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HE-53

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

Estimates

Ministry of Municipal Affairs and Housing

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

Budget des dépenses

Ministère des Affaires municipales et du Logement

1st Session
43rd Parliament

Thursday 13 June 2024

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43^e législature

Jeudi 13 juin 2024

Chair: Laurie Scott
Clerk: Isaiah Thorning

Présidente : Laurie Scott
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111, rue Wellesley ouest, Queen's Park
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

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

Thursday 13 June 2024

Jeudi 13 juin 2024

The committee met at 1300 in committee room 1.

ESTIMATES

MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING

The Chair (Ms. Laurie Scott): Good afternoon, everyone. The Standing Committee on Heritage, Infrastructure and Cultural Policy will now come to order.

We are joined by staff from legislative research, Hansard, and broadcast and recording.

Please wait until I recognize you before starting to speak. As always, all comments should go through the Chair.

Are there any questions before we begin? Seeing none, we will now commence consideration of the 2024-25 expenditure estimates referred to this committee. As a reminder, members may ask a wide range of questions pertaining to the estimates before the committee. However, the onus is on the members asking the questions to ensure the question is relevant to the current estimates under consideration.

The ministries are required to monitor the proceedings for any questions or issues that they undertake to address. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked with the legislative research officer.

Today, we will consider the Ministry of Municipal Affairs and Housing. I am required to call vote 1901, which sets the review process in motion. We will begin with a statement of not more than 20 minutes from the minister.

Minister, welcome. You may begin when you're ready.

Hon. Paul Calandra: Colleagues, I am very pleased to be here today to report on my ministry's work as our government delivers on our agenda to build more homes and strengthen the economy while making life more affordable for the people of the province of Ontario.

As you all know, last summer, I was appointed to the role of Minister of Municipal Affairs and Housing. As colleagues will also know, this is a very critical time in our province with respect to housing. We have said right from the beginning that we need to build more homes, and that is more homes of all types. You all know that we have a goal of 1.5 million homes to be built across the province of Ontario by 2031.

The mandate given to me was a very clear one. My team and I, with the extraordinary public service that supports us each and every day, have been working very, very hard

to achieve that goal and to remove obstacles. To that end, I wanted to highlight some recent initiatives and achievements under three themes. Those themes are reducing barriers to get more homes built, building housing-enabling infrastructure and supporting vulnerable Ontarians.

When I became minister in September, I understood that my main priority was addressing the ongoing housing supply crisis by reducing barriers to get more homes built. We know that by cutting red tape, lowering costs and reducing barriers wherever possible, we can reduce the burden on municipalities and unleash the power of our partners in the private and non-profit sectors so they can do what they do as well and what they do best, frankly, and that is build more homes across the province of Ontario.

Colleagues will know that recently, our government passed the Cutting Red Tape to Build More Homes Act, which is part of Ontario's spring 2024 red tape reduction package. In that, it contains many initiatives that reflect our determination to lower costs and remove barriers to getting homes built. I'll give you some examples in case you have forgotten since the House adjourned last week and you voted on it.

We've exempted publicly assisted universities from the Planning Act, which is similar to how publicly assisted colleges are treated. This change could save years in approvals, avoid planning application fees and remove more barriers to building high-density student residences. Obviously, building more student housing would in turn free up off-campus rental housing at a time when rental markets in many communities are extremely tight.

We have created a use-it-or-lose-it provision. It's a tool that will give municipalities enhanced abilities to address stalled development, which can limit a municipality's progress in meeting provincial housing targets. One component is a new service management tool to optimize the efficient use of water and waste water infrastructure by helping municipalities—

Interruption.

Hon. Paul Calandra: Sorry; I'm just going to take off this watch because it vibrates all the time, and it's going to drive me to distraction, so forgive me.

Interjection.

Hon. Paul Calandra: Oh, my gosh. It's a gift that I was given. It's one of those electronic watches, and it's causing me more grief than it does anything else. Hopefully, my daughter is not watching. It's a great gift; I love it.

Let me just go back: One component is a new service management tool to optimize the efficient use of water and waste water infrastructure by helping municipalities allocate and re-allocate servicing to projects that are ready to break ground.

To enhance public engagement, we have passed a regulatory change to allow municipalities to inform residents about new planning applications on a municipal website if there is no local newspaper, and we'll develop municipal best practices for public notices, including multilingual notices to support culturally diverse communities.

We are streamlining certain third-party appeals to the Ontario Land Tribunal to help communities get quicker planning approvals for housing projects. This means third-party appeals for official planning and zoning bylaw matters will be limited to key participants like First Nations, utility providers and municipalities. We are also maintaining appeal rights for landowners if the matter applies to their land, and certain bodies that may have land use compatibility issues. We believe this strikes the appropriate balance between speeding up planning approvals by reducing certain third-party appeals, which can delay projects by up to 18 months, and maintaining an avenue for impacted parties to voice their concerns.

We have removed the requirement to have a minimum number of parking spaces for developments near major transit stations. This change lets homebuyers and home builders decide the number of parking spaces for new residential development near higher-order transit based on market needs and could reduce costs between \$2,000 and \$100,000 per parking space per project.

We changed the Planning Act to provide authority for regulations to eliminate practical barriers to building additional residential units. Such barriers could include maximum lot coverage and limits on the number of bedrooms allowed per lot.

We are also moving forward with an updated provincial planning statement. Earlier this spring, we consulted on a proposal that would focus planning processes on housing outcomes, and we are currently reviewing the feedback we received during the consultation.

This spring, we also released a new version of the Ontario building code, and I would be remiss if I didn't mention Mansoor, who is behind me, and his team, who have done just extraordinary work on this. The building code is something very difficult, very technical, and the entire team has done just an amazing job on that. It reduces red tape and eliminates more than 1,700 technical variations between Ontario's code and the national construction codes. We plan to make further updates to the code that will make it easier to build the homes our province needs, such as increasing the use of advanced wood construction like mass timber.

Beyond our red tape reduction package, we are making progress on many other initiatives that were already under way. For example, after the federal government took our advice to remove the Harmonized Sales Tax on large-scale purpose-built rental housing, we are now taking steps to remove the full 8% provincial portion. The removal of the HST would apply to new purpose-built rental housing, such

as apartment buildings, student housing and senior residences built specifically for long-term rental accommodation.

While our plan is seeing results—the last three years have, in fact, seen the highest housing starts in Ontario's history, including, for two years in a row, the highest number of purpose-built rental starts Ontario has ever seen—we also know that home builders continue to face tremendous economic challenges when it comes to building the homes our province needs. We have heard directly from home builders that some of the biggest challenges they face are a result of high interest rates, high inflationary and high-tax policies of the federal government, including the federal carbon tax that continues to increase the construction, building and transportation costs, additional costs that are ultimately passed onto homebuyers, putting the dream of home ownership even further out of reach.

This is why we continue to call on the federal government to listen to the overwhelming number of Ontarians who want the federal government to scrap this expensive and burdensome tax. But, of course, despite this, our government will continue to take the steps to help build more homes faster by continuing to actively seek insights and advice from our partners on how we can reduce barriers and make it easier to build homes in Ontario.

The second theme I'd like to talk about is building housing-enabling infrastructure. We have heard time and time again from our municipal partners that one of the major barriers to getting homes built is a lack of infrastructure needed to support growing communities. Ontario is doing our part to remove this barrier by investing, frankly, historic amounts of money in much-needed infrastructure such as roads and water and waste water systems so that we can get more shovels in the ground. We're providing this funding through a handful of different programs that I'd like to talk to you about today.

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So, I'll start with the Building Faster Fund, which all of you know and many of you have, of course, participated in your communities on announcement with. The Building Faster Fund was announced by the Premier last summer. This program provides funding based on a municipality's performance against provincial housing targets.

The program is designed to create an incentive for municipalities to meet their targets. It also means taxpayer dollars are going where they are most urgently needed, and that is in the communities where new homes are not just planned, but actually being built. The fund will provide \$1.2 billion over three years, and 10%—or \$120 million—has been set aside for municipalities that do not have assigned housing targets, including northern, smaller and rural municipalities. These municipalities will be able to access the funds through an application-based process.

In year one, many municipalities with assigned housing targets proved that they were up to the challenge: 26 of them qualified for funding. In fact, 19 of these municipalities exceeded their targets, including my own hometown of Whitchurch-Stouffville which, thanks to the great work of the mayor and councillors, smashed through their housing target, providing many, many new homes for the people in

our community. So, municipalities all over the province are preparing for growth and getting more homes built, from Chatham-Kent, to Welland, to Toronto, to Kingston, to Greater Sudbury, to Thunder Bay.

In March, we built on our Building Faster Fund investments when the Premier announced a new program, the \$1-billion Municipal Housing Infrastructure Program, which was rolled out as part of our government's 2024 budget. This funding will help municipalities get shovels in the ground on critical infrastructure such as roads and waste water systems. It will lay the groundwork for more homes across the province, and it will prioritize projects that can build the greatest number of homes.

The budget also includes an additional \$625 million for the Housing-Enabling Water Systems Fund, bringing its total funding to \$825 million over three years. This program will help municipalities repair, rehabilitate and expand critical drinking water, waste water and stormwater infrastructure. Projects funded through the Housing-Enabling Water Systems Fund will unlock more housing opportunities, support the province's growing population, protect communities and enhance economic growth. All municipalities that own water, waste water and stormwater infrastructure are eligible to apply.

Our government also continues to provide critical funding through the Ontario Community Infrastructure Fund. This year, the OCIF will provide \$400 million to 425 small, rural and northern communities across the province. This funding can be used to build new infrastructure, maintain existing infrastructure and finance debt associated with capital construction and maintenance.

These programs, as you all know, are a critical source of funding for our municipal partners and will help ensure that our province is prepared to accommodate growth in the years to come. These programs also dovetail with the package of red tape reduction measures our government passed earlier this month.

The third theme I would like to address is the work our government is doing to support vulnerable Ontarians. In my role, I've had the privilege of travelling across Ontario to meet with stakeholders and members of the public. I'm often joined by municipal officials and housing providers to celebrate the launch of new housing projects being delivered in partnership with our government. These projects make a real and lasting difference in the lives of individuals, families and communities, and they are critical part of our plan to support vulnerable Ontarians.

In 2023-24, we began investing an additional \$202 million annually in two provincially funded programs to combat homelessness: the Homelessness Prevention Program and the Indigenous Supportive Housing Program. The HPP allows Ontario's 47 municipal service managers to provide affordable housing and support services for people experiencing or at risk of homelessness. Service managers have the flexibility to spend funds to address local needs such as emergency shelter solutions, supportive housing, housing assistance and community outreach and support services.

The second program in which we invested additional funding is the Indigenous Supportive Housing Program.

This program ensures that the unique needs of Indigenous people in Ontario are met when it comes to preventing homelessness, with culturally appropriate Indigenous-led solutions. It does this by funding housing assistance and support services for Indigenous peoples who are homeless or at risk of homelessness, especially those experiencing chronic homelessness, youth homelessness and homelessness following transitions from provincially funded institutions.

Our additional investment in these two programs brings our total yearly investment to close to \$700 million, as I said, annually. This represented an over 40% increase in funding to support vulnerable Ontarians while providing local service managers and Indigenous program administrators with a flexible and predictable source of funding they need to help meet their communities' needs. If they wish, service managers and Indigenous program administrators can use the funds for capital projects, as well.

We have also continued to make significant investments in community housing through the National Housing Strategy, which Ontario delivers in partnership with the federal government. Over the past year, we continued to renew the province's aging stock of community housing and committed funding to the creation of new units. Recently, our government reached an agreement with Ottawa on a revised action plan that will unlock \$357 million in federal funding under the strategy. The action plan provides more robust data and insights as to which housing projects benefit from provincial investments and includes new measures that better reflect Ontario's funding delivery model as the only jurisdiction which flows the funds through municipal service managers.

Colleagues, the reality is, all levels of government must work together to make sure the people of Ontario have the homes that they need.

Our government is also taking important steps to help Ontarians who are renters. Our province continues to have some of the strongest rent control policies in Canada, with a rent increase guideline maximum of 2.5%, the lowest in the country, and one that helps protect the vast majority of renters. We know, however, that the only way to truly address rental costs is to increase the amount of rental units across the province. This is why our government introduced an exemption to rent control for new purpose-built rental units built after 2018. This approach, which follows a similar policy first introduced by the NDP government of Bob Rae in the 1990s, has helped lead to consecutive years of the highest number of construction starts for purpose-built rentals in Ontario's history.

In conclusion, colleagues, I'm happy to be here with you today and look forward to answering any questions that you might have on the estimates before you today.

The Chair (Ms. Laurie Scott): Thank you very much, Minister.

We will now begin questions and answers in rotations of 20 minutes for the official opposition members of the committee, 10 minutes for the independent member of the committee and 20 minutes for the government members of the committee for the remainder of the allotted time.

As always, please wait to be recognized by myself before speaking. All questions and comments will need to go through the Chair.

For the deputy ministers, assistant deputy ministers and staff, when you're called on to speak, please give your name and your title so that we may accurately record in Hansard who we have.

I will start with the official opposition and MPP Bell, if you want to begin the 20 minutes.

Ms. Jessica Bell: Thank you to the minister for coming in and speaking on what I believe is the most important ministry in the government right now.

I want to speak about the ministry's responsibility to ensure that we have affordable private market rental in Ontario. The government just released its affordable housing definition, where if a developer rents or sells a home that meets the government's definition of affordable, then the developer is exempt from paying development fees. I worry that the new affordable housing definition and scheme will not spur the construction of thousands of affordable homes, which is what we need in Ontario. The reason why I worry about this is because, in committee, we heard from the Ontario Home Builders' Association that there's not going to be a lot of uptake with this program because it costs more to build the home than they're allowed to sell it for. So, in the case of Toronto, you can get a development fee exemption if you sell a semi-detached home for \$366,000. It costs more to build that home than you could sell it for, so why would a developer do that? And then on the flip side, we also heard from housing advocates who said that the price of rent was priced too high for low- and moderate-income households, which is where our housing shortage is most acute.

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So this is my question to you—I've got a few: Has the province calculated how many developers are going to build these affordable homes and take advantage of the developer fee exemption, and if so, what is the government's estimate?

Hon. Paul Calandra: Thank you for the questions. As you know, we worked very hard on the definition of affordable housing. It was something that we parliamentarians supported unanimously, and I do appreciate that. The definition itself was meant to highlight that there are different circumstances all over the province, there are different thresholds that need to be met in order to have housing built.

We, of course, eliminated development charges on all not-for-profits, and we have seen uptake on that already. I was in Oshawa with MPP Coe on some of the projects that we were doing there. I was in Ottawa on some of the projects that we were doing there.

There is no doubt that there are going to continue to be challenges in getting shovels in the ground on various projects. (a) I'm happy that we've had the highest level of purpose-built rental; (b) we're seeing communities jump on board with respect to alleviating development charges as well, following our lead; and (c) we're also seeing the private sector working with municipalities, frankly, to include affordable housing within many of the development

projects that they are bringing forward, but there is no doubt that more work needs to be done on this. We've got to bring the cost of housing down. That is why we've been focused on red tape and eliminating some of the challenges.

I'll leave it at that, because I believe you have a lot of questions.

Ms. Jessica Bell: Thank you, Minister. I appreciate that.

We supported the decision to include both income and market rate to determine what makes a house affordable or not, but we're very interested in assessing whether this program is going to work or not, and for us to assess whether it's going to work or not, we need to track. The ministry did direct municipalities to track housing targets, which is a good move, but we asked the Ontario government to also direct municipalities to track affordable housing targets as well so we can begin to assess these programs. Can you direct municipalities to provide data on how many affordable homes they are approving?

Hon. Paul Calandra: Yes, it's a good question, because what we saw, especially through some of the challenges that we had in the National Housing Strategy, if I can go back to that—one of the challenges that we were having is that we don't really track as well as we should the number of homes that we're building. There was this disagreement with the federal government just specific to that, for instance, on how many affordable units we had built through the National Housing Strategy. We have continued to work with them and extract data. It started at one number, and then the number increased, the number increased, and it really highlighted for us that we've got to do a better job of tracking that data. I completely agree with you on that. We should be able to better track not only across municipalities, not only affordable housing, but as we've heard through some of the criticism of the BFF funding and how CMHC tracks shovels in the ground, I think we also have to do a better job of how do we accumulate that data from our municipal partners. We don't have a tool right now that allows me to go in and say, "This is what you're actually doing," and I think our municipal partners would like that as well.

So I don't disagree with you on that. I think we've got to do a better job, and that's one of the things that we agreed to with the federal government.

Ms. Jessica Bell: Thank you, Minister, I am looking forward to seeing information from this government that tracks the number of affordable housing targets that they think their new affordable housing definition will build. And also, I'm interested to see moving forward if the government is going to direct municipalities to provide that data, as well, because I agree with you; it is essential.

I'm going to move on to my next question, and this is about the National Housing Strategy. So, in 2018, the province established an agreement with the federal government as part of the National Housing Strategy to—essentially, the Ontario government receives money, and in return, they commit to building a certain number of affordable homes. The Ontario government fell so far behind in meeting its affordable housing targets that the federal government initially refused to hand over the necessary funding.

The Ontario government barely managed to build over 1,000 new homes over a six-year period. It was very concerning.

Now, the Conservatives—this government has now introduced a new affordable housing plan to the federal government. My question to you is: How is this new plan different from the old plan, and how many affordable homes is Ontario committing to build in this new plan?

Hon. Paul Calandra: Well, first, we've committed to meeting our target of over 19,000. That was part of the National Housing Strategy's request of us.

The disagreement—it really relates back to your last question, MPP Bell. Our inability to track the units that we have supported across the province of Ontario—because we deliver housing through service managers, unlike any other province, the disagreement was over how many were supported.

So, initially, the federal government said you would build about 1,100, I think—whatever the number that you had said. We have now, subsequently, identified for them that we're actually up to I think it's 8,300, and CMHC is still completing an assessment of a number of other properties that we have supported. It comes through from different ministries, frankly—health supports, community and social services supports that we support and the service managers support.

It really goes back to your last question: How do we accumulate this data? I agreed with the federal government and Mr. Fraser on this one. We've got to do a better job of collecting data and presenting that data.

We are on track. We will meet our target. As you know, and I know you're completely in agreement, the rehabilitation and renovation targets that the service managers in municipalities hit was extraordinary.

Ms. Jessica Bell: Okay, thank you for that answer.

Given your government's interest in being transparent about targets, this committee would certainly like to see the latest affordable housing action plan that the Ontario government has signed with the federal government. I think that would be important. A lot of people are looking to see that.

Related to this issue of providing funding to community housing and to people in need, we've been communicating with service providers across Ontario, and many of them—so we're talking municipalities.

Hon. Paul Calandra: Sure.

Ms. Jessica Bell: Many of them do not know how much funding they will receive as part of the Canadian housing portable benefit program. That is the funding that is used to get people out of shelters and into private market rental. Their rent is—they get a top-up so they can afford to pay the rent, and we've got more shelter space available to people who are really struggling with homelessness.

We know—and we talk to shelter providers—people would typically stay for a few weeks in a shelter. Now they're staying for up to six months because they can't afford to move out. It's creating huge problems.

What we're hearing from service providers is that they don't know, with the new COHB funding, if existing tenants who are in private market rentals and getting top-ups are

going to continue to be provided with COHB funding. Shelters also don't know if there will be new money available to move people out of shelters and into private market rentals with top-ups.

What is the status of COHB funding? How much are municipalities going to get? And will the funding that's going to be allocated allow for new people to be signed up?

Hon. Paul Calandra: Deputy, correct me if I'm wrong, but part of the challenge that we had when we were unable to come to a firm agreement on the National Housing Strategy was how these funds would be allocated with the federal government removing themselves from their funding responsibility. That necessitated a fully funded Ontario approach, which, fortunately, we've not had to undertake. The federal government is going to continue to fund its portion, and COHB is fully the feds—

Ms. Martha Greenberg: It's split.

Hon. Paul Calandra: Split. But I think service managers are shortly going to be given notice of their amounts. Deputy, if you have a—

Ms. Martha Greenberg: Deputy Minister Martha Greenberg, municipal affairs and housing.

Yes, absolutely. COHB is actually run—the money doesn't flow through the service managers. We work with the Ministry of Finance to administer COHB, so we receive the federal funding and it is flowed through the Ministry of Finance. They're actually in the process of sending letters out right now to those who are eligible because it flows—

Ms. Jessica Bell: Well, they didn't. I talked to them today and they have not received any information, and they really want to know if there's going to be an increase and if new people can be signed up.

Ms. Martha Greenberg: Absolutely. Those letters should be going out imminently, if they haven't gone out today, so we will check on that. They use, obviously, the tax information to make sure you're still eligible and the full allocation of COHB would go out, as the minister said, given we have the commitment of the federal government.

Ms. Jessica Bell: Okay; thank you.

My next question is on housing supply. All parties, including the Ontario government, have committed to building 1.5 million homes by 2031, because we all acknowledge there's a housing affordability crisis and there's also a housing supply shortage. They're two issues that we all know we need to face, at all levels of government.

Statistics Canada just came out with their latest building permit statistics for June and their numbers were, once again, very revealing. The BC NDP government is now approving more homes for construction than Ontario, even though it has just a third of the population. And this is not new; this is a trend that's been going on for some time. For the last 23 of the past 24 months, BC has had more housing units approved than Ontario on a per-person basis. Now, we're in a situation where, in terms of sheer volume, they're now permitting more.

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So there are a few things that the BC government I think is doing right: They're legalizing fourplexes as of right and they are increasing density near transit stations to allow

big apartment buildings and big condos to be built near where people can take transit easily to where they want to go.

What I worry about is Ontario seems to be going the other way, where there has been a decision to eliminate density requirements for municipalities, there has been a decision to make it easier to build low-density housing on farmland and there has been a real reluctance to show leadership on addressing the missing-middle issue by allowing fourplexes as of right.

My question is—this is a genuine question to the minister; I'm asking you: Can you meet with the housing minister in BC and review carefully what they are doing to see what else can be applied here in Ontario?

Hon. Paul Calandra: Look, I've met with the minister in BC. I've met with my colleagues in Alberta and in Quebec as well. We have a federal-provincial meeting next week as well. We all have different circumstances that we face when it comes to the types of housing that we need to build.

On fourplexes, again: I know we'll have a continuous disagreement on this, you and I. The vast majority of the province is already as-of-right four. Me approving or forcing as-of-right four on Hornepayne, Ontario, will have zero impact on the housing supply crisis. The vast majority of northern Ontario, when I was at the NOMA conference, said they would just be happy to get two or three builders coming to build two or three homes, let alone as-of-right four. Some 70% of the province of Ontario's, which is the fastest growing municipalities, are as-of-right four already. It is not solving the housing supply crisis.

When it comes to transit and transportation corridors, we agree. That's why the PPS is also very clear on what our expectations are around transit and transportation corridors. It's also very clear on how we re-allocate underutilized corridors that lead to transit and transportation. We're talking about it all the time, those big huge plazas with a store on the bottom and one apartment on the top that are near GO train or subways. The PPS will allow density along those corridors to happen faster. The work that the Minister of Infrastructure is doing on transit-oriented communities—in my community in Markham and Richmond Hill, that community alone around that transit corridor, there is enormous amount of construction that is happening.

I think the number one obstacle that we have—and I know you'll say that BC has the same obstacle and they do—is we could be unleashing even more opportunity if we could get interest rates down. But the second thing for us is, and we've heard it time and time and time again: infrastructure, infrastructure, infrastructure. We fell behind on infrastructure. We inherited an infrastructure deficit in this province when it comes to sewer, water, roads, transit and transportation. That is also a huge stumbling block for getting shovels in the ground quicker. BC doesn't face that same challenge. They face the other challenges, interest rates and that.

But there's no doubt: We've got to get the infrastructure in the ground, and that's what we're doing right now,

frankly, so that as interest rates come down, we can unleash even more housing. I'll stop there just in case you have another question.

Ms. Jessica Bell: Thank you. Ontarians know and we know that there's no single magic policy bullet that's going to solve the housing crisis. We need a multipronged holistic approach where we look at increasing density, we look at fourplexes, we look at modular housing. Many people—every stakeholder that came into committee on the recent housing bill that this government introduced—called for fourplexes. We hope to see your leadership on that.

I want to talk about the Rental Housing Enforcement Unit. The Rental Housing Enforcement Unit is supposed to enforce the rules of the Residential Tenancies Act to step in, for example, if a landlord changes the locks on a tenant or a landlord is really not doing the necessary maintenance that keeps a home in a livable condition. I'm worried about how effective the Rental Housing Enforcement Unit is. The Rental Housing Enforcement Unit only investigated 219 out of the 16,394 calls it got in 2022-23. It is described by housing advocates as effectively useless.

Geordie Dent, who is the executive director of the Federation of Metro Tenants' Associations, said, "A tenant once told us they told their landlord they were going to call the RHEU and the landlord laughed," because they know the Rental Housing Enforcement Unit is not going to step in and address genuine issues. That has been our experience in our office as well.

Given the need, can this government look at increasing the budget for the Rental Housing Enforcement Unit so they can hire more bylaw officers and respond to valid and genuine complaints within 30 days?

Hon. Paul Calandra: A simple answer to you is that I am undertaking a review of that unit to ensure that it can be as effective as it should be. I share some of your concerns that more work needs to be done on that, so I am undertaking a review of the effectiveness of that unit.

But let me just say this: Landlords need to treat their tenants respectfully and tenants need to treat landlords respectfully. We've got to restore the balance. COVID was a very challenging time for tenants and for landlords, and if we are to get people back into supplying—I'm talking about the small-time landlords. If we're to get them out of Airbnb and into renting, that balance has to be restored. We have to do a better job when a landlord doesn't treat a tenant respectfully. I think we'd all agree that when it's reversed, we also have to do a better job. I am undertaking an internal review of that—

Ms. Jessica Bell: When do you expect that review to be released?

Hon. Paul Calandra: I don't want to give you a timeline, but I'll certainly commit this to you: I don't mind sitting down with you and hearing what some of your thoughts on that are.

Ms. Jessica Bell: How much time have I got?

The Chair (Ms. Laurie Scott): You have a minute and 20 seconds.

Ms. Jessica Bell: Ooh—okay.

Hon. Paul Calandra: I can give you longer answers if—
Laughter.

Ms. Jessica Bell: No, no, no.

I want to talk about rental replacement bylaws. This really affects tenants in the Toronto, Mississauga and Hamilton areas that are seeing a huge amount of growth. In Toronto, there are over 100 purpose-built rentals that are slated to be demolished and converted, almost always into condos. On occasion, they're converted into fairly expensive purpose-built rentals. But almost always, it's purpose-built rentals that are converted into condos.

What tenants have been calling for, and what we're calling for, is compensation for tenants, so their rent is covered during the construction period so they can continue to live in the neighbourhood they call home during the construction period, and a guaranteed right of return. We've reviewed the Residential Tenancies Act carefully, and tenants do not have a guaranteed right of return in situations where it's demolished and converted to a condo.

There is the argument that we hear that if we provide tenants with too much compensation, it will stymie construction. But we can look to some of the areas—for example, Burnaby, BC, which is charting a course where they've got massive housing construction goals they're meeting, and they're also providing tenants with adequate compensation.

My question—

The Chair (Ms. Laurie Scott): I'm afraid that's all we have, but you have another 20-minute round coming up.

I'm going to the government side. MPP Smith, if you want to begin, please start.

Mr. Dave Smith: We've got 20 minutes. I will share some of my time with some of my colleagues, but I do want to point out a couple of things before I get too far into it.

When you look at the ridings that are represented here—and MPP Bell made some excellent points. What I want to point out, though, is her riding is 14 square kilometres. On this side of the table, three of us are larger than Prince Edward Island for the size of our ridings—

Ms. Jessica Bell: Four square kilometres.

Mr. Dave Smith: Four?

Ms. Jessica Bell: Yes.

Mr. Dave Smith: Four square kilometres. Okay, well, that changes some of the stats I was going to say. Because one of the communities I represent is North Kawartha. It's 776 square kilometres, that one municipality. They have just under 2,500 people who live there. They don't have waste water; they don't have water. When she mentioned as-of-right fourplexes, they can't build a fourplex because the size of the property that they would have to have to have a septic system and a well large enough to support a fourplex is just not feasible. So, to your point that making it as-of-right—there is not going to be a single fourplex built in Apsley, in Buckhorn, in Lakehurst, in Douro, in Cottesloe or Cordova, all communities that I represent.

1340

The population in MPP Bell's riding is about 106,000 people. Now, she's saying it's four square kilometres. We actually have farms that are larger than her entire riding. So, I get that she's focused on things that are good for her

riding, that are good for the city of Toronto. We don't have the ability to simply look at one municipality. We have to look at what is going to be beneficial for the entire province when we do stuff. And we have to take a look at the representation of, as I pointed out, three of us whose ridings are larger than Prince Edward Island.

Having said that, there are some similarities with the challenges that large cities face and the challenges that communities that I represent face. We had a significant challenge for two summers and leading into a couple of winters as well where we actually had a tent city set up, tent encampments set up, in the city of Peterborough. We need some fundamental changes to the homeless prevention fund on funding to prevent some of those things. Peterborough was able to take advantage of that. About \$3.2 million was spent to build a—they're referring to it as modular homes. It has been, in my estimation, a very good success and something that I think could be looked at in other areas in some of those smaller cities. Fifty of them were put in, and it was 100% funded through the homeless prevention fund. That's something that we could not have done had it not been for that fund. We have 48 of those units that are currently being used by individuals. Two of them are being used for the office space and security and so on, and there are some wraparound supports that have been put in.

The reason I describe it as a success is every single one of those individuals was homeless, was living in a tent or living in the rough. We now have six of them who have found gainful employment. This has only been up and running for about six months, but we're seeing great successes with it in Peterborough. And again, it is 100% funded through the homeless prevention fund.

I know that it's close to \$700 million now. Through you, Chair, could the minister please outline how this increased funding is being allocated across the province and how you think it will benefit other communities, not just my own?

Hon. Paul Calandra: I will highlight on that, but you're right in pointing out that that's a success story. It is a challenge that we keep hearing from communities—many, many different communities that never experienced this before. It's a new phenomenon for a lot of communities.

So, one of the things that we did, obviously, is we increased the funding to the Homelessness Prevention Program up to its highest level; I think it was an additional \$200 million that went into the program. We are working more closely together with partner ministries to do exactly what you're talking about. You were very good on this—anyway, everybody has been—on ensuring that, in your communities, you're not just building something; you're then providing a wraparound service—because the ultimate goal has to be not just providing a temporary home but giving people the chance to grow and giving them the opportunity to get the care that they need so that they can do exactly what you're saying: get a job, for instance.

We've made some investments through service managers in areas that are having some critical challenges, but it's one of the reasons why we were hesitant on the initial stages—

MPP Bell talked about the National Housing Strategy. It's one of the reasons we were so hesitant initially to directly fund from the province outside of the service manager model, because the service manager model has allowed us to identify areas through the service managers that have critical needs that are different than, let's say, Toronto or other parts. Your community has some, I would say, more unique circumstances now than it ever has before. So that is why we were very guarded when the federal government was asking us to bypass the service managers and fund directly.

But specifically to your question, through service managers, identifying the challenges that a community is needed, where it is important for us to take significant other steps as we did through in Minister Smith's riding as well—Belleville, I think it was—we can address those needs.

But you hit the nail on the head: It's providing the housing but then providing the wraparound service. I know that you and a number of other colleagues were experiencing very big challenges in your community. We're, frankly, instrumental in helping us get to the model that I think is where we need to be.

I think there are improvements, as MPP Bell highlighted, in how we extract data to ensure that what we're doing is working and that we will do. I think there is an ability to work with service managers and our Indigenous partners to better identify and target challenges that we are facing, allowing us to more quickly react.

I don't think it's them. We have to be able to more quickly react so that I can bring health, children, community and social services and the other wraparound services that are required in those instances. So that is why we are very guarded of any attempts by the federal government to fund directly and their request of us, initially, that we forgo funding through the service managers and do it directly.

Mr. Dave Smith: Before I pass it over to one of my colleagues, I want to just throw this last comment in, and that's from my service manager in Peterborough. They have the comment that having the flexibility to make adjustments within the homeless prevention fund and not being boxed in the way that previously they had always been has given them the ability to have those unique solutions where we do have those wraparound services and we are seeing successes because we're not putting them into that small box where they can't do some of the other things that they know they need to be able to do.

So kudos to you and your ministry for allowing that flexibility and the knowledge that the local view on it is the view that should be taken on it, because they're closed to it.

Hon. Paul Calandra: Sorry, not to interrupt you, but I just did; I apologize for that. But it gets me quite—actually, a lot of you, colleagues, did a lot of work on this. MPP Coe will know, when we were in Oshawa, at the former school that was transitioned into youth housing, and Mayor Carter there—it was just an extraordinary, extraordinary program: wraparound services that take youth who otherwise would be on the street, brings them in. There's support for them and they have an affordable home. De-

velopment charges, of course, were waived on that—and the difference that that will make.

The operator there said they would not have been able to do the project if it wasn't for the changes that we had made in Bill 23 but then, visiting some of the other areas in the city, and the mayor pointing out that these people will now have an affordable home. They will have the ability to get services that they need, and they will be able to transition into a job and they will be the ones who will help people in the future that come through those locations.

So we hear it over and over and over again: Wraparound services are what are making a big difference, and it's led a lot by some of the service managers and the team at the ministry who oversee that. So thank you.

Not to underscore, you guys all did a really—I know in particular you had a big challenge in your community, and you were very fierce on that. So a lot of credit to you for that.

Mr. Dave Smith: Thank you. I'm going to turn it over to MPP Kanapathi.

The Chair (Ms. Laurie Scott): MPP Kanapathi, please. You have nine and a half minutes.

Mr. Logan Kanapathi: Thank you, Minister, for your presentation. You covered a lot of ground. Thank you to the deputy minister and all of your team. You brought all of the wonderful staff out here.

We have to be frank and honest and sincere. There is a renaissance, I would say, taking place when it comes to the housing industry; I quite often say it at the House too. You know how we are changing, modernizing everything from zoning to all the building planning and all the infrastructure planning. This is a real renaissance happening. I really appreciate the ministry. Thank you for that, Minister Calandra, and for your staff.

1350

We have heard from municipal partners. You mentioned in your remarks, time and time again, the number one obstacle they face to build housing is a lack of housing-enabling infrastructure. The \$3 billion in housing-enabling infrastructure funding has given the municipalities the tools and support they need to get shovels in the ground. You know that Markham–Stouffville is the fastest-growing municipalities in Ontario and in Canada.

As a municipal councillor, another concern that I heard loud and clear was the builders and residents are zoning and rezoning and removing the barriers—the red tape. That's part of removing red tape in the housing market in Ontario through the Ontario Planning Act. We did so many changes. I would say the granny suite and the DCs. We never had the zoning.

In Markham–Stouffville, the people are watching. They're seeking housing affordability through the basement apartments and second suites. The granny-suite zoning change is a good-news story and also saving over \$100,000 on DCs. So these are the good-news stories I'm seeing with my residents.

My question to you, Minister: Elaborate on the components of the Homelessness Prevention Program and the Indigenous Supportive Housing Program that are being

bolstered by the additional \$202 million in annual funding—additional annual funding. Is that right? I want to get that clarification. And also, I want you to elaborate on how these initiatives aim to address the challenges faced by individuals experiencing homelessness in Ontario.

Hon. Paul Calandra: Yes, thank you for that. Let me just say this: Before we were elected in this place—I was a federal member and you were a councillor, but how many times did we talk about water and infrastructure? In Markham, in particular, right? One of the largest municipalities in York region and the northern part of Markham still doesn't have water and waste water there, so it's impacting long-term-care-home construction in some parts of our community. And how many times did you ask that we've got to get to a spot where we have a use-it-or-lose-it provision? So there was that.

But also, I would say this: I know that you were a budget chair for I think 10 years at Markham, right? So we started facing a lot of challenges together when it came to this. You could start to see, as the community was starting to grow, that we were going to face different challenges when it came to our ability to handle things like homelessness or precarious housing and how under serviced we were—and you talked about this—in the shelter capacity in York region; how under serviced we were in youth shelters in York region; for many, many years, the belief that it's a rich community, so it doesn't need the supports. How often do we talk about a youth from Stouffville who would have to go many kilometres away to get service in a different part of York region, or a woman fleeing violence who had to go to downtown Toronto because there was no space available, right?

Having said all of that, the additional funding and the wraparound services that have to come with it, and holding people accountable—again, I go back to what MPP Bell has talked about. We've got to be able to better ensure that, as we provide funds through to our service managers, we're able to track what it is that we're doing and the impact that it is making. We've got to do better across government ministries, frankly, and I think that we all acknowledge that. And we have to also hold our service providers accountable—and they want to be, don't get me wrong. It's not that they don't want to be. But the additional funding up to the \$700 million just reflects the challenges that we are facing right now in an environment where interest rates increased very, very quickly in a post-COVID environment that was very challenging for a lot of people. It is part of the commitment to continue to work with our municipal partners through service providers who understand the challenges better than the provincial government saying, "This is the way you will do things."

It doesn't mean the systems can't be better, frankly, because they can be. We've been at this for a long time, but the additional funding—you know, what would be really nice is if one day we didn't have to, but it will never change. What we're going to have to continue to do is support those people who need access to services, hold those people who are providing services accountable and have them hold us accountable for the investments that we're making on taxpayers' behalf. It's a good investment

but, as I said, I think there's more that can be done in unlocking how we make these investments and how we track these investments.

Mr. Logan Kanapathi: Thank you, Minister, for that answer. I'll pass it over to MPP Sabawy.

The Chair (Ms. Laurie Scott): MPP Sabawy, you have two and a half minutes.

Mr. Sheref Sabawy: Thank you very much, Minister, for this very impressive presentation in regards to the changes and how that impacts some of what's really needed for people in our ridings.

I'll talk from a Mississauga point of view, from my riding, Erin Mills. We have been seeing a real housing crisis here. Everybody has a major concern. If you are a homeowner, you have a major concern about your second generation or your kids finding a suitable home to start their families; or it's a young family who is moving to Mississauga and they're looking for a suitable house to start their family and start their careers; or even an immigrant who arrived to the country with a dream to start a new life here in Canada and the promise of starting a good career and building a good future for his family here. It varies as well, from somebody who is looking for a detached home, semi, town—or even a condo.

It's now like chasing a dream in Mississauga to find what suitably meets their requirements and, as well, meeting the ability of those hard-working professionals—I'm not talking about people who are in need of government support. I'm talking about people who are already working full time, two members of the family working full-time; they can't meet the pricing and availability.

We understand that it's market-controlled; it's availability and demand. So how do you see that some of the changes within the municipalities—the high density or even the acceleration of the applications, use-it-or-lose-it—can accelerate the process of having that availability in the market to meet the high demand?

The Chair (Ms. Laurie Scott): Fifty-five seconds to answer.

Hon. Paul Calandra: Look, I'll say this. You're right in the sense that it's all types of housing that we have to build. We can't just be focused on one sector of the housing. It's got to be all types of housing. People have to be able to have that dream.

My parents, as I've said a million, million times—they came one at a time: first my dad, then his brother, then another brother. They lived in one home on Dentonia Park in Scarborough. Then one left, and then another left, and then another left. They helped each other. They supported each other. And I think if you still go to that home right now, it is another new family of new Canadians who are doing that. So it's homes of all types. We have to continue to give people that option.

The use-it-or-lose-it—again, this is something that, when Logan was a city councillor, we talked about a lot. We cannot hold up the valuable infrastructure that is in the ground. It has to be used. So the changes that we made allow municipalities to redirect infrastructure to support housing construction that is ready to go immediately.

The Chair (Ms. Laurie Scott): Thank you very much.

We'll now move to the next round of 20 minutes. MPP Burch, if you'd like to start us off.

Mr. Jeff Burch: Good afternoon, Minister. I know my colleague wants to get back to questions about tenants, so I'm going to be quick with a couple of questions as it relates to municipalities.

The Municipal Modernization Program used to fund things like municipal audits and other initiatives to improve municipal administration. The government spent \$35.5 million on this program in 2021-22 but has been cutting it every year since then. That's on page 77 in the estimates briefing book. This year the program was cut altogether. Why is that?

Hon. Paul Calandra: Can I turn that off to you, Deputy? The funds have been redirected—

Ms. Martha Greenberg: You may. I'm actually going to call up Hannah Evans. I believe the program was always originally meant to wind down, and I think Hannah can speak to the details of that program.

1400

Hon. Paul Calandra: Jeff, this is the first time that I have not been able to answer a question.

Mr. Jeff Burch: I noticed that.

Hon. Paul Calandra: So this is pretty awesome. God bless you.

Ms. Hannah Evans: Hello. Hi there, I'm Hannah Evans. I'm assistant deputy minister for the municipal services division with the Ministry of Municipal Affairs and Housing. The Municipal Modernization Program was originally developed in 2019, and it was always intended to be a three-year program, so it sunset at the end of last fiscal.

The purpose of the program was to support Ontario's smaller municipalities to provide them access to funds that they could invest in both studies to look at finding efficiencies and then also, in its final year, implementation programs. There have been a number of excellent initiatives funded. And we continue to do municipal exchange events so that municipalities can learn from each other about things that have worked. But the program was always intended to be a three-year program.

Mr. Jeff Burch: So would you say that there's no longer need for the program?

Ms. Hannah Evans: I think that the program has served its purpose in terms of seeding a lot of efficiencies, a lot of new projects, and now municipalities are learning from each other.

Mr. Jeff Burch: So one of the complaints we hear is that the results of the audits were not released. From a value-for-money point of view, would the government consider releasing the results of the audits?

Ms. Hannah Evans: With respect to the Municipal Modernization Program, all of the—so there were two components. One was efficiency studies reviews. The other was implementation projects. In all cases, a requirement of the project was that the municipality post the results on their website and make it available publicly. So all of those findings were released publicly by the municipalities.

Mr. Jeff Burch: The Streamline Development Approval Fund used to help municipalities streamline their develop-

ment approval process. The government spent over \$20 million on the program last year. But this year, that's being cut altogether. Why is the government cancelling that approval fund at a time when we want municipalities to speed up development approvals?

Hon. Paul Calandra: Part of Bill 185 is that there is work that is being undertaken by the parliamentary assistant to the Minister of Red Tape Reduction in coordination with our municipal partners and experts within the industry. It is a panel that is looking at harmonization and reducing the obstacles to getting planning, frankly. So that work is ongoing right now.

I will say this, our municipal partners are very excited by this, and it's been really very well received. What they've said to us is that they want to go from theory to sitting down and highlighting, identifying and then changing and harmonizing what they can in order to get things done. So the work is actually ongoing. It is specifically being targeted to the fastest growing areas of the province. That work will continue on over the summer. A number of—I think we've completed the first round of consultations. I have yet to receive the report, but certainly I know your expertise in the field; you've been a counsellor for years. I have no hesitation in sitting down with you and going over what we've heard.

Our municipal partners on that panel are really anxious to—I promise I'll stop. But you constantly hear like Stouffville has one set of rules, and then Markham has another set of rules; then Richmond Hill. They all have different sets of rules, and the home builders say, "Oh my gosh, this has to stop." Now, the municipalities are saying the exact same thing.

We can do this better. As I said, it's part of Bill 185. We'll come forward with recommendations for Parliament, but in advance to that, I have no problem sitting down with you to pick your brain on some of the expertise that we get from you as well.

Mr. Jeff Burch: Good; thank you.

Switching to Bill 23, in late 2022, your predecessor, the former Minister of Municipal Affairs and Housing, promised to make municipalities whole for revenue losses due to Bill 23. This is also something we heard in our governance review panels that travelled around. Last year's budget had no money to make municipalities whole. This year's budget has the Building Faster Fund, but according to the Association of Municipalities of Ontario, this still comes nowhere close to making municipalities whole. I know we all support the goal of reducing the cost of building new housing, but why is the government trying to do this by imposing new financial burdens on municipal taxpayers?

Hon. Paul Calandra: Look, I think just the opposite. We work very closely with AMO and all municipal partners, frankly. Some of the changes that you see in Bill 185 help address some of the challenges that some of our municipal partners brought forward at the conclusion of Bill 23, so there are significant changes through Bill 185.

One of the biggest concerns that they raised to us after Bill 23 was that attainable housing and waiving of development charges on attainable housing would cost them billions

of dollars. We've since refocused that to be very clear that that will be on provincially owned lands. The phase-in through Bill 23—the phase-in has been eliminated through Bill 185.

But very clearly, we listened. We addressed the challenges that our municipal partners raised. We have brought forward the largest investment in infrastructure in the province's history to help support our municipal partners.

I consider the book closed on this. I need our municipal partners to be a partner in this as well. They understand that. The changes that we have made reflect their direct ask of me and of the government. We've addressed it, and now we're going to focus on building the infrastructure together to get shovels in the ground faster.

Mr. Jeff Burch: I know it was a past minister that said it, but is that a promise that we're going back on now, or is there still an intent to fulfill that promise to make municipalities whole so that money they lost will actually find its way back at some point?

Hon. Paul Calandra: I believe Bill 185 addresses the concerns that the municipal partners had with me with respect to their ability to fund programs in addition to the infrastructure investments that we're making.

Mr. Jeff Burch: The funding in the current program is being promised to municipalities that meet housing targets or at least come close to achieving 80% of their target. Several municipalities failed to come close to their 2023 targets, including Windsor and Mississauga. Did these municipalities lose access to BFF funding?

Hon. Paul Calandra: No.

Mr. Jeff Burch: They did not lose access?

Hon. Paul Calandra: No, they don't lose access. If they're able to meet their targets over the next couple of years, the funding will still continue. It's still available to them. There's also funding, as we've said, that has been dedicated to municipal partners without housing targets. But no, they will still have access to the BFF funding, and all municipalities, of course, across the province are going to have access to the new infrastructure programs that were announced in the budget, focused on those that can get shovels in the ground faster. So, no, everybody still has access to that.

Mr. Jeff Burch: Just on that, a lot of us come from ridings with multiple municipalities. Many do not qualify for the funding, and that's what you're referring to. One of the common complaints I get from the town that I live in is that they've blown away everyone in the region with housing targets. They want targets so that they can have access to the money, but they feel that it's really not fair that they go out and they do the work; if they had targets, they would have exceeded them by five or six times, and they're not getting access to that money. Sure, they can apply for infrastructure dollars, but what do you say to those municipalities that are doing a really good job but don't feel that they have access to the funds?

Hon. Paul Calandra: Look, I say keep doing a good job, because we need the housing as badly as we can get it. We need it, so keep doing a good job. We have set aside funding for those that do not have housing targets. I love

hearing that a lot of our partners want to achieve targets. I get that a lot in southern Ontario. In the north, I get the opposite: "What can you do to help us bring people here? And what can you do to help us get shovels in the ground?" So, a lot of the new infrastructure funding, part of the BFF funding, is for those municipalities that do not have targets already.

1410

Then, we're also looking at what we can do to help spur on—whether it's roads or bridges. We've heard from some municipalities, "It's great if you give us infrastructure—sewer and water—but then I don't have the roads to get people to support what you're doing, or I don't have a school to support the people that will come with it." So, it's really multi-faceted: It's what the Ministry of Education is doing and the funding to build new schools, Infrastructure is doing with respect to roads, and then the sewer and water as well.

But, look, I tell municipalities, "If you're meeting those targets, keep meeting those targets. There is funding that is there and there will be additional funding as well." We are working on a Team Ontario approach to the announcement that the federal government made on their infrastructure program as well. We've brought municipalities to the table with us as opposed me negotiating on their behalf. We've brought them right to the table with us and we will negotiate together.

Mr. Jeff Burch: Thank you. I'll pass things over to my colleague, Chair.

The Chair (Ms. Laurie Scott): MPP Bell, eight minutes.

Ms. Jessica Bell: Thank you, Minister. Thank you to my colleague.

I want to go back to the question of rental replacement bylaws. As I mentioned earlier, over 100 purpose-built rentals in Toronto are slated to be demolished—almost always, they're converted to condos. What many tenants and what we are looking for is something similar to what Burnaby, BC is doing, where tenants are provided with compensation during the construction period and then there's a guaranteed right of return to the new home once construction is complete at about the same rent. That way, we get to build more homes to provide for the incoming people who are coming to Ontario, but we don't price out people who already call Ontario home.

The challenge we've seen is that with Bill 23 and additional bills the government has introduced, they've essentially given themselves the power to ban municipalities from protecting tenants in this situation. My question to you is this: Can this government, can you commit to giving municipalities the jurisdiction they need, the freedom they need, to protect tenants in situations like this?

Hon. Paul Calandra: That's a responsibility of the provincial government. We protect tenants through the Landlord and Tenant Board, through legislation that I have through the Ministry of Municipal Affairs and Housing and through enforcement that is done through the Attorney General.

Look, we've seen the highest amount of purpose-built rental in the province's history. We have never built as much

purpose-built rental ever in this province's history. I think the real challenge that we have is ensuring that there is not only large purpose-built rental but—the basement apartments, great; the nanny suites, great. But what I worry about, if I'm to be honest, is I worry about those mom-and-pop landlords who, at one point, were a very, very important part of the housing mix in the province of Ontario—a very, very important part. What do we have to do to give them to continue to be a part of the housing mix in the province of Ontario? For me, that is an absolute priority.

When I look at the amount of people that have Airbnbs, for instance, I think, "What's the reason they have that?" We have to do more work on rebalancing and ensuring that our systems, whether it's the Landlord and Tenant Board, reflects both landlords and tenants in a fashion that gives people the confidence they need to continue to be landlords. I think, for me, that's the approach that I'm going to focus on.

Ms. Jessica Bell: To be clear, the vast majority of these purpose-built rentals are owned by some of Canada's most profitable landlords. These are buildings that, at a minimum, have 50 units or more. These are not small mom-and-pop landlords that are buying these properties.

I think it is extremely important that the Ontario government take steps to ensure that we protect these tenants and protect these affordable private market rentals, because once they are gone, they are gone. We're building all these new homes—excellent—but it's very concerning when we're threatening the affordability of our municipalities at the same time. I think we can do both.

The additional question that I have is around this issue of keeping municipalities whole. I was listening very carefully to your answer to the member for Niagara Centre. We heard in committee that municipalities can no longer charge developers to contribute to affordable housing. The AMO did a calculation and calculated that, because municipalities are no longer allowed to charge developers for affordable housing and shelter, they're on track to lose over \$2 billion over the next 10 years for funding that should go to shelters and affordable housing.

This is happening at a time when we can all agree that the affordability crisis and the homelessness crisis has never been worse. It has never been worse. We're seeing encampments in towns and cities all across Ontario, and they weren't there five years ago.

Can this government review the development charges rules and allow municipalities to collect development charges for affordable housing again?

Hon. Paul Calandra: One of the things that I heard loud and clear from municipal partners and one of the things I've heard loud and clear from home builders is that the time has come for stability within the development charge framework, and I intend to deliver that stability.

There are a number of ways that we are supporting our municipal partners. We just heard about the Homelessness Prevention Program; we've increased funding for the Homelessness Prevention Program by \$200 million a year, and that brings it up to \$700 million. We have the largest infrastructure build in the province's history, frankly. We

are working with—in instances with the Provincial Land and Development Facilitator to ensure that we have affordable housing within projects. Many of the home builders have said to our municipal partners, "Give us certainty on time, and we will give you, we will participate in affordable housing, as well." We are seeing that.

We all have to do what we can to keep costs down so that more homes can be built and they can be affordable, and that is why we have increased funding in other areas to ensure that we can build the types of homes that we're hearing about, like in Peterborough and others that provide not just housing but affordable housing solutions. We're going to leverage provincially owned land for that. We're working with the federal government with respect to their lands, as well.

Municipalities have come forward to us and said, "We have land that we want to unlock as well for affordable housing." We have committed to eliminating development charges on those lands, as have our municipal partners. We're working with the federal government and BC with respect to standardized designs so that we can build even faster in some of these areas. We have seen great partnerships with Habitat for Humanity in Toronto and in other jurisdictions.

I'll stop there, because I know you've got a minute; sorry.

Ms. Jessica Bell: Thank you. I've got one more question.

The Chair (Ms. Laurie Scott): One minute left.

Ms. Jessica Bell: The BC NDP government is moving forward with a program to ensure that non-market housing and affordable housing is built on public land by providing access to low-cost financing grants and the public land in order to lower costs and make sure that a percentage of the homes that we're building are deeply affordable and affordable.

It's interesting to hear that the provincial government is maybe continuing a similar program. What kind of affordable housing commitments are you looking at making if there is construction on public land? Because currently, when I look at what Infrastructure Ontario is doing, there's no commitment. Are you looking at changing that?

The Chair (Ms. Laurie Scott): Twenty-five seconds.

Hon. Paul Calandra: We're working very closely with our partners to ensure that we use the land and the resources of the people of the province of Ontario and municipalities to provide all types of housing that is required to support those communities.

If you get another round, I'll give you a more thorough answer, as well. Sorry.

The Chair (Ms. Laurie Scott): You've got eight seconds; that's all I've got for you now.

Hon. Paul Calandra: Oh, sorry; I thought you said "five seconds."

The Chair (Ms. Laurie Scott): No, 25.

Hon. Paul Calandra: Sorry; I thought it was done.

Ms. Jessica Bell: Will there be a commitment to include affordable housing on provincial public land?

Hon. Paul Calandra: Yes, we've said right from the beginning, all forms of housing—absolutely all forms of housing.

The Chair (Ms. Laurie Scott): Thank you. I gave you a little extra because of the dialogue of seconds.

Okay, over to the government side: MPP Coe, please start.

Mr. Lorne Coe: Chair, through you to the Minister of Municipal Affairs and Housing: Minister, you will know from the time you spent in the region of Durham—which has been frequent, and we appreciate that very much, not only the city of Oshawa but Pickering, as well—that we have two universities, Ontario Tech and we have Trent Durham. And you'll know from your time in the region that student housing is one of the challenging issues that both universities have been turning their attention to for the past year and a half, two years.

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I think it's important for the record, Minister, that you're able to speak to the work that you've already done within the Ministry of Municipal Affairs and Housing and the level of collaboration that has taken place with your staff with the university leadership, both at Ontario Tech and Trent Durham, to help them deal with the increase in enrolment that they've had at both universities.

Hon. Paul Calandra: You'll recall when we were out in Durham and you were able to bring together mayors and the regional chair with yourself and MPP Barnes, and we had a fulsome discussion at that point on not only the challenges facing the region but also on the student housing challenges. I know it's something that both yourself, the chair and MPP Barnes have raised on a number of occasions. It is something that then we have circled back with Minister Dunlop on, specifically on the student housing initiative, and she was able to provide us with a number of examples of our universities that were facing severe challenges in getting approval to build student housing, which was forcing them into very different types of solutions for their students.

We then circled back with the community colleges to fully understand—because they already had this ability that we gave the universities in Bill 185. And working with Minister Dunlop and with those communities that have university campuses, we were able to bring to this forward.

Look, we have an example here: U of T, when I was talking to them, I think it's 10 years they've been waiting for approval on a student housing initiative. Again, it helps: You build homes for students—great—then that allows them to get out of the community. It allows for some of the housing that they're occupying. But for the student as well, as you correctly raised at that round table—and I hadn't thought of it until then, and I feel stupid that I hadn't thought of it, to be honest with you. But for the students that can then be on campus, it's the same thing: They have access to services that they don't have when they're off campus.

You talked about a parent who just felt so much more comfortable knowing that their child could be on the campus as opposed to off. So this will have a benefit in the community and a huge benefit for students. It's long overdue, I would say. I think that it is very much in the right direction. Our partners at the universities are very, very grateful, but

now we'll hold them accountable to make sure that they built those—

Mr. Lorne Coe: And they understand that, and they appreciate the work that you've done in this regard and on municipal approvals as well, streamlining that process, and also some of the exemptions.

I'm going to, Chair, through you, go to my colleague.

The Chair (Ms. Laurie Scott): MPP Sabawy, go ahead. There's 16 minutes left.

Mr. Sheref Sabawy: Thank you very much, Minister, for sharing your family story as an example of an immigrant family who started in Canada—started their successful journey in Canada, as we can see.

As an immigrant myself, who stood 29 years ago—in July, it will be 29 years since I was standing in terminal 1 with my luggage, thinking: Where am I going to spend the night, tonight? That's where the dream of owning a home started. We needed to build a home. We needed to start a home.

That dream of every immigrant—when we hear that there are 500,000 new immigrants arriving every year in the next three years, it actually gives me goosebumps. I was there; I was one of them. I know how it feels. That's why I spoke at every single housing bill you and your ministry introduced in the Parliament because I know how important it is for every person in Canada, and of course as an immigrant.

I would like to highlight, again, that not one size fits all, and we have to work as a government in incentivizing all kinds of housing, affordable homes as well as regular homes, which can fit all different sizes of families.

How can we strike the balance between municipalities and developers? How can we add more incentives to the cities to meet their targets while incentivizing developers to accelerate? Again, the incentives we giving to the municipalities who meet their targets, the use-it-or-lose-it concept—to strike a balance between the different stakeholders in this, being federal, provincial, regional, municipal. Even the developers need to be playing their part in this overall oversight of the housing crisis.

I understand what you said about the 10 years. U of T, in Toronto, is trying to get a permit for 10 years. It's actually here, this committee; we had the president of the mayors' association, and he said that the average time between getting the land and starting the process to the date they can deliver a unit is 11 years—11 years. So how can the changes we did impact to accelerate?

And also one more item in regards to affordable homes: How can we incentivize not-for-profit organizations, charity organizations, even developers to see affordable homes as a target, as a goal, as a successful business proposal?

Hon. Paul Calandra: I'll just say this first on the municipal partners side: MPP Coe will remember when we were in Durham for the round table and we asked all these mayors and the regional chair, "Would you be willing to sit in a room and harmonize your processes across your areas while still reflecting the things that are important in your community?" and how excited they were to be a part of that process. Maybe, MPP Bresee, you can help me—

Warden Pickford or Mayor Pickford? I can't remember. Leeds-Grenville—I know it's kind of out of your area, but they had a housing forum out that way. It was so well attended. It was just a great, great forum. For them, it was “What can we do together to reduce the burdens or the barriers that stop people from getting shovels in the ground?” So I think our municipal partners are now on side with this, because they understand how important it is to get shovels in the ground.

We have to do all types of housing. This has to be all types. I'm not going to be the Minister of Housing that takes away the dreams that people have on different types of home. When my parents came here, six of them in one house, their dream was to have their own home, and they got it. When I was a younger, my dream was to get out and have my own apartment. For others, it is if they can get their first apartment. We have to provide all types of homes.

But what we hear constantly, over and over and over and over again—whether it's in small communities, big communities—is infrastructure, infrastructure, infrastructure, infrastructure, and doing things differently. If you want to bring jobs, you need the infrastructure to support jobs. You need the school but, more importantly, you need the sewer, water and roads so that people can build homes. We are there to do that for all of our communities, frankly. And, again, it's across the spectrum. It's all types of housing.

Let me just conclude by this. You talked about the immigrants that are coming here. I've said this before. I said this actually at the housing forum. People should make no mistake: We need people to come to the province of Ontario. We need people to come from all over the world and help us grow our province. When they come here, it has to be that they also can fulfill their dreams. It shouldn't just be us who need them. And I know that if we don't fix this—I've said this, and sometimes people get uncomfortable with it: If we don't fix this, if we don't get shovels in the ground, if we don't build homes faster, if we don't continue to give people the right to dream, people will start blaming the very same people that we've begged to come and help us build our province for the reason why we're in a housing crisis. If you've come here, you've probably faced this at some point in time. So we owe it to the province to get this done. I think our partners municipally, the federal government and we are focused—we might have different ideas on how we get there, but we are focused on getting this done. Otherwise, our growth and the quality of life that we've enjoyed as the province and the country have grown won't be there.

1430

Mr. Sheref Sabawy: Thank you very much, Minister, for this answer. Actually, I totally agree. If we weren't ready for the immigrants who are coming to Canada to help us build Canada, they might be thinking about leaving back. We have been hearing some stories about people thinking about emigrating back or leaving back to their countries back home or even other places in the US because they don't feel that it's achievable. So, again, we have to be ready. We have to make sure that the infrastructure is there.

In Mississauga, very close to my riding, in the centre of the city, we see some accelerated building. In one inter-

section, I can count 11 cranes—from one intersection, 11 cranes, 11 high-rises coming to Mississauga, in the middle of the town.

Can you attest to, those steps we took, how much those steps accelerated now what we can see in shovels in the ground currently in the moment?

Hon. Paul Calandra: We had a series of bills that were designed to get shovels in the ground faster and to move things along quickly. But there is no doubt, I will say this, that the speed at which interest rates increased, the fastest increase in interest rates ever in the shortest period of time, had an immediate impact on our ability to continue to see the growth that we wanted.

If we're going to continue, the evidence is that you're right. Before the high inflation, before carbon taxes, before interest rate increases, there is no jurisdiction that had more cranes in the air than us, and that work continues. But if we're going to continue to see that type of growth, we need to bring those costs down so that we can do that—continue on that path, that progress.

The Chair (Ms. Laurie Scott): I'll now turn to MPP Byers. There's six and a half minutes left.

Mr. Rick Byers: Six and a half—I had exactly that in my plan, so this worked out very well.

Thank you, Minister. I really appreciate your remarks this afternoon and all the ministry is doing. I wanted to come back a little bit on the infrastructure question, because there has been a number of different elements. You commented, and it's both roads and water and waste water in particular. Whether it's the Municipal Housing Infrastructure Program, the Housing-Enabling Water Systems Fund, also the Ontario Infrastructure Bank and the OCIF funding that the government has done, there are many areas of support. I think it's interesting as well, with those two types of infrastructure, water and waste water have a revenue stream which allows governments and municipalities to look at that a little bit differently than roads that don't.

I'm just curious about, as the ministry has looked at this very, very major issue and all the things you've done, are you comfortable that we have the right approach here that you are seeing and things are starting to be delivered with municipal partners on this subject?

Hon. Paul Calandra: Yes, they really have been good partners with us. As you said, it's one of the reasons why we've brought them to the table with the federal government. When we heard about the federal government's infrastructure plans, we weren't necessarily aligned with the priorities that the federal government had. We asked our municipal partners the city of Ottawa and the city of Toronto, with AMO, to come to the table with us so that we could negotiate infrastructure that works for the people of the province of Ontario. To their credit, the federal government has been receptive. But across the province, we've heard, we keep hearing, “You've got to do more to get infrastructure.”

I think Markdale is in your riding, right?

Mr. Rick Byers: Yes.

Hon. Paul Calandra: We were in Markdale—a long-term-care home, right? You bring a long-term-care home.

It's 30 years old or 25 years old, and you bring in the new long-term-care home. Then, the first thing that they say to you is, "Okay, you have a brand-new long-term-care home, but now you can build homes around this to support the staff that you're having with a new Markdale hospital." That brings people into a community.

As important as sewer and water is, and it really is—then you deliver a new hospital which brings people there. You deliver a bigger long-term-care home which brings people into the community. You build roads that help bring growth, which helps other say, "Okay, look, we can set up, establish a company there," and then ultimately you get the municipalities that say, to continue to encourage people here, "You've got to help us on sewer and water." This is the largest investment the province has ever made.

I shouldn't tell that story; my wife will kill me. We needed a new furnace at the house. And my wife said, "Man, I hate that we got to get a new furnace." I said yes. She said, "Nobody will ever know that we've got a new furnace, and there's so many other things that we need to do in the home." Sewer and water is the exact same thing. "The front garden is a mess, so we should be doing something out there," I said—it's more me. But she's like "No, we got to do the infrastructure on the house." It's the same thing, right? You don't necessarily see it, but what happens because of it.

Think of Loyalist, for instance, your community before you were a mayor there. Think of the investments that you were able to bring to Loyalist, because of the commitment to infrastructure in that community.

It's not just housing; it spurs on economic development and growth as well, and makes the investments in the long-term care and in hospitals and in bringing jobs—it makes it possible where otherwise it would not have been. For far too long, we focused on southern Ontario and our big cities at the exclusion of our smaller communities, which are now set to unleash economic activity like we have never seen before. Sorry, a long answer for what was a short question.

Mr. Rick Byers: No, it's great. You're absolutely right, because in the rural communities that you mentioned, Markdale is a perfect example. There's tons of housing now going up alone in that community because of those other investments. And south of there, in Dundalk, that community has huge growth. I was pleased to announce a new school the other week. So these are exciting things. This must make it challenging as you look at—as you exactly said, you do one thing and it spurs a whole other bunch of growth which then you look back and say, "Gee, we needed a bigger pipe, had we known this," and whatnot. So that's the challenge that there is in all these sectors. So we really appreciate all that kind of thinking the ministry is doing and the impact it's having on rural communities and urban all over. So thank you.

The Chair (Ms. Laurie Scott): One minute remaining. But we can move around.

Mr. Rick Byers: We're very efficient.

The Chair (Ms. Laurie Scott): Well, thank you for the efficiency.

Mr. Lorne Coe: Efficiency is good.

The Chair (Ms. Laurie Scott): Okay. We do have another round of 10 minutes for the opposition side and another 10 minutes to government. So I'll begin with MPP Bell.

Ms. Jessica Bell: I want to talk about the Landlord and Tenant Board that has come up a few times in the committee hearings today. The Landlord and Tenant Board is this tribunal that navigates the natural disputes that would happen when an investor sees a house as an investment and a tenant sees that same house as a home. It's the busiest tribunal. It's one of the most important tribunals in Ontario.

What we've been seeing over the last six years is that the Landlord and Tenant Board is becoming, quite frankly, dysfunctional. We are seeing people waiting upwards of a year and a half or more to have a hearing, and we know that there are still 53,000 claims that have not been heard yet. It has created this situation where tenants have given up. They don't even want to apply to the Landlord and Tenant Board for recourse, because who is going to wait a year and a half to get their washroom fixed? And landlords, in some cases, are being put in very difficult financial situation if they have a tenant who is no longer paying the rent and they have very little recourse.

The Landlord and Tenant Board has a commitment on their website to have hearings at least begun within a 30-day time frame. It's clearly not being met. Can this government make the necessary changes in funding commitments to ensure that LTB meets its 30-day timeline?

Hon. Paul Calandra: Look, let me first just say this, many of the challenges that we have at the Landlord and Tenant Board stem from the decisions that we made, the very necessary decisions that we made, during the COVID crisis that Ontario obviously wasn't immune to. So there was a great deal of backlog that came as a result of those decisions to protect tenants from any challenges that they might face in housing. So, absolutely, that is a challenge, 100%. We want to get to the standard that I think will allow us to give confidence to tenants and give confidence to landlords. I think it's an absolute must.

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We are putting more resources into the Landlord and Tenant Board. We've hired more adjudicators. I know the Attorney General is working very closely to see what additional resources—I know that the parliamentary assistant to the Attorney General is also undertaking a review of that as well on our behalf.

But I think it's absolutely vital. You'll get no disagreement from me on this. We have to achieve that standard. I think it's one of the reasons why that we face certain challenges from landlords who would have otherwise come back in and provided more housing. But in defence of the board, the backlog that came from COVID was immense and the progress that they have made over the last little while, in particular, has been very, very good. But 100%, more work that needs to be done, and that has to be done as quickly as possible. I agree with you on that.

Ms. Jessica Bell: There are two pieces that my hope is that the government will address. One is that landlords'

applications are being heard approximately twice as quickly as tenants' applications. There needs to be fair access to justice. We're also hearing concerns from tenants who will get on a call. They'll sit on a call for hours. They don't have access to the Internet. They might be low-income or moderate-income, and they have a very difficult time having a fair tribunal. So that issue of ensuring that there's fair access to justice for both tenants and landlords alike—my hope is that the government will work on that.

I want to talk about the issue of home prices. Home prices in Ontario, when you factor in the carrying cost of a mortgage, have never been more expensive. We have an affordability crisis like we've never seen in towns and cities across Ontario, and it's really affecting younger generations, newcomers—renters, essentially.

What we have seen is that there are many reasons for this. One of the reasons is that we are seeing a concentration of investors moving into the market. We're seeing Bay Street and Wall Street move in. We're seeing companies like Core Development move in, making a public commitment to buy \$1 billion worth of single-family homes. And we're also seeing a real concentration of people buying three, four, five, 10 homes and pricing out first-time homebuyers.

Other provinces have moved forward with measures like speculation taxes and vacant home taxes in order to help first-time homebuyers get that home by making it more expensive and a bit more challenging for people to buy their 12th home or their 100th home. What kind of steps do you think the Ontario government would be interested in making to address that kind of speculation and helping first-time homebuyers?

Hon. Paul Calandra: Full stop, I have no interest in taxing people. Frankly, I don't think taxing people is the route to building more homes across the province of Ontario.

The challenges that we're facing right now stem from the incredible deficit that we inherited with respect to sewer and water. I know people get sick and tired of hearing "sewer/water," "sewer/water," "sewer/water." I could go around the province of Ontario—and it's not just Ontario. This is every province. Every province across this country has said the same thing: "We need help on sewer and water. Don't help us build 1,000 homes; help us build millions of homes, and we can do that with the sewer and water."

The other challenge that we have is the speed at which interest rates increased—have given us a challenge right now. The speed and then the time frame have given us a double challenge: first, affordability—people being able to afford to buy a home; and secondly, home builders from being able to get shovels in the ground, the financing that they need to build those homes. So that's why we're moving right now so aggressively on the infrastructure side, so that we can reduce those costs. And then things like—as I said, transit-oriented communities, which we'll build up, and the changes to the PPS, which will unleash more opportunity.

You cannot separate supply from price. You know, people always talk to me about wartime housing, wartime housing, wartime housing, wartime housing. And that was a great

program. But I think that was 50,000 homes built on farmland across—Scarborough at that time was all farmland. We're not doing that anymore. That's not what happens. So we've got to think differently, and we've got to move quickly. We've got to bring costs down. I'm so encouraged. It's the first step; interest rates have moderated, and it looks like they're going to come down.

But no, short answer: I'm not interested in putting more taxes on people and making it even more costly. I want to make it more affordable, and I want people to come here and make investments because it's the best place to invest and build homes, because that's how we've grown this province for generations.

Ms. Jessica Bell: Okay. So when renters are out there and they're looking at this government, what they're seeing is a government that's choosing investors over renters. It's a government that is not as interested as they should be in helping people buy their first home, because it is very disheartening when someone goes out and bids on six or seven homes and then sees investors that are buying them, and they're being outbid. It's creating a lot of anger, I would say, among younger generations.

The next question I have is about short-term rentals. In Toronto, we have a lot of short-term rentals, especially downtown, and we're seeing two types of rentals: We're seeing the short-term rentals for 28 days or less, and then we're also seeing a big rise in rentals that are rented out for 28 days or more. We are finding that these are not tourists that are renting out these rentals for 28 days or more. They increasingly are students; they're workers; they're people who are looking for a long-term rental home, and they can't find it.

The city of Toronto has called on the provincial government to provide clarity on when is a short-term rental a short-term rental and when is it a long-term rental. Many advocates are asking for the province to make it very clear that in the Residential Tenancies Act, any unit that is rented out for 28 days or more is bound by the rules in the Residential Tenancies Act, so a tenant has some rights and protections.

Is the government interested in providing clarity around short-term rental rules to ensure that if a rental is 28 days or more, it's bound by the Residential Tenancies Act?

Hon. Paul Calandra: Look, as I said earlier, I think one of the reasons why we have so much of that is because there is a growing lack—people want us to restore balance in the system. I hear this a lot from landlords; I hear it from tenants. They want balance in the system. If balance can be restored in the system following the challenges that we faced during COVID with the investments that we're making in the Landlord and Tenant Board, that will encourage people to get back into rental housing.

When my parents came here—my parents were immigrants and they bought rental housing. That was their thing. That was their pension. My dad died really young, and that's how my mother was able to raise four kids. So she is one of those people that accumulated places that some—and I know that that's not what you're saying, but she's one of those people that did this. We provided housing for

people for many, many, many years. Now I look at some people, and I say, "What's your obstacle? Why don't you want to get into this?" "You've got to make sure that it's easy for us to be a landlord. You cannot tax us to death. You have to make it attractive for us to do it."

And they all say the other thing too: "If I'm a bad landlord, you should punish me as quickly as possible," because that is the only way you'll get people back in. That's the only way people will make these investments. It is the only way to ensure that we have rental housing, that we have affordable homes. We have to restore the balance that we lost during COVID, and we're going to continue to work on doing that. But I don't want to do it in a way that discourages what worked in this province for many years.

I see the Chair is stopping me, so I'm going to stop.

The Chair (Ms. Laurie Scott): Thank you, Minister.

We'll now go to the other side: MPP Bresee on behalf of the government, please.

Mr. Ric Bresee: Thank you to the minister for this excellent conversation. I have to admit, after 22 years in municipal government and only two here at the provincial level, I still tend to think of myself more through that municipal lens and thought process.

A couple of the statements that you've made in answer to questions and your presentation really, really stuck with me. The first one was the idea that municipal partners are on side, and I very, very much agree with it. More specifically, MPP Bell earlier was speaking about the large apartment buildings that are being built. They are being built in the large urban centres, and we absolutely need them. But then came the question of: "Are those just big capital investors and corporate entities?"

1450

In my area, in the rural areas, in the suburban areas, we're seeing a lot of people, a lot of seniors that are getting to the point where they're aging out of that bungalow they've lived in for the last 50 years. You know who is buying them right now? Skilled-trades guys are buying those, because they have the skills, they have the talents to be able to convert that into two units or three units and then rent them out. Just like you were just saying about your parents, my father was one of those guys as well who bought these, turned a duplex into four units and rented them out. They provide housing and they provide—the comment was it's about investors' security; yes, my father's investment, your mother's investment, the skilled-trades guys. I see 25-year-olds that are doing this right now, and I think it's absolutely wonderful. It's a way of growing our housing stock, a way of providing for those rentals that we desperately need. So keep going on that, keep supporting the mom-and-pops—absolutely.

These are more comments; I do have a question at the end of this. You mention the idea of the service managers. Unfortunately, I don't think the general public knows really what a service manager is. Again, with my background, I happen to be the former chair of an organization called PELASS, and that is the Prince Edward-Lennox and Addington Social Services group. It is an agency formed by two different counties that partnered to provide social

service, and they take care of housing services, OW, ODSP—all of that range of things. They're also huge recipients, relatively recently, of the HPP, the homelessness prevention fund, and they've made absolutely wonderful use of it. You talk about the idea of that wraparound service. That agency, because they're involved in so many different pieces of this, is able to provide that continuity of service and give that leg up, that approach to not just rescue them when they're at their most desperate, but also help to provide them with—whether it's counselling or skills training—whatever services that they need, wrap that around so that they can get that boost. That is happening, and it's happening with the knowledge and with the partnership of the local municipalities. These are the people who have boots on the ground, who know that local environment really well. They're partnered with the province to provide the funding, in most cases, and a framework for them to work within. It is a great example of provincial and municipal partnerships to provide that level of service.

I am getting to my question, Chair.

Another thing that you had mentioned was the idea of the use-it-or-lose-it concept, as it's being presented right now. For the municipal infrastructure—water and waste water, quite specifically—it is a huge challenge. Again, people don't realize, for these small communities of 2,000 or 3,000 people that have water and waste water facilities, it's actually a lot more expensive on a per-person or per-household level than it is for the larger entities. I know in my own municipality of Loyalist township, we have two water intakes and two water purification systems—the same number as the neighbouring municipality of the city of Kingston, serving 130,000 people versus serving the 12,000 people that my service cost was. And yet our costs were higher, and our bills were higher as well.

Then you get into that long-term-planning approach. In that municipality, there is a very large plot of land that has been owned and had water and sewer rights for 30 years, with the investors sitting on it—occasionally doing a little bit here or there, but sitting on it, waiting for what they can deem to be their market opportunity. Again, they're a corporation; I don't blame them for looking at their market opportunity. But the municipality has been carrying those costs, those restrictions on their own ability to plan for a very long time—as I say, longer than even I've been involved in the municipal politics there.

I will ask you if you could to explain a little more, especially about how the use-it-or-lose-it process will work within the small municipalities.

Hon. Paul Calandra: Yes, MPP Kanapathi and I have examples in our own area, frankly, where water and waste water is held up, which is stopping the construction of homes, which is stopping the construction of seniors' residences. I have the same thing in Stouffville. I have seniors who want to leave their homes and downsize, but there is nowhere for them to go, and here is a construction that is ready to go, and they can't do it.

So the use-it-or-lose-it—we talked to our municipal partners on this. We said, "What can we do?" We also talked

to the home builders, who were very nervous about this, frankly. They're not overly over the moon with this. But we said, "How can we do something that allows us to access that water and waste water, gives the municipality the tools they need to reallocate the water and waste water that is there without disadvantaging the builder?" If you're not going to use it, great. We're not going to take anything away from you but we're moving on with somebody else.

So we've put the tools in place to allow them to do that. We've also given municipalities the tools when it comes to site planning and other things to also reassess that. But at the same time, we heard from the home builders, "Look, sometimes economic circumstances change, and we might not be able to get financing." I think we all recognize and understand that. But as you say, 30 years—those were some pretty good times during those 30 years. In the same way, MPP Kanapathi and I look in some of—there are a lot of really, really, really good years to get shovels in the ground, and that would stop a lot of people from doing it.

So this gives our partners the ability to—the precious valuable resource that is there. And you're right, in some of the smaller communities, the investments in water and waste water is huge. Frankly, look—I can't remember the—but the massive investment that is coming—

Mr. Ric Bresee: Loyalist township.

Hon. Paul Calandra: —to Loyalist township. Because you had the water and waste water: You made those investments. Now, it has to be utilized.

So this will unleash homes that are ready to go but will be an indication in the future that we will not waste the money that we are putting in—this should have happened a long time ago, frankly, and I'm glad that we finally got there. I know that the home builders will understand and appreciate it. Even if they're not excited about it right now, they will appreciate how important it is that we get moving.

Mr. Ric Bresee: Thank you. And just one very quick comment before I pass it over to my colleague. I can tell you that in Loyalist township, for the first time in 40 years, they're building multi-unit purpose-built rentals because of the large economic investment that this government has put into it.

With that, I'll pass it over to my colleague.

The Chair (Ms. Laurie Scott): MPP Sabawy, you have two minutes.

Mr. Sheref Sabawy: Thank you very much, Minister, for all the information we have been receiving in regard to the changes we are doing. In the middle of a housing crisis where we can see that there's not only an affordability issue but even an availability issue. The capacity is not there. The families look for units which can meet their requirements; they're not there as well.

So when we are looking into adding more investments into housing—we as a government are putting in investments—we're looking for all hands on deck to be able to help solve that problem. Especially where we are seeing the interest rates are becoming very, very high, very fast, in a short period of time, banks become very difficult to get mortgages.

We see the federal government changing the capital gains laws, where now even investing long term in housing is becoming, kind of, not the most lucrative investment, especially for small investors like the one-house, two-house kind of investors.

How do you see that the incentive we are giving to the municipalities, the changes we are doing, can still keep the momentum going?

Hon. Paul Calandra: Again, you will offset the sewer and water. The infrastructure, the roads and the schools that are being built help attract investment for municipalities, and they are excited about that opportunity, but ultimately, everybody's kind of on the same page.

The Chair (Ms. Laurie Scott): Sixty seconds.

Hon. Paul Calandra: Our municipal partners are on the same page. Despite the disagreements that we may have, we all want more homes built. So we all agree that we have to build more homes, we all agree that we need affordable homes; we need the full spectrum of homes; we need to have homes in larger communities, smaller communities. We all agree that we have to better utilize the infrastructure that we're putting in the ground, whether it's, in Toronto, the transit and transportation—we've got to use those corridors better. We all agree on GO train, along those routes, that it has to be—that we have to do it.

So it is just a realization now, I would think, from all partners. This is the goal: The goal is to build more homes; the goal is to keep the economy going; the goal is to build in other parts of the province as well, not just focus on one area. And I think we're all aligned on that and we'll continue on that progress.

The Chair (Ms. Laurie Scott): Thank you very much. That concludes our two hours of committee.

Thank you very much, Minister and your team. We're going to commence voting. You have the opportunity to leave the table, if you wish, or you could stay—whatever you would like to do.

Interjection.

The Chair (Ms. Laurie Scott): Okay. We'll give you a minute to clear the room there and do your duties.

Okay, everyone, this concludes the committee's consideration of the estimates of the Ministry of Municipal Affairs and Housing. Standing order 69 requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote? Okay.

Shall vote 1901, ministry administration, carry? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare the motion is carried.

Shall vote 1902, municipal services, carry? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare vote 1902 carried.

Shall vote 1903, local government and planning policy, carry? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare the motion is carried.

Shall vote 1904, housing program, carry? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare the motion carried.

Shall the 2024-25 estimates of the Ministry of Municipal Affairs and Housing carry? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare the motion is accordingly carried.

Shall the Chair report the 2024-25 estimates of the Ministry of Municipal Affairs and Housing to the House? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare the motion is accordingly carried.

COMMITTEE BUSINESS

The Chair (Ms. Laurie Scott): Further business: Committee members, I've received a written request signed by a majority of the members to convene a meeting of the committee. The meeting request contained the text of a non-amendable motion proposing the consideration by the committee of a bill or other matter within the mandate of the committee.

MPP Byers, I believe you would like to move a motion?

Mr. Rick Byers: Yes. I move that the Standing Committee on Heritage, Infrastructure and Cultural Policy meet immediately for the purposes of considering committee business, pursuant to standing order 113(a), respecting a study related to regional governance review.

The Chair (Ms. Laurie Scott): Pursuant to SO 120(c), 30 minutes shall be allotted to debate the motion, at the end of which time the Chair shall put the question. I will apportion 12 minutes to the government, 12 minutes to the official opposition and six minutes to the independent member of the committee.

Any debate? MPP Bell.

Ms. Jessica Bell: I'd like an explanation of what are we going to be talking about and how long are we going to be talking for. It would be good to get some additional clarification.

The Chair (Ms. Laurie Scott): Further debate?
Interjection.

The Chair (Ms. Laurie Scott): That's the start of your 12 minutes. We're just clarifying, if that's okay.

Ms. Jessica Bell: It's just come out of the blue here, so—

The Chair (Ms. Laurie Scott): You can't go back afterwards, right? Is that what you're saying, Clerk?

Interjection.

The Chair (Ms. Laurie Scott): Wait a minute. No, apparently not.

Interjection.

The Chair (Ms. Laurie Scott): So if you want to debate, it's 12 minutes, and 12 minutes is what the clarification is. MPP Bell.

Ms. Jessica Bell: I'd like to call a five-minute recess so we can find out a little bit more about what this means.

The Chair (Ms. Laurie Scott): MPP Bell is allowed to declare a five-minute recess, so we'll have a five-minute recess.

The committee recessed from 1504 to 1510.

The Chair (Ms. Laurie Scott): Okay, we will reconvene the committee.

MPP Bell, we kind of left it to you—are you?

Ms. Jessica Bell: Yes, let's introduce the motion.

The Chair (Ms. Laurie Scott): Okay, any further debate? MPP Byers.

Mr. Rick Byers: No further debate.

The Chair (Ms. Laurie Scott): No further debate. Are the members ready to vote? All those in favour, please raise your hands. All those opposed, please raise your hands. I declare the motion carried.

Further business? MPP Byers.

Mr. Rick Byers: I move that the committee meet for public hearings regarding the regional governance study on Monday, July 8, 2024, from 10 a.m. until 12 noon and from 1 p.m. until 6 p.m. in Orillia, Ontario; and

That the deadline for requests to appear for hearings be 12 p.m. on Thursday, June 27, 2024; and

That if all requests to appear cannot be accommodated, each member of the subcommittee or their designate may provide the Clerk of the Committee with a prioritized list of presenters to be scheduled, chosen from the list of all interested presenters for those respective hearings by 2 p.m. Friday, June 28, 2024; and

That the deadline for written submissions be 7 p.m. on Monday, July 8, 2024; and

That the subcommittee on committee business be authorized to revise hearing dates, times and deadlines if necessary.

The Chair (Ms. Laurie Scott): Thank you. The Clerk is just passing out the motion. I'll just give a second, then we'll open the floor for any debate or discussion.

Is there any further debate or discussion? Seeing none, are the members ready to vote? All those in favour of the motion, please raise your hands. All those opposed, please raise your hands. I declare the motion carried.

Thank you, everyone. That concludes our business for today. The committee is now adjourned until July 8.

The committee adjourned at 1513.

STANDING COMMITTEE ON HERITAGE, INFRASTRUCTURE AND CULTURAL POLICY

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