on important investments in community housing capital, both on the repair and renewal side of things—because, of course, Ontario's community housing stock is among the oldest in the country—but also in important investments to enhance emergency service capacity.

While that had been the plan, the recent challenges in terms of a lack of alignment between the federal and provincial governments around National Housing Strategy funding for Ontario has put over \$350 million of funding at risk. That is funding that goes both to build and rehabilitate community housing units, as well as directly to low-income families for rent supplements.

Ms. Jessica Bell: Thank you.

I've got one minute. Briefly, what is AMO's brief take on the provincial policy statement which was released at the same time as this bill? What do you like? What don't you like?

Mr. Brian Rosborough: Lindsay will address that one as well.

Ms. Lindsay Jones: Happy to take that one, Brian.

In general, it does make progress on providing important clarity on things like how to protect agricultural land. That was an important element that was walked back from the original provincial policy statement. We do see continuing challenges when it comes to urban boundaries, as well as employment lands. Finally, the most important element that we would like—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We will now go to the government—

MPP Andrea Hazell: What about me?

The Chair (Mr. Ernie Hardeman): Oh, I'm sorry. I'm getting ahead of myself. MPP Hazell.

MPP Andrea Hazell: Yes, it's my turn.

Ontario's Big City Mayors, thank you for the job that you do—the 29 largest cities and 70% of Ontario residents. Thank you so much.

I want to go back to your presentation to this committee on Wednesday, January 31, 2024. You stated that “municipalities need sustainable funding to support housing-related infrastructure that allows for the building of new homes, as well as for the services our residents need to create the thriving communities that they expect. More housing is a major component to solving the housing crisis felt across the province and, in particular, building deeply affordable and supportive housing to address mental health, homelessness and addictions in our cities.”

1540

Today, you mentioned some positives of about Bill 185. So I'm just curious: Did Bill 185 make all these concerns disappear?

Ms. Marianne Meed Ward: Not quite yet, but it's definitely a step in the right direction. Thank you for being a dedicated listener of everything.

We continue to advocate broadly, along with AMO, along with the Federation of Canadian Municipalities, for the need for an entire municipal fiscal review. We are funding our cities based on a model that was struck 100 years ago. Our needs in our cities, our needs of our communities have changed, and so many of the issues that municipalities faced have really been downloaded by other levels of government over time—mental health and addictions being one of them, and a direct connection to housing and homelessness. And so, until we get to that, we're going to continue to see federal-provincial skirmishes over who pays what to whom and how. We're going to continue to see a shortfall in some of the funding.

We are very grateful for the announcements that have been made. We also know we are not there yet. As a nation, we need to rethink how municipalities are funded, because right now, we have to wait for a funding envelope to open, hope that we qualify, hope we get what we asked for, and then we can go forward with the infrastructure—and that's community infrastructure as well as hard infrastructure—that our community needs. Is that a way to run a country? No. So we're not there yet, but we're very grateful for the progress and for the funding that we have received.

MPP Andrea Hazell: Thank you for stating that. If you look at Bill 185, what are you zeroing into right now to help in your housing situation? What is working for you right now?

Ms. Marianne Meed Ward: A number of the initiatives that were announced are working. Use it or lose it: very, very helpful. That will allow us—we didn't have the ability, prior, to reassign servicing allocation from a developer who had it and, for whatever reason, is not ready to put shovel in the ground to somebody who is ready to put shovel in the ground. That's really helpful.

The rollback of the permit refunds to developers: Even they didn't want that; they just want the permit. So we need to do a better job of making sure they get that permit. But that would also then land as a cost to the taxpayer and possibly be passed on to homebuyers. So we don't want that.

Standard data collection, so important—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Marianne Meed Ward: One of the things we've struggled with is the ability to ensure that there is criteria by which we can all judge our progress that is consistent across municipalities. We don't have that yet.

I'll stop there, but there are some very good things, and we want to acknowledge that. We want to acknowledge the government listening to us when we have sat at the same table together. That's the way good government works, so we appreciate that.

MPP Andrea Hazell: You keep striving. I'm looking out for the great work that you guys continue to do.

Ms. Marianne Meed Ward: We're not going to stop.

MPP Andrea Hazell: You cannot. You cannot.

Ms. Marianne Meed Ward: We're going to keep advocating—

MPP Andrea Hazell: That's right. Absolutely.

Ms. Marianne Meed Ward: —along with our partners at the federal and provincial level, and the associations have been critically important to our work as well.

The Chair (Mr. Ernie Hardeman): We'll now go to the government. MPP Rae.

Mr. Matthew Rae: Thank you to presenters in the room and, obviously, Marianne Meed Ward and Mayor Josh Morgan. It's lovely to see you virtually this afternoon.

Building off of MPP Hazell's questions around the use it or lose it, I know the big city mayors did allude to it. It was something we heard on another committee for the Legislative Assembly, the Standing Committee on Heritage, Infrastructure and Cultural Policy. When we were travelling earlier this year, we heard it often. Marianne Meed Ward, we were in your area of the world, and we heard it there as well, the need for a use-it-or-lose-it policy and allow municipalities to establish that time frame.

I was just wondering if Brian wanted to comment on it from an AMO perspective.

Mr. Brian Rosborough: Yes, thank you, PA Rae, for the question. We're definitely in support this aspect of the bill. I will actually defer to Lindsay, though, who has got a little bit more expertise in this area than I.

Ms. Lindsay Jones: We think the most important element of the use-it-or-lose-it provisions is the fact that it essentially recognizes that municipalities don't actually have all of the levers required for development; that, in fact, it is the developers who are the folks who are building the housing and who are making decisions about when and how to pull these building permits. It is definitely an issue when folks who aren't moving forward on building houses are taking up really important capacity from a water or waste water perspective, and we do think that in areas like

York region, this is going to make a really significant difference in the near term.

Mr. Matthew Rae: Great. Thank you.

My question is both for AMO and the big city mayors. I guess I'll start with AMO since Brian's in the room. What is your opinion—the federal government announced their housing infrastructure plan in their federal budget. A condition of that is freezing development charges. What is AMO's position on the federal government's requirement to freeze development charges?

Mr. Brian Rosborough: Thank you very much for the question. It's a very important question. First of all, we certainly appreciate any contribution by the federal government to municipal infrastructure, but the inclusion of a condition around freezing development charges is a great worry to us. As you heard from my opening remarks, AMO has a very clear opinion on the utility of using development charge discounts as an incentive to build housing, and we have that concern with the federal announcement as well.

We are very committed to working with the government of Ontario, with the federal government and with Ontario's Big City Mayors to try to find a way to move forward so that money can be effectively deployed in Ontario, but that condition will really stand in the way as long as the federal government adheres to it. I think they've made a mistake by putting that condition in place. Our early analysis indicates that if that condition were imposed, that accepting the funding would actually have a negative effect on the overall infrastructure-funding resources available to municipalities.

It's a concern, but we are optimistic that working together with the province and OBCM, and if we can get the federal government to come to the table with all of those parties, that we can negotiate a settlement of that issue that makes sense and allows that money to be invested in Ontario communities as it needs to be.

Mr. Matthew Rae: Either of the mayors from big city want to comment?

Ms. Marianne Meed Ward: Josh, why don't you go ahead and I'll—

Mr. Josh Morgan: Yes, sure. Thank you, MPP Rae. I really appreciate the question.

On what Brian said: The freezing of the DCs really is a limiting factor on us to build the infrastructure that we need to support the housing that everybody wants to create. For those of us who have not updated our DC bylaw—and I will say, we greatly appreciate the provincial government rolling back the phase-in, because that would have been very costly to us—the indexing of the fees over time allows us to ensure that we try to stay as close as possible to the actual changing cost of the infrastructure in the ground. We know that is not keeping pace, so when we update the DC bylaws, we're probably already, for some of us, in a net deficit position for the cost of the actual infrastructure and what we've been collecting over a period of time.

Freezing it at the point now puts us even further behind in actually getting to the point where we actually have the

DCs in the DC fund to pay for the infrastructure that supports the housing in the future. This is a really critical piece for us because the water and waste water and all of the supportive infrastructure is really important, but we know that even those programs aren't going to cover the full needs that municipalities have for infrastructure in the ground. The DC fund is what does that in a much more structured way over a longer time horizon. Freezing that is really just freezing a necessary fund that allows us to enable housing.

Ms. Marianne Meed Ward: I'll just add that this will have a devastating impact on our ability to actually support getting shovels in the ground for housing. You can't have a home if you don't have water and waste water, and you can't have quality of life unless you have the community infrastructure. This will take the funding away from our ability to do that, and we can't put it all on the property tax base. So it's actually counterproductive to the goal that I know the federal government shares, and that's getting more housing and more communities built.

Mr. Josh Morgan: Can I add just one more quick thing? I think that there's alignment here between municipalities and the provincial government. The moves you've made to roll back the DC phase-in recognizes your recognition of the important role that DCs play in funding this infrastructure, so there's a really constructive, collaborative conversation we can have with the federal government about the impacts that this is actually creating on the ground in Ontario.

1550

Mr. Matthew Rae: Thank you, Chair. I defer the remaining time to MPP Hogarth.

The Chair (Mr. Ernie Hardeman): MPP Hogarth, you have 1.1 minutes left.

Ms. Christine Hogarth: Oh, just ran out of time.

First of all, thank you all for being here. This is a certainly important dialogue we're having. As the new parliamentary assistant to the Minister of Red Tape Reduction, I'm hoping that we will continue these conversations.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Christine Hogarth: This one's over to you, Julie. Welcome. Last year, CFIB named Ontario as the one to watch with the At Your Service Act, which sets a framework for public response timelines, for licence and permit applications, approvals and other interactions with the provincial government.

In the spring package, we launched the first version of our online permit tracker. Today, you can track building and land use permits, encroachment permits, entrance permits and sign permits 24 hours a day, seven days a week, from any computer and phone, anywhere in the world. I'm wondering: How does this kind of accountability and transparency help our small businesses?

Ms. Julie Kwiecinski: Well, accountability and transparency are obviously key. This is why we produce an annual red tape report card, because we're holding all governments across Canada—we're holding their feet to the fire on red tape reduction. Not just Ontario; every

province and the federal government. And we appreciate—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for that question.

We will now go to the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all delegations: Julie, Brian, Lindsay, Mayor Meed Ward and Mayor Morgan.

I'm going to start with you, Julie. Clearly, this piece of legislation had some walk-backs in it. They had to make some reversals. The importance of consultations, obviously, is now hopefully front and centre for the government to get it right the first time instead of trying to recorrect it. But the government has multiple opportunities to address the needs of, in this instance, small businesses.

I was just thinking about your press release around the budget, because policy needs to be resourced if it's going to be effective. You had said in that budget press release that the budget was "a missed opportunity" for small businesses, and that small businesses are not getting "proactive support" they need, including enticing small business owners to set up shop in Ontario, because of a lack of affordable housing.

Because this bill is supposed to be about building more homes and addressing affordability, I just wanted to give you a chance to connect those two issues: the importance of having affordable housing as a stabilizer for the economy, but specifically around businesses.

Ms. Julie Kwiecinski: I'm not sure where you're reading that from, MPP Fife.

Ms. Catherine Fife: It's from your press release for the budget.

Ms. Julie Kwiecinski: That's not—I wrote the news release; I didn't say that in any of the quotes.

Ms. Catherine Fife: Oh, I'll send it to you.

Ms. Julie Kwiecinski: I hate to correct the record. What we did say—I will correct the record now—is that it was a missed opportunity to offer direct help to small businesses. What we meant by that very specifically is that our members appreciate greatly the fact that the fuel and gas tax cuts were extended to the end of the year, for another six months, but we were hoping to see a cut to the small business tax rate, which is right now 3.2%, one of the highest in country.

Ms. Catherine Fife: What were you hoping to see? It's 3.2% right now. What were you—

Ms. Julie Kwiecinski: Anything, any movement.

Ms. Catherine Fife: Any cut.

Ms. Julie Kwiecinski: We have put this in our pre-budget submissions for as long as I've been with CFIB, which is almost eight years. We'd like to see it lowered from 3.2%. The government did lower it from 3.5% to 3.2%, but that took effect January 1, 2020, and we all know that was pre-COVID. We'd like to see it lowered—any movement. In the pre-budget submission, we mentioned to 2%, with a plan to go to 0%, and also elevating the threshold, which has been stuck at \$500,000 since 2007. Had it been indexed to inflation, that threshold would be well over \$700,000 right now.

Ms. Catherine Fife: So \$700,000, if you factor in inflation.

Ms. Julie Kwiecinski: Yes.

Ms. Catherine Fife: Okay. That was a good clarification.

Business owners do care about affordable housing, obviously, and it's directly connected, in many respects, to labour shortages. People want to find affordable housing. You didn't want to comment on the importance of having housing options for small businesses?

Ms. Julie Kwiecinski: Well, obviously it's part of the system of what makes it easy to find a job, especially in a larger city. All of these factors come into play, whether it's affordable housing, affordable transportation, anything that makes it easier to get to work, to live closer to work, because it also helps if you don't have to commute an hour and a half or two hours away. So all of these things contribute to making it better or easier to find employees closer to the workplace, yes.

Ms. Catherine Fife: Thank you for that.

Ms. Julie Kwiecinski: You're welcome.

Ms. Catherine Fife: Moving on to Mayor Meed Ward: In your opening comments, you did talk about the importance of consultations and the impact of unintended consequences when you don't have lived experiences as part of the policy concerns. But one of the things that is actually in this bill is the use-it-or-lose-it concept. I just wanted to give you an opportunity to speak as to why this is important. But also, how likely are municipalities to use it once this legislation passes? Yourself or Mayor Morgan.

Ms. Marianne Meed Ward: Sure, I'll start. Thank you for that. We plan for major infrastructure, as you would guess, for decades in advance, because you don't build a new waste water treatment plant overnight. When we plan for that, we also look for development interest. It's based on what we think the market is asking for in terms of that servicing. If the houses don't materialize but somebody really wants to go and they're not part of an allocation for that servicing, this person is blocking this person from being able to get shovel in the ground.

We will absolutely, as municipalities, reallocate that capacity from somebody who isn't able. And we're not judging that. There could be supply chain issues; there could be interest rates; there could be a whole set of factors for why somebody is simply not able or ready yet to use the servicing that they have and why someone else is ready to go. That's part of the agility and flexibility that we're all going to have to adapt to.

It's not the old world that we used to live in anymore, and so we have to be able to make those changes really quickly. So we were pleased to see that, and we will use that as a tool.

Ms. Catherine Fife: Just before Mayor Morgan comes on, can you give me an example? I know that there are some municipal approvals for housing in the KW Waterloo region area. Some of them have been on the books for almost 18 years, so this is active land banking that's happening. How does that play itself out if you bring

in this use-it-or-lose-it policy that you're now allowed to do?

Ms. Marianne Meed Ward: There's a whole range of factors why shovels don't get in the ground. I can speak for Burlington. We have 41,000 units that are in our development pipeline, and that's everything from pre-consultation, somebody asking what they can do with their land, to somebody who has a permit and has not put shovel in the ground.

Those are the ones we're focused on: "Why aren't you building? How can we get shovel in the ground?" But we have no authority at the municipal level to say, "You have to put shovel in the ground." As I said, there are reasons why some of them don't. But if we can reallocate a servicing piece to somebody to get shovel in the ground, that will help us.

Ms. Catherine Fife: Mayor Morgan—

Ms. Marianne Meed Ward: It doesn't stop land banking.

Ms. Catherine Fife: Thank you.

Mayor Morgan, go ahead, please. Last word to you.

Mr. Josh Morgan: As you know, London is a very high-growth city. We are well, well ahead of our projections on where our population would be in our official plan, which means the infrastructure that was there to last several decades is getting eaten up with the new housing we're building. That means that for every approval we make, we want it to lead to housing actually getting built. For the most sought-after areas of the city, the amount of servicing capacity is getting limited—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for that answer, Mr. Mayor.

That also concludes the time for this panel and the presentations you've made. We'd like to thank all the participants and the panellists for taking the time to prepare and come and so ably present it to us. Thank you very much for your help with this endeavour.

ADVOCACY CENTRE FOR
TENANTS ONTARIO
COLLEGES ONTARIO
ONTARIO FEDERATION
OF AGRICULTURE

The Chair (Mr. Ernie Hardeman): Our next panel, as we're coming forward, is the Advocacy Centre for Tenants Ontario, Colleges Ontario and the Ontario Federation of Agriculture. As we're coming to the table, as we did with the others, each presenter will have seven minutes to make their presentation. At the six-minute mark, I will say, "One minute." Don't stop, because you have one more minute left. At the one minute, you will stop, because I will be too busy saying, "Thank you." So, with that, we also ask each presenter or whoever is going to speak in the presentation to introduce themselves at the front of their speech so we get their name in Hansard.

With that, the first presentation will be the Advocacy Centre for Tenants Ontario.

1600

Ms. Laura Murphy: That's me. Good afternoon, members of the standing committee. I hope everyone is warming up in here—must have been a long day. But I'm happy to be here on behalf of the Advocacy Centre for Tenants Ontario. My name is Laura Murphy, and I'm the senior housing policy adviser. I'm here with my colleague Dania Majid, who is appearing virtually.

We are a community legal clinic, funded by Legal Aid Ontario, with a province-wide mandate dedicated to addressing systemic affordable housing issues and advancing the rights of low-income Ontarians.

We appreciate that the aim of Bill 185 is to address our housing supply crisis by building 1.5 million homes by 2031. However, we cannot build our way out of this government-made crisis. Ontario must deal with both the supply and the demand side of housing. For example, one in four, 25%, of all homes across Ontario are owned by investors, meaning a substantial number of local households, including aspiring homeowners, do not have direct access to a significant proportion of our housing supply. This is indicative of market failure, meaning that we cannot rely on the traditional notions that building more supply will result in housing that is passably just more affordable. For example, between 2016 and 2021, there was a 36% decrease in suites renting for under \$1,000 and an 87% increase in luxury units that rent for over \$3,000, even though there was a completion of 46,000 suites of new rental supply. This underlying trend also heightens the need for a public beneficial ownership registry.

Despite building more housing, rents continue to skyrocket, which is impacting the well-being of tenants and Ontario's economy. Despite an increase of 81,000 rental suites being built over the last four years, almost half in Toronto alone, rental costs have continued to skyrocket, steeply outpacing incomes of tenants.

As of 2021, 52% of the 1.7 million tenant households across Ontario were living in housing that is unacceptable, meaning housing is either directly unaffordable, spending over 30% to more of household income on costs, or indirectly unaffordable, meaning households are living in suites that do not have enough bedrooms for the size or composition of households and are living in homes that are in need of major repair. The average income for tenant households was \$71,700. For those spending over 30% of income, the average income was \$39,320.

Recipients of social assistance receive yearly amounts that are even less than this, yet the minimum income needed to afford the average rent of a vacant apartment or condo in Ontario was \$96,593 as of March this year, \$88,000 for a one-bedroom and over \$107,000 for a two-bedroom. Once the rent is paid, many renters report not having enough income left for other basic needs, which has led to a significant increase in demand at food banks, especially by those employed.

Furthermore, a recent report written by Deloitte found that to address our housing as well as productivity problem resulting from our housing crisis, one quarter of all homes built in the next seven years should be social housing. An

additional 143,000 suites of social housing in Ontario by 2030 would result in a 5.8% to 9.5% increase in productivity and a \$23.3-billion to \$50.3-billion boost in GDP, considering opportunity costs. This could be further supported by preserving surplus public lands for the development of social housing.

If Ontario is serious about addressing our affordable housing crisis, it also needs to address the underlying drivers of our housing crisis. In addition to antiquated notions of supply and demand, another housing assumption that needs redress is the belief that rent controls have a negative impact on rental supply. The data clearly shows that there are no differences between markets with and without rent controls when it comes to rental starts or rates of rental housing construction. As well, rent controls do not impact vacancy rates nor state of repair. Therefore, we need to close the Ontario rent control loopholes of vacancy decontrol and the 2018 rent control exemption.

Firstly, vacancy decontrol allows landlords to lease a vacant unit for any amount to rent, which has incentivized landlords to evict sitting tenants to capitalize on higher profits.

Secondly, the 2018 rental control exemption, where any rental suites built after November 15, 2018, are not covered by rental control guidelines, has left tenants susceptible to economic evictions.

Consequently, we are seeing high rates of demolitions, renovations, own-use applications and bad-faith evictions increasingly used to evict renters to increase investor profits. By example, in 2022, the province set a rent cap at 1.2%, but tenants moving into vacant suites faced double-digit increases in asking rents compared to what former tenants were paying: 26% increases in Hamilton, in Ottawa over 17%, and in Toronto over 29%.

We see in this bill the proposal to course-correct a number of aspects of Bill 23 that failed to produce intended outcomes. Through the same logic, closing vacancy decontrol and the 2018 exemption loophole should also be included.

In addition, for this bill to have maximum impact, we need to address the lack of access to justice for low-income tenants at the Landlord and Tenant Board. In the move to digital hearings, eviction prevention priorities have been completely lost. The majority of evicted tenants cannot afford asking rents in their own communities because of vacancy decontrol. We need to return to in-person hearings, in-person counter service and scheduling hearings regionally. As well, we need to restore funding to legal clinics to at least pre-2019 levels to help better meet the rising demand of Ontarians who trying to stay housed in the midst of this housing unaffordability crisis. Thank you for your time.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

The next one is Colleges Ontario.

Ms. Marketa Evans: Good afternoon. My name is Marketa Evans. I'm the president and CEO of Colleges Ontario. We represented the 24 public colleges across the province. We operate in over 200 communities across

every reach of the province, and we offer comprehensive education and training in both English and French, helping people find good jobs and, of course, changing to meet the needs of the labour market in Ontario. Without college graduates, Ontario grinds to a halt.

We, as public colleges, are committed to working with the government to promote access to student housing. We know that students must have access to safe and affordable housing so they can focus on learning and training. We applaud the interdepartmental collaboration between the Ministries of Colleges and Universities and Municipal Affairs and Housing through consultations this past summer, and Minister Dunlop's recent round table with post-secondary institutions and developers in the fall.

We applauded the government's decision to loosen Planning Act requirements for universities. Anything that expands housing is welcome. However, we want to underscore that as crown agents, public colleges are not subject to the Planning Act. As a result, Bill 185 does not improve the ability of public colleges to provide additional and affordable student housing. We're also concerned that the new reporting requirements will add red tape at a time when colleges can least afford it.

Often, when people think about student housing, they think about traditional on-campus student housing: dorms and residences suitable for a 17-year-old or an 18-year-old just leaving home. But students at a public college are different. Seventy per cent of our students do not come directly from high school, and the average age is now over 23, so our more mature student base is looking for different options. A traditional dorm-style, on-campus residence with a meal plan is not what many college students are seeking. They prefer off-campus solutions close to work or family.

Our sector's commitment to offering housing has been collaborative and coordinated. All 24 public colleges share information, best practices and solutions, and we've been creative in working with local communities on new ideas, including hotel conversions and working with organizations such as SpacesShared.

New housing construction, however, for students at colleges is often a difficult business case to make, and this reality has of course been impacted by the realities of inflation and rising costs of interest rates and labour. Quite simply, many of our members cannot build units that students can afford. These fundamental economics of housing construction, as well as delays in provincial government approvals, are the significant barriers to development of student housing at colleges.

We have been working with government to recommend solutions. During the housing consultations last fall, Colleges Ontario made a number of recommendations which, while not addressed in this bill, can still be part of the government's overall plan to support college student housing.

1610

First, we urge the government to fast-track section 28, approval timelines, to support new builds. Section 28 of the Financial Administration Act requires that colleges

receive pre-approvals from the Minister of Finance for any significant capital project, including student housing, and this applies even if a college has enough cash in the bank to pay for a project in full. This red tape process adds months—sometimes years—to project timelines, which of course increases costs. These kinds of delays discourage developers from working with colleges and means that student housing simply does not get built.

Universities are not subject to this requirement, and we urge the government to level the playing field for our students. The costs imposed by section 28 constitute a significant barrier to construction.

Second, we ask the province to continue to support the addition of student housing to the National Housing Strategy and to introduce new grant and loan programs for colleges, and we're pleased that the province has actively supported these requests.

Recent announcements that include student housing, such as the Build Ontario Fund or CMHC's Apartment Construction Loan Program, hold significant promise. However, to access these federal funds, colleges will need the province's support. MCU's current binding policy directives for colleges restrict borrowing and investing activities that in fact are necessary to access this federal financing.

Experts are clear: There is no viable business model for the construction of student housing at interest rates over 3.5%. So access to this kind of concessionary financing is critical, and we urge the province to ensure that public colleges can access this federal financing.

Finally, we're concerned the new reporting requirements of the bill will add additional burdens on public colleges, just at a time when they can least afford it. We're asking that the province work with us to ensure such reporting requirements do not become overly burdensome.

To close, we do appreciate the opportunity to provide feedback on Bill 185. We underscore that while Bill 185 does not improve public colleges' ability to provide affordable student housing, there are still many opportunities for us to have collaborative engagement and get shovels in the ground.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

We now have a presentation from the Ontario Federation of Agriculture. I believe Drew is virtual. With that, welcome, and the floor is yours.

Mr. Drew Spoelstra: Thanks very much. Good afternoon, Mr. Chair and members of the committee. You can hear me okay?

The Chair (Mr. Ernie Hardeman): Yes, sir.

Mr. Drew Spoelstra: Perfect, thanks. My name is Drew Spoelstra, and I'm the president of the Ontario Federation of Agriculture. I appreciate the opportunity to present virtually today. The sun is shining and it's a good day for farming.

OFA proudly represents over 38,000 farm families across Ontario and is deeply committed to advocating for the interests of our members and the agri-food industry as whole. We appreciate the opportunity to provide our

comments and recommendations to the standing committee regarding Bill 185, the Cutting Red Tape to Build More Homes Act, 2024.

First and foremost, it's crucial to acknowledge the immense significance of Ontario's agri-food sector. With its contribution of over \$47 billion to the province's GDP and generation of nearly 750,000 jobs, our agriculture industry stands as a stable and reliable economic powerhouse across Ontario.

The sustainability and growth of this sector are paramount to the well-being of rural communities and the province at large. Bill 185 presents an opportunity to streamline processes, reduce red tape and foster an environment conducive to both agricultural prosperity and urban development. OFA has reviewed this bill in detail and offers our recommendations with respect to schedules 6, 8 and 9, and we'll focus some of our attention today on schedule 12.

Regarding schedule 6, the OFA supports the proposed changes to the Development Charges Act. OFA also recommends further amendment to include a statutory exemption for farm buildings from development charges. This is already a current practice in many municipalities, and standardizing DC exemptions for farm buildings across the province will help grow our sector and reduce red tape for farm members.

Moving to schedule 8 concerning the Line Fences Act, OFA supports measures to improve readability and understanding within the legislation. Moreover, we recommend amendments to enable farmers subject to municipal fencing bylaws to utilize the Line Fences Act's dispute resolution provisions, should the need arise. OFA also recommends amendments to the Line Fences Act to explicitly address boundary fencing between farmers and active railway corridors.

In schedule 9, addressing the Municipal Act, 2001, OFA supports the rigorous selection of tax incentives to ensure their effectiveness and minimal impact on taxpayers. Additionally, we propose broadening the scope to support critical businesses in Ontario's agri-food sector such as local abattoirs and value-added food-processing facilities.

In schedule 12, focusing on the Planning Act, OFA emphasizes the importance of protecting Ontario's prime agricultural areas. We assert that farming is the most suitable use for farmland and any changes to the Planning Act must prioritize the protection and support of our agricultural areas. These lands will not only provide essential resources but also contribute to the environmental sustainability and ecological services for all Ontarians.

OFA supports the proposal to enhance the minister's regulation-making authority to eliminate zoning barriers hindering the construction of small multi-unit residential buildings. Additionally, we support the removal of the community infrastructure and housing accelerator tool. OFA welcomes the implementation of a revised and transparent process for requesting and issuing MZOs, as proposed in Bill 185.

Regarding third-party appeals: OFA opposes limiting third-party appeals to the Ontario Land Tribunal, stressing the significance of ensuring municipal decisions adhere to provincial legislation and policies. OFA does not support the proposal in Bill 185 that would further limit third-party appeals for official plans, official plan amendments, zoning bylaws and zoning bylaw amendments.

OFA strongly believes that affected parties should have the right to appeal decisions that contravene provincial legislation or fail to adhere to due process. OFA believes that appeals can play a meaningful role in ensuring decisions made by a municipality are consistent with provincial legislation, policy statements and guidance documents. OFA understands the government's intention is to eliminate frivolous appeals that are just meant to delay the process. OFA recommends limiting the grounds for appeal to the OLT to disputes related to a municipal decision that allegedly goes beyond the municipality's authority; fails to follow due process; fails to adhere to all relevant provincial legislation, policy statements and guidance documents; and/or fails to adhere to the municipality's own official plan, bylaws etc. We believe that the OLT should respect the authority of the municipality and not overturn the municipal decision in cases where the municipality had decision-making authority to make the decision and correctly followed all relevant provincial legislation, policy statements and guidance and had followed due process.

We wish to stress the meaningful role appeals can play in ensuring municipalities are held accountable to following provincial legislation, policies and guidelines. We highlight the example of an apple grower wishing to build housing for farm workers on his farm and being told by his municipality that accommodation for farm workers is not considered an agricultural use, even when it's included in the provincial policy statement 2020 in the definition of agriculture uses. Another example is the case of an error being made in a calculation required under MDS, minimum distance separation, for a new residence from an existing livestock—

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Drew Spoelstra: In these examples and other situations, an appeal would provide the means of ensuring provincial policies are adhered to by the municipality. We believe that it's sensible to ensure legitimate appeals are heard, thus allowing farmers the ability to protect their farm operations from municipal decisions that may be inappropriate.

In conclusion, OFA emphasizes the vital importance of balancing housing development with the preservation of agriculture lands. As we move forward, it's imperative that we work collaboratively to protect Ontario's farmlands while addressing the housing needs for a growing population.

Thank you for considering our recommendations on Bill 185. OFA will be submitting our written comments to the standing committee detailing our recommendations. We look forward to continuing our engagement with the

provincial government and all stakeholders to achieve sustainable development for the benefit of all Ontarians.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation. That concludes the presentations.

We'll start the first round of questions with the government. MPP Rae.

Mr. Matthew Rae: Thank you to the presenters.

1620

My questions will be for Drew. Nice to see you, Drew. I know it's a very busy time, so I appreciate you taking time to present to the committee on a very sunny spring day. I'm sure you would rather be out in the fields.

My questions will relate to, obviously, the Line Fences Act. It's one of Ontario's oldest pieces of legislation. Chair, as you may be aware, it's actually as old as me. I looked it up before asking the question: It was 1990 the last time it was amended and hasn't been updated or modernized in some time.

Can you right now, Drew, explain how the act is used by your members and what the current dispute resolution process achieves?

Mr. Drew Spoelstra: Well, it's difficult to get into the specific details. I've never used it myself, to be honest with you. But I do know it's younger than me, so somewhere in between our two ages. I do know there are folks from across the province that are certified as line fence reviewers and if a dispute arises between two property owners, it's up to those folks to go out and evaluate the situation and then make a recommendation, I believe, to the municipality on how that dispute will go down.

So, yes, it's important that it be modernized. It's important that we include things like the railway system. We're seeing a lot of challenges right now with railways and property rights between the railways and the property owners and who's responsible for what when it comes to maintenance and things like that on the railway sidelines. That's one of the pieces that we wanted to hopefully see included in that, as well.

Mr. Matthew Rae: Great.

I know you mentioned that you haven't used it yourself, personally. Are there any examples that you can think of from the OFA members around some of the current requirements under the Line Fences Act that may be burdensome to them and the interaction with municipalities and how the proposed changes in the legislation would help alleviate some of those challenges?

Mr. Drew Spoelstra: I think one of the challenges right now is that not every municipality has a line fence reviewer, and so we're running into situations where we have disputes between property owners but we don't have the ability to settle that because either the municipality hasn't put that person in place or isn't necessarily following what the guidelines are. So, yes, we want to make sure that those things are done properly and that those disputes can be settled in a reasonable way.

Mr. Matthew Rae: I defer my time to MPP Anand.

The Chair (Mr. Ernie Hardeman): MPP Anand.

Mr. Deepak Anand: I'm not as young as my friend next door, but what I do remember is that I came to Canada in 2000, and my first job was a lab technician at Novaquest. My boss, Paul Kuzmenko, said, "If you want to do well in this job, there are certain courses you need to take," and I actually went to Sheridan College. Thanks to Sheridan College and all the work being done at that place, I actually got six courses there. And from lab tech to quality tech to quality engineer to quality manager—I took four positions in four years. I think the credit goes to Colleges Ontario for the service that you're providing to the newcomers, the residents and Ontarians at large, so I just want to say thank you.

Fast-forward—and as I said, I'm not as young as my colleague—I have two children and both right now are in post-secondary education. My daughter is at the University of Windsor. This is something which I hear from most of my other colleagues and friends, as well: The housing cost is usually way more than the choices around the college. For example, Sheridan College has a beautiful residence, but more people live on the outskirts and not in residence. One of the reasons is the cost of the residence itself; the second is the mandatory meal plan, which adds up and makes it a little more expensive.

So my question is very simple: What are some of the ways, in your opinion, we can make it more competitive or more easily affordable for the residences for those students?

Ms. Marketa Evans: Yes, absolutely. We are already doing a lot exactly for that reason, because I think what was recognized is, although residences are still quite competitively priced and need to operate at least on a break-even—usually, the idea is that they operate on a cost-recovery or break-even basis—the members have really focused on reducing costs. Some of the ways that they have done that, for example, is by removing the mandatory meal plan, which allows people, then, to have a little bit more flexibility when it comes to how much they're spending on their groceries and food. We've also done things like doubled up the number of beds in a residence so that you actually cut the price of each room in half.

So we're really focused on trying to lower the cost for students and make sure that it is competitive with surrounding communities, because there are some great reasons that we want to be encouraging students to live on campus and we want to see those residences full. I'm very pleased to report that, in fact, our residences have been full as a result of some of these measures.

Mr. Deepak Anand: Thank you.

My next question is to Laura. Laura, welcome. I actually know Douglas Kwan. When I became an MPP, he was the first one I actually met; that was my first meeting. He used to be in a different organization back then.

Thank you for supporting the residents in Ontario in a non-partisan way—

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Deepak Anand: —to serve the clients in the residential sector.

You talked briefly about the young generation. When I came, my wife and I drove around; we found our first home in 2001 for \$150,000, which is a dream today. As I said, I have two children. Even though I have a home, they still need a home.

In your opinion, how important is it to build homes so that the next generation or the newcomers or those who don't have a home have a home? How much do you support building new homes?

Ms. Laura Murphy: Sorry, can you repeat that last part?

Mr. Deepak Anand: In your opinion, when we talk about building 1.5 million homes in the next 10 years or by 2031, how much do you support that there is a need to build more homes?

Ms. Laura Murphy: Oh, absolutely. We are in a housing shortage, and part of that is building homes. But we have to make sure that we're building the right kind of homes and that we have the right kind of supply. For the last 20 years, because of financialization and other things, incomes are remaining stagnant while housing costs go sky-high. That's not news to anyone here, I would think. So we really have to be thoughtful in terms of legislation that can help to mediate some of these unfettered costs.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Laura Murphy: So bringing back rent controls—*Interjection.*

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

Ms. Laura Murphy: Thank you.

Interjection.

The Chair (Mr. Ernie Hardeman): I was absent-mindedly reading when I should have been thinking.

We'll now go to the official opposition. MPP Bell.

Ms. Jessica Bell: I have questions for all three of you. I'm going to start with Laura from ACTO. When I look at this bill, I don't see much in this bill that helps renters, and I don't see much in this bill that addresses housing affordability. What would you like to see in this bill to make renting more stable and affordable?

Ms. Laura Murphy: Yes, we agree: There was really nothing much for renters, other than building more supply without proper regulation, which will just create housing that's even more unaffordable.

There's a number of things. We'd love to see creating adequate housing that's affordable and available to local residents that meets local needs.

Rent controls: Addressing vacancy decontrol would be a big one; reversing the 2018 exemptions would be another.

We need to be investing on the supply and demand sides, so we need to have increased grants for non-profit housing. If we're going to have development costs paused for some development, it should be prioritized for non-market so the private market is compelled to work with the non-profit sector.

Reversing changes to the Landlord and Tenant Board resulting in long delays in access to justice for tenants; returning to in-person hearings, regional scheduling, in-person counter service—we know that that is less cost and

is a more effective way of going—and more funding for Legal Aid Ontario.

Increasing the capacity and effectiveness of the Minister of Municipal Affairs and Housing Rental Housing Enforcement Unit: There's not a lot of information available on this unit—what it does, the decisions. There's not a lot of transparency around that. We'd love to see that beefed up and more transparent.

As well, addressing the gaps between social assistance amounts and the rising cost of housing: Most individuals who are on and rely on social assistance live in market housing. Individuals, it's like they receive one tenth the amount that they actually need to live on, so that absolutely needs to be addressed if we're relying on the private market to resolve our housing issues.

1630

We also need a public beneficial owner registry. I implore all of you, we really need to start work on to this. We need to understand who owns our housing and why. Once we understand the underlying drivers behind our housing affordability crisis, we can implement policies that are useful and then that get us what we need to get and are to the benefit of all Ontarians.

In short, those are just the top things. There is more, but we'll be providing a submission next week.

Ms. Jessica Bell: We are very much in support of bringing in vacancy control and ensuring that every home, even if it's built after 2018, has some rent control on it.

My next question is to Marketa Evans from Colleges Ontario. I was listening intently to what you had to say about how this bill affects the ability of colleges to build new homes. I have University of Toronto in my riding. I know it's not a college, but we have an incredible housing affordability and housing supply shortage for students in our riding, from people who are first years to people who are post-docs. It's a big issue. Many of them have families. They don't want to live on campus. They don't want a meal plan. They cook their own meals; they're fine with that. They have a job. And they're really struggling.

There were some really interesting things that you said. I just want to summarize one thing and make sure I got it accurately. You said colleges are not subject to the Planning Act, there's no business case to build affordable student housing if interest rates go above 3.5%, which they are, and Bill 185 does not improve colleges' ability to provide student housing. Is this an accurate summary? Correct me if I got anything wrong.

Ms. Marketa Evans: Yes, it's an accurate summary in the sense that the barriers that public colleges face to building, especially on-campus student housing, are not addressed in this bill. So that was kind of the top-line message, indeed.

Ms. Jessica Bell: My second question gets to that. Now, both MPP Fife and I were very interested when you started talking about what the province could do to make it easier for colleges to get the capital, the loans and the financing they need to build, and to get access to CMHC or federal funding. You talked about fast-tracking section 28 approval timelines and a few other things, but I can't

type that quickly. Can you just clarify a little, provide us with a little bit more detail so that we know how we can work with that?

Ms. Marketa Evans: Okay, terrific. And we will also be making a written submission, so no need to be typing that fast.

One of the primary barriers is something called section 28, which does require us to seek pre-approval from the Minister of Finance. I think what we want to underscore is that this pre-approval is even required in what we would consider to be low-risk situations. And anything that goes to the Minister of Finance has already gone through a number of governance processes, including the board of governors of that college, and most likely also other ministry officials, so it's already been thoroughly vetted.

The timelines have—this is not a new situation, but the timelines now are imposing more and more costs that make it less and less realistic for developers to enter into agreements not knowing how long it might take. And what we're hearing from members is it can vary up to hundreds of days. So it's the uncertainty, the long timeline, and the fact that this is required even in what we would consider to be low-risk situations. That is one area.

We do see some promise in the concessionary financing offered under the National Housing Strategy, and we would want to make sure that public colleges in Ontario could access that federal concessionary financing, exactly for the reason of the 3.5%, interest rates being much higher than that.

Ms. Jessica Bell: I look forward and I know MPP Fife would look forward to any kind of submissions you have on this, if it's related to the province and the feds.

Ms. Marketa Evans: Yes.

Ms. Jessica Bell: Okay. My final question is to Drew Spoelstra—did I say it right? Good enough? Okay, you're on mute. So you're going to get unmuted and you're going to correct me.

I have a bunch of questions for you. I was listening very, very carefully to what you had to say—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Jessica Bell: Oh, no. I hate these time frames. They are so difficult.

I'm interested in hearing your submissions or changes to the Line Fences Act and how it applies to your members. Both MPP Fife and I were very interested in that. I was also interested in hearing if OFA has a position on the changes to the provincial policy statement and Bill 185 that make it easier for municipalities and developers to build low-density housing on farmland by changing the municipal boundaries.

Mr. Drew Spoelstra: Thanks for the question. You're pretty close on the name.

We'll get you some more information on the Line Fences Act for sure. On the PPS: definitely some good changes, I think, from our perspective—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time. Great question; no time for an answer.

MPP Hazell.

MPP Andrea Hazell: Thank you, the three of you, for coming in. I appreciate all of you presenting your presentations. They were very well detailed.

I will start with Laura. Laura, thank you for coming in and facing this committee. It's not always easy to do that, so congratulations for that. My concern is always around our hard-working Ontarians and affordable housing, especially our young people; we've seen over 50,000 have left Ontario for better housing and then, of course, better jobs.

Since you're representing a number of renters, what are you hearing on the ground? Can you share what you're hearing on the ground from the renters?

Ms. Laura Murphy: In general, or is there anything specific? Because there are a lot of wild things happening.

MPP Andrea Hazell: In general. State it for the record. It means a lot.

Ms. Laura Murphy: Tenants are being displaced and aren't able to remain in their homes and their neighbourhoods. People are having to move farther and farther away from where they work, which is adding more time to their commutes to and from. Incomes are really stagnant, especially for those of the younger generation.

Something we don't hear enough about is the amount of debt that tenants are getting into increasingly. There are some financialized landlords who offer tenants the opportunity to pay for rent on credit card, so you can imagine what happens when the average of a two-bedroom apartment is over \$107,000 and the average income of a tenant is around \$70,000, let alone those who can't afford housing. There's no attention being paid to how some of these stopgaps are playing out. There are seniors who are being displaced from housing being bought up by financialized landlords as well.

There's nowhere for tenants to go. People have nowhere to move if they're facing housing precariousness, and it's really difficult for tenants to access justice. There are many tenants who don't have access to the Internet, can't get onto Zoom, are really struggling, sometimes aren't even aware that they're facing an eviction. There's just a lot going on. There's so much more that it's difficult to really nail down what you're looking for specifically, but it's increasingly hard just to get through the day.

I don't know if any of the MPPs here are tenants or if anyone has looked for rental housing recently, but the amount of stress that tenants face with trying to find the next place to live, trying to make do with incomes that really are being far eclipsed by costs of housing—that eats a lot of time and energy and stress, and I don't think that that's something we talk about enough. This is over half of tenant households in Ontario, so I think we really need to pay more attention and we need to involve tenants in a more proactive way. We need to find some way where there's some representation of tenants who are informing committees like this, that you have that direct line to, "Here are the things that are happening. Here are the quick fixes."

Some of these things will cost money, absolutely, especially when we think about investment in housing and

investment in proper services for folks, but some things like—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Laura Murphy: I know there's a political cost, but there are things like reversing vacancy decontrol and reversing the 2018 rental exemption. That doesn't cost a thing and would have a huge impact on the lives of tenants and would prevent some of the challenges. But there are still tenants who will be facing stopgaps, and we really do need to be addressing income; we need supply and demand at the same time.

MPP Andrea Hazell: Yes. I gave you my time because it's really important. That's exactly what we are hearing out in the street. I'm hearing that in my Scarborough—Guildwood riding, so thank you for sharing that. Keep fighting for tenants. There are 1.7 million renters in Ontario; someone has to care about them. Thank you for putting all that on the record.

Ms. Laura Murphy: Thank you.

1640

The Chair (Mr. Ernie Hardeman): We'll now go to MPP Harris.

Mr. Mike Harris: Thank you very much, Chair.

I have my oldest son going to college this year and we've been in the process of evaluating—he's picked a school now and we're in the process of getting him registered for residence in North Bay. We went and toured the facilities and got a bit of a sense of what that's going to look like for him. To your point speaking about renters, while I'm not exactly renting right now, we have a son who is going to be kind of doing that. So I do get it from that perspective. I can see how challenging it certainly can be for folks out there.

We talked about interest rates a little bit; 3.5% or under is the magic number for you. Obviously, we're nowhere near that right now. The minister, in his deputations this morning, was talking about how high interest rates are really causing a sort of logjam when it comes to home building, when it comes to building affordable rentals and when it comes to just building in general right now. It makes it very difficult because of the high cost.

Tell me a little bit from your perspective: What does it mean for you and colleges across the province when we are facing such high interest rates and there isn't a sign of us getting back to that magic number anytime soon, it seems like? What does that mean, first off, for you, and obviously not necessarily being able to build the residences that colleges and, quite frankly, universities as well might want to be out there in market right now building?

Ms. Marketa Evans: I think it underscores the importance of having access to concessionary financing. If the federal government is putting—I think we've seen some movement in the direction of understanding that student housing is housing and that concessionary financing is necessary to make the numbers work, if I can put it that way.

We need to be mindful of two things. One is that students often don't have a large income and so are limited in the top of the market. They're not going to be able to

pay a market rent, necessarily. But the business model from the perspective of colleges requires us to really at least break even. So on a cost-recovery basis—and as part of your experience and to make sure that on-campus life is vibrant—yes, we need to have residences for those students who choose that. But as the minister pointed out, the access to that concessionary financing is really critical and we would not want to let administrative hurdles get in our way of accessing that concessionary financing, because that could really be the key to unlocking some of the projects that we currently have.

Mr. Mike Harris: Tell me a little bit more about what some of those regulatory burdens may be.

Ms. Marketa Evans: We are subject to a Ministry of Colleges and Universities binding directive on the ability of a college, as a crown agent, to access financing. We are looking for some dialogue around what needs to be true to make sure that, at a provincial level, those barriers don't get in the way of us being able to tap into, let's say, CMHC or Canada Infrastructure Bank concessionary financing. That is really going to be critical if you want to move forward.

Mr. Mike Harris: Okay. Very good.

Over to Laura: There are some provisions in this bill—and again, we heard the minister talk a little bit about it this morning—in regard to density around plazas and other locations in and around transit and areas that may not necessarily currently be developed as housing, but looking at getting creative and trying to find some ways to look at building density in urban areas. To some points that we've heard here—Drew touched on it a little bit earlier—not having that sprawl—I think maybe it was MPP Bell that had mentioned it. Just give me some thoughts around what that might look like and how you think that can benefit people, certainly more, obviously, on the rental side, in more urbanized areas.

Ms. Laura Murphy: Thank you for the question. Density, in and of itself, also won't provide housing that's affordable, so unless we have restrictions and regulations to ensure that housing that is built along corridors, we're just going to end up with people being displaced and those who are reliant on transit and don't have access to a car also being blocked from that. Any time we see that there is an announcement for a new transit corridor, which we're always excited about—transit is a good thing; it's a public good—we immediately see financialized actors move in and purchase these apartment buildings and kind of get a passive subsidy.

That's what's happening right now in Toronto. There's an area where there has been an announcement, and people are already being displaced. They were being demovicted. So we do need those things, but we need to be thoughtful in how we implement and we need to be thoughtful in how we ensure that housing along transit corridors and housing that is increasing in density also create housing that's affordable.

The other thing I think is really important is, we have to really preserve accessibility. Over half of households in Canada have at least one person with an activity limitation.

If we're building new housing, we need it to be accessible. We also need it to be visitable, so people can visit friends and family. I think these are all things we need to consider.

The experts that could cut through it all and give you a really good cut-down on policy and how to get these things done—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Laura Murphy: —would be renters themselves. They're the experts. Thank you for the question.

Mr. Mike Harris: Thank you. I appreciate it.

Drew, with the final minute: I know that we're obviously focusing on the line fences when we're having those conversations with the OFA. That seems to be what we've talked about here today. But tell us, from a red tape and regulatory perspective, when we're able to cut down on the regulatory burden for farmers, what does that mean to the farming community?

Mr. Drew Spoelstra: Certainly, red tape has a huge impact on farmers. We're small businesses. I listened to the presenter earlier talk about some of the impacts on small businesses, and we're certainly no different. So when we have that ability to pull back on some of the red tape items that are affecting farms—particularly right now around things like small abattoirs; that's a concern of ours. Food processing is a big part of our business, as well, so ensuring that those folks can be supported through these types—

The Chair (Mr. Ernie Hardeman): Thank you. That concludes the time for the question.

We'll now go to the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to everyone for being here.

Laura, we completely agree with your presentation. In a housing crisis, keeping people housed in rental units is a good place to start. Thank you very much for being here. I don't know if you have a written submission, but I would like to see it if possible.

Marketa, your presentation actually really opened our eyes to some of the challenges that colleges face around housing and providing student residences. I wanted to give you an opportunity to talk about some of the innovative stuff that you are working on across the province to fill in the gap in the face of some of these barriers. Really, today was very informative for both of us, so thank you very much for that. Give us a couple examples of what colleges are doing in the face of a lot of pressures around accommodating students.

Ms. Marketa Evans: Yes, happy to do that. In the spirit of opening eyes, I will also share that it was not until 1990 that colleges were actually allowed to build student residences. So we've got some time lag, and we know that it takes quite a long time to put shovels in the ground and get something built. Where we're seeing a lot of promise is in the off-campus innovation, and that is partly driven by, of course, the nature of our student, who prefers to live off-campus, where we can do a lot more partnering with community.

Because we're in a lot of communities, I think it's also fair to say that in some of our communities, there is not a

housing crisis. In some of our communities, actually, it's depopulation that they're dealing with, and a seriously aging population. Bearing that in mind, some really interesting innovations include partnering with an organization called SpacesShared, which allows a young person or a student—maybe not that young—to reside in a home with a senior. It's a vetted kind of matchmaking service, if you will. That student provides some support for that senior in terms of daily living, so—

Ms. Catherine Fife: I saw that. It's a really good program.

1650

Ms. Marketa Evans: Yes, it's a really interesting idea. And of course, it's quick. You don't have to build new housing. You can take advantage of the housing stock—similar kind of homestay, traditional kind of homestay that you're probable familiar with, help people make ends meet by renting out a room in their house. But this is all going through a very vetted process, so the student is really protected. The student has recourse if something is a mess. The college itself is very involved in the vetting.

A couple of other things that I would highlight, one of which is around sort of more mixed use or conversions: Hotels that didn't make it through the pandemic or that required significant retrofits have been sold to colleges and repurposed as student residences. Of course, sometimes that involves a slightly longer commute, but often-times they are close enough to campus that public transit is available.

The last thing I would say, just because we have, often-times, campus land in some rural communities, is looking at some mixed-use or more untraditional student housing like townhouses and such is also something we've been doing.

Ms. Catherine Fife: Okay. So you're doing what you can in the face of some of these pressures. MPP Bell and I were talking, and I don't think we can amend Bill 185 because it only opens up the Planning Act. So we'll have to go back and see, but, definitely, we should be working with the college sector to find all solutions and reduce all those barriers. That sounds like that's a lot of red tape that you have to go through just to even get the approval from the finance minister to build some residences.

So thank you very much. Both my kids graduated out of the college system, and they're both very successful. One of them is still at home, but I have dreams about one day having that not happen.

Drew, I'm going to move over to you. I want to thank OFA for coming to Queen's Park a few weeks ago. It was a very informative meeting with you and farmers. We remain concerned about where housing is happening or being proposed to happen in Ontario at the expense of farmland, full stop.

In Bill 185, you will know that there are some legislative changes that will accelerate the loss of wetlands, environmentally sensitive areas and especially farmland in Ontario. What we don't understand is that the federal Conservative deputy leader, Lisa Raitt, who I respect, recommended that stronger protections for farmland and

natural areas be an essential component of any measures that encourage more and better housing. The Ford government commissioned this report. This was in her report to the Ford government.

So we understand we are in an urgent state of affairs around creating housing, but we don't believe that it should come at the expense of future generations' food security and the environment. I wanted to give you an opportunity to talk about finding that balance and ensuring that the best farmland, like the land that's in Wilmot township, that 770 acres, remains within the purview of farmers, who generate a great economic return for the province.

Mr. Drew Spoelstra: Thanks for the question, MPP Fife. You're right. It's a huge important factor for us, where housing is built and what the balance is, striking that right balance between better farmland protections and growing the housing market. Certainly, we understand the challenges around housing, and we know that houses need to be built. But we also know that we need to see long-term sustainable planning for the whole system.

I was asked earlier about PPS, and I think we're happy to see some of the changes in there that protect agriculture and look towards the agriculture system. But we remain concerned around some of the challenges around expanding urban boundaries and how that might happen in the future.

So we want to see consultations with the ag community. We want to make sure that farmers are not ignored in the process and that we can continue to see our most valuable lands in farm and food production, because we know that's the best use of those lands.

Ms. Catherine Fife: Okay. I think we're in total agreement—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We now go to MPP Hazell.

MPP Andrea Hazell: My question is for Marketa. You've answered a lot of questions, so I've been making my notes. I just want to ask you to summarize your pain points with Bill 185. What is it that you did not see that you really were hoping would be in this bill? And then what are three things that you want to leave us with for the record?

Ms. Marketa Evans: I think a couple of things: One is to make sure—and I think this point has been made, but since you've asked me to underscore, I will. Public colleges and public universities are very different kinds of organizations in the province of Ontario. Public colleges are crown agents, so many of the rules look very different for us. What we want to make sure is that people really understand that we're really committed to this issue, but when we talk about student housing and the barriers in the Planning Act, those don't apply to us.

To reiterate: Section 28, we think there are some opportunities there to move in the direction of low-risk projects or for housing projects. We think there are some opportunities to streamline, to move a lot faster, so that we're not

losing developers and partners in the construction trades who are ready to work with us.

The concessionary financing that the federal government looks prepared to put behind student housing is an opportunity we don't want to miss. So making sure that whatever it is that needs to happen at the provincial level, such that our members are able to access that concessionary financing, is really important.

There are some new requirements that this bill introduces in terms of reporting on student housing and student housing construction. Public colleges today are facing some significant financial constraints, and we want to be mindful of not adding additional administrative burdens and making that process—really, right-sizing that process so it doesn't create a lot of administrative burden at a time when our members cannot take on any more additional barriers.

MPP Andrea Hazell: Thank you for stating that for the record.

I want to go to Laura. Again, summarize and leave us with your highest concern, for the record.

Ms. Laura Murphy: We're in a housing crisis and we can't build our way out of it. We have to be thoughtful. We have to take a look at what's working and what's not. There's a history of building housing in Ontario, in the 1970s with creating social housing, making sure everyone has a place to live and thrive. It would be great to get back to that and do better.

There are things that we can do again easily. We can reverse vacancy decontrol. We can address the 2018 exemption. That would be a huge leap forward for tenants that wouldn't cost any money.

We really do need to be investing in social housing. Just how disconnected the private market is from tenant incomes and the realities that tenants are facing shows that the private market can't fix our housing crisis.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Laura Murphy: So we have to be thoughtful on ways that we can create the right conditions for the right kind of supply so that everybody wins, that we're all doing well: Community well-being is improved; crime goes down; people aren't experiencing the secondary impacts of our housing crisis, which can sometimes impact homeowners too. Everyone does well when we all have a good place to live. We really need to be thoughtful, and there is an opportunity to do that here. I really thank you for your question.

MPP Andrea Hazell: Thank you guys for summarizing your presentation.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for the presentations from the people for this panel. We want to thank all the participants this afternoon for the time they took to meet with us and to give us their presentation. Thank you very much for that.

The committee will now revert to the next item of business. We remind the presenters that the deadline for a written submission is 5 p.m. on Wednesday May 15, 2024. So all the people that presented, if you have more that

comes to mind, up until the 15th you can send it in and it will be entered into the record, as your presentation was today.

1700

SELECTION OF ESTIMATES

The Chair (Mr. Ernie Hardeman): Committee members, we will now begin selection of the 2024-25 estimates for consideration.

On April 4, 2024, the Lieutenant Governor transmitted to the Legislative Assembly the estimates of certain sums required for the services of the province for the year ending March 31, 2025. Pursuant to standing order 62(b), the estimates for the following ministries and offices had been referred to the Standing Committee on Finance and Economic Affairs for selection and consideration: the Ministry of Economic Development, Job Creation and Trade; the Ministry of Finance; the Ministry of Labour, Immigration, Training and Skills Development; Cabinet Office; the Office of the Premier; and the Treasury Board Secretariat.

The objective of today's meeting is to select the estimates of certain ministries or offices for review by the committee. Standing order 63 sets out the process by which the committee makes its selections. Each of the recognized parties on the committee shall select the estimates of up to one ministry or office in each turn. The official opposition selects first, followed by the government. If members of one party decline to make a selection, the selection then passes to the next party in rotation. The process concludes when either there are no further ministries or offices available to select, or if both recognized parties decline to make any further selections.

Pursuant to standing order 63(b)(ii.1), the estimates of the Office of the Premier and the estimates of Cabinet Office will constitute one selection and represent a single turn.

The estimates for those ministries or offices not selected for consideration will be deemed to have been passed by the committee. As Chair, I will report those unselected estimates back to the House and they will be deemed to be adopted and concurred in by the House.

When making your selection, I would also like to add that if members could please look at the list of ministries and offices in the estimates books, or as displayed on the screen in front of you, and give the correct names of the ministries or offices when they are selected for consideration.

Do members have questions before we begin?

Ms. Catherine Fife: Just a question.

The Chair (Mr. Ernie Hardeman): Yes, MPP Fife?

Ms. Catherine Fife: So we're going to go through our selections. Are we also indicating how much time we would want at that time, or is that a separate conversation?

The Chair (Mr. Ernie Hardeman): I think that's a separate conversation.

The Clerk of the Committee (Ms. Vanessa Kattar): We do selections first, and then if there are motions afterwards [*inaudible*].

Ms. Catherine Fife: Okay. Thanks.

The Chair (Mr. Ernie Hardeman): We'll start with the official opposition for their first selection.

Ms. Catherine Fife: The official opposition will be selecting Cabinet Office and the Office of the Premier as our first selection.

The Chair (Mr. Ernie Hardeman): Okay. We then go to the government.

Mr. Stephen Crawford: We select the Ministry of Economic Development, Job Creation and Trade.

The Chair (Mr. Ernie Hardeman): Okay.

Ms. Catherine Fife: The official opposition will be selecting the Ministry of Labour, Immigration, Training and Skills Development.

The Chair (Mr. Ernie Hardeman): Thank you.

Back to the government. Anyone? If no further selections, we go back to the official opposition.

Ms. Catherine Fife: We will be selecting the Ministry of Finance.

The Chair (Mr. Ernie Hardeman): Okay.

Any further from the government? If not, back to the official opposition.

Ms. Catherine Fife: We'll be selecting the Treasury Board Secretariat.

The Chair (Mr. Ernie Hardeman): Okay.

Any further from the government?

Interjection: All done.

The Chair (Mr. Ernie Hardeman): They're all done? Well, I guess the government doesn't want anymore. They're all done.

Interjections.

The Chair (Mr. Ernie Hardeman): All of them are selected. So further discussions?

Mr. Mike Harris: On the selection process: Because there's only a finite group of them—whatever, the four or five of them—if we were to select also, let's just say, labour, training and skills development, would that mean that the ministry would have extra time?

The Chair (Mr. Ernie Hardeman): No.

Mr. Mike Harris: No? Okay.

The Chair (Mr. Ernie Hardeman): No. Once one of the ministries has been chosen, they are no longer on the list to be chosen.

Mr. Mike Harris: So it's a set amount of time for each ministry?

The Chair (Mr. Ernie Hardeman): You can only choose each ministry once.

Mr. Mike Harris: No, I understand that. But it's a set amount of time for each ministry, even if it was selected, say, twice?

The Chair (Mr. Ernie Hardeman): We haven't dealt with the times.

The Clerk of the Committee (Ms. Vanessa Kattar): The selection is just the order of consideration. It's up to the committee determine how they want to proceed.

Mr. Mike Harris: So then I have a question about the time. Can you select two ministries, or can you only select one?

The Clerk of the Committee (Ms. Vanessa Kattar): Each selection has one time, but you can select after that.

Mr. Mike Harris: So you could theoretically have labour, training and skills development twice?

The Clerk of the Committee (Ms. Vanessa Kattar): No.

Mr. Mike Harris: No? Okay. So you can only select it once.

The Chair (Mr. Ernie Hardeman): I expect at our next meeting someone will come forward with a suggestion. All we've picked today was the order that they're going to be done in.

Mr. Mike Harris: No, I understand that, but what I'm trying to ascertain is that if both parties had chosen a certain ministry, for example—

The Chair (Mr. Ernie Hardeman): You can't.

Mr. Mike Harris: Okay. Thank you.

The Chair (Mr. Ernie Hardeman): That's what we said in the first place: You can't choose a ministry twice.

Mr. Mike Harris: Thank you.

The Chair (Mr. Ernie Hardeman): We go back to MPP Fife.

Ms. Catherine Fife: Just as a clarification, because this is only the second year that we're going through this new process, which we like a lot: When do I get to select how much time we are requesting to speak around Cabinet Office and Office of the Premier?

Interjections.

Ms. Catherine Fife: Can we just do it? I don't know what you just—

The Chair (Mr. Ernie Hardeman): We can do it now, or we can do it at the next meeting. It's the committee's choice.

Interjections.

Ms. Catherine Fife: I want to put it out there for the government to consider. We would like to have 11 hours for Cabinet Office and the Office of the Premier.

The Clerk of the Committee (Ms. Vanessa Kattar): Do you want to move the motion now, or for a future date?

Ms. Catherine Fife: Yes, I can just do a verbal motion. I move that the Standing Committee on Finance and Economic—

Interjection.

Ms. Catherine Fife: You are allowed to do this. At SCOFEA—

Interjection.

Ms. Catherine Fife: Yes, actually, you are saying a lot—way too much.

The Chair (Mr. Ernie Hardeman): I would point out that the committee is open in its session. If someone has a motion they would like to introduce, they are entitled to introduce it.

Ms. Catherine Fife: Yes, I would like to do that. Thank you very much for the permission.

Interjections.

Ms. Catherine Fife: For God's sake.

The Chair (Mr. Ernie Hardeman): If we could just get silence from one side, MPP Fife has the floor.

Ms. Catherine Fife: I would like to move that the finance committee meet to discuss estimates of the Cabinet Office and Office of the Premier for 11 hours.

The Chair (Mr. Ernie Hardeman): Okay. I understand by staff we'll have to recess for five minutes until we get it all typed out. Was it the first one chosen?

Ms. Catherine Fife: It's the first one chosen, yes. This is the one that we're most concerned about.

The Chair (Mr. Ernie Hardeman): Okay.

The committee recessed from 1710 to 1715.

The Chair (Mr. Ernie Hardeman): We'll call the committee back to order.

We have the motion on the screen. We'll let MPP Fife introduce it.

Ms. Catherine Fife: I move that 11 hours be allotted to the consideration of the estimates of the Cabinet Office and the Office of the Premier; and

That the committee meet at the following times for consideration of the selected office:

—Thursday, May 28, 2024, from 9 a.m. to 10:15 a.m. and 3 p.m. until 6 p.m.;

—Tuesday, June 4, 2024, from 9 a.m. to 10:15 a.m. and 3 p.m. until 6 p.m.; and

—Wednesday, June 5, 2024, from 9 a.m. to 10:15 a.m. and 1 p.m. until 5 p.m.

If I could speak to it—and I will. We're just trying to set aside some time and give members enough notice so that we can all be prepared to discuss the estimates around the Cabinet Office and the Office of the Premier.

The Chair (Mr. Ernie Hardeman): Further debate on the motion?

Ms. Catherine Fife: And I'd like a recorded vote, please.

Interjections.

The Chair (Mr. Ernie Hardeman): I asked for the clarification from the Clerk because I said we don't meet on Thursday. But it was a typo. It's Tuesday, May 28.

Okay. Further discussion on the motion? No further discussion on the motion? Are you ready for the question?

A recorded vote has been requested.

Ayes

Fife, Hazell.

Nays

Anand, Crawford, Harris, Hogarth, Rae, Triantafilopoulos.

The Chair (Mr. Ernie Hardeman): I now declare the motion lost.

Mr. Stephen Crawford: Chair?

The Chair (Mr. Ernie Hardeman): Yes, MPP Crawford?

Mr. Stephen Crawford: I'd like to move a motion.

The Chair (Mr. Ernie Hardeman): The floor is yours.

Mr. Stephen Crawford: I'd like to move a motion that we cease today's meeting.

The Chair (Mr. Ernie Hardeman): That we which?

Mr. Stephen Crawford: That we cease today's meeting—move adjournment.

The Chair (Mr. Ernie Hardeman): Adjourn the meeting. Any discussion? There's no debate on an adjourn motion. All those in favour of adjournment? All those opposed? Motion is carried.

The committee stands adjourned.

The committee adjourned at 1720.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Ernie Hardeman (Oxford PC)

Vice-Chair / Vice-Présidente

Ms. Catherine Fife (Waterloo ND)

Mr. Deepak Anand (Mississauga–Malton PC)

Ms. Patrice Barnes (Ajax PC)

Mr. Stephen Crawford (Oakville PC)

Ms. Catherine Fife (Waterloo ND)

Mr. Ernie Hardeman (Oxford PC)

Mr. Mike Harris (Kitchener–Conestoga PC)

MPP Andrea Hazell (Scarborough–Guildwood L)

Ms. Christine Hogarth (Etobicoke–Lakeshore PC)

Mr. Terence Kernaghan (London North Centre / London-Centre-Nord ND)

Ms. Effie J. Triantafilopoulos (Oakville North–Burlington / Oakville-Nord–Burlington PC)

Substitutions / Membres remplaçants

Mr. Robert Bailey (Sarnia–Lambton PC)

Ms. Jessica Bell (University–Rosedale ND)

Mr. Matthew Rae (Perth–Wellington PC)

Also taking part / Autres participants et participantes

Mr. Adil Shamji (Don Valley East / Don Valley-Est L)

Clerk / Greffière

Ms. Vanessa Kattar

Staff / Personnel

Ms. Sude Bahar Beltan, research officer,
Research Services

Mr. Michael Vidoni, research officer,
Research Services