

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

F-60

**Journal
des débats
(Hansard)**

F-60

**Standing Committee on
Finance and Economic Affairs**

Cutting Red Tape to Build
More Homes Act, 2024

1st Session
43rd Parliament

Wednesday 15 May 2024

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

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

1^{re} session
43^e législature

Mercredi 15 mai 2024

Chair: Ernie Hardeman
Clerk: Vanessa Kattar

Président : Ernie Hardeman
Greffière : Vanessa Kattar

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<https://www.ola.org/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

House Publications and Language Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400
Published by the Legislative Assembly of Ontario



Service linguistique et des publications parlementaires
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400
Publié par l'Assemblée législative de l'Ontario

CONTENTS

Wednesday 15 May 2024

Cutting Red Tape to Build More Homes Act, 2024, Bill 185, Mr. Calandra / Loi de 2024 pour réduire les formalités administratives afin de construire plus de logements, projet de loi 185, M. Calandra.....	F-1881
Grand River Environmental Network; Ontario Home Builders' Association; City of Hamilton	F-1881
Mr. Kevin Thomason	
Mr. Scott Andison	
Mr. Steve Robichaud	
Ms. Christina Giannone	
Residential Construction Council of Ontario; Federation of Urban Neighbourhoods Ontario; Greater Ottawa Home Builders' Association	F-1891
Mr. Richard Lyall	
Mr. Geoff Kettel	
Mr. Jason Burggraaf	

LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Wednesday 15 May 2024

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Mercredi 15 mai 2024

The committee met at 1401 in room 151.

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

Consideration of the following bill:

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

The Chair (Mr. Ernie Hardeman): Good afternoon, everyone. I call this meeting of the Standing Committee on Finance and Economic Affairs to order. We are meeting to resume public hearings on Bill 185, An Act to amend various Acts.

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

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

GRAND RIVER
ENVIRONMENTAL NETWORK
ONTARIO HOME
BUILDERS' ASSOCIATION
CITY OF HAMILTON

The Chair (Mr. Ernie Hardeman): The first panel will consist of the Grand River Environmental Network, the Ontario Home Builders' Association, and the city of Hamilton.

You will have, as I said, seven minutes to make the presentation. At six minutes, I will say, "One minute"; don't stop, because at seven minutes you will stop.

We also ask each member, as you start your presentation, to put your name on the record to make sure we can attribute the great presentation to the right person.

With that, we'll ask the Grand River Environmental Network to start the presentation.

Mr. Kevin Thomason: My name is Kevin Thomason. I am vice-chair of the Grand River Environmental Network.

Yesterday, you heard Mark Reusser from the Waterloo Federation of Agriculture speak of the devastating impacts the removal of planning authority from the region of Waterloo will have on our farmland, our Mennonites, our farming families, our intensification and very successful urban core renewal efforts, our light rail transit, as well as ground water recharge areas our entire population of almost 700,000 people depends on.

We, too, urge you not to remove planning authority and other proposed changes in Bill 185 because of our unique context for land use planning and environmental protection. The changes being proposed by this government in schedule 12 of Bill 185 could cause irreparable harm to our communities and will hinder, not facilitate, the construction of new housing.

Waterloo region is a key driver of the provincial economy and one of the fastest-growing places in North America. However, our physical inland location and dependence on groundwater presents considerable challenges that our unique regional structure expertly addresses. Unlike most other Ontario cities and communities, we have no freshwater pipelines to the Great Lakes and no greenbelt protection. We are totally dependent on living within the care and capacity of our land and watersheds.

We've had to develop robust regional planning processes and environmental protections that safely balance our rapid growth, preserving our farmland—which is the most productive and profitable farms in all of Canada—while also protecting our essential groundwater recharge areas. The region of Waterloo is a facilitator, not an inhibitor, for urban development, ensuring collaboration and co-operation between all seven of our lower-tier municipalities to achieve complex, coordinated, sustainable development.

Despite numerous requests and appeals, Waterloo was left out of the provincial greenbelt 20 years ago, and our Waterloo moraine, which we depend on for almost all of our water needs, was left with no environmental protections while we were still assigned the same significant growth targets as the rest of the GTA.

In order to balance all of this significant development, the region of Waterloo developed our visionary country-side line policy for sustainable growth, our protected

countryside designation to protect the Waterloo moraine, our environmentally sensitive landscapes to protect some of our most vulnerable watershed ecosystems, and also pioneered wellhead source water protection areas.

All of our environmental protections are regional, and the removal of regional planning authority jeopardizes everything. The fragmentation of planning across seven very different municipalities, none of which have the capacity and resources of our current regional planning, will likely result in duplication, inconsistencies, different interpretations, varying expectations, the erosion of environmental farmland protections, and a lack of essential coordination to ensure availability of water, sewage, roads and other infrastructure in our highly integrated and very efficient region.

Consider the challenging water and resource-sharing allocations our communities must manage. For example, all water needs in our rapidly growing town of Elmira in Woolwich township have to be met by water coming all the way from the city of Kitchener through pumping-station infrastructure spanning the entire city of Waterloo. Water for the community of Breslau, that is set to quadruple in size in coming years, goes through three different municipalities. Likewise, sewage from Cambridge goes to Kitchener, and sewage from parts of Woolwich goes to the city of Waterloo. Furthermore, our shared groundwater resources will require coordinated conservation efforts with lawn watering and other restrictions enforced equally across the entire region to ensure adequate supplies.

Eliminating regional planning authority and coordination to put all the planning in the hands of seven very different lower-tier municipalities with little incentive for co-operation and the potential for increasing competition over scarce resources is a recipe for disaster.

We need simplicity. Removing regional planning authority won't speed up the construction of more housing in our communities. Instead, it will make things more complex, significantly inhibit development, introduce new uncertainties for developers, raise infrastructure costs as efficiencies are lost, and endanger water resources that could become an absolute limiting factor for our growth.

Having seven different protected countrysides, several different municipalities administering a single ESL area, numerous municipalities all interpreting the same moraine protections differently, and trying to coordinate our complex network of wells, pipes, sewers, pumping stations and treatment plants with seven different planning departments, seven mayors, seven works departments and no one in charge of oversight isn't likely to be better, cheaper or faster.

The solution could be as simple as ensuring the region of Waterloo retains planning authority because of our unique water and servicing situation compared to the other upper tiers losing planning authority—that all have few water worries because of their pipelines providing an almost unlimited supply of Great Lakes freshwater and fewer environmental concerns because of the large amounts of greenbelt protection they have balancing their development.

If Waterloo region does lose planning authority and our regional environmental protections, the provincial greenbelt must be expanded to adequately protect the Waterloo moraine and our essential groundwater recharge areas, much like the Oak Ridges moraine was protected by the Mike Harris Conservative government in the 1990s to secure over 100 headwater areas and drinking water sources for hundreds of thousands of people.

In conclusion, while we have other serious Bill 185 concerns, such as the loss of third-party appeal rights, and we would have liked to have had time to recognize some of the positive aspects of Bill 185 such as the restorations of some development charges to cash-strapped municipalities, our focus has had to be on the dire consequences the removal of planning authority could have in Waterloo region.

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

Mr. Kevin Thomason: We have the most vulnerable water situation in Ontario, and yet, ironically, could soon have the least amount of water protections.

We saw in Walkerton how quickly water issues can devastate an economy, and with Waterloo region and its agriculture, universities, high tech, financial services and manufacturing being such a driver of the provincial economy, it's unnecessary to be threatening our water supply, farms and proven success.

Please don't jeopardize, break or change our planning authority. We already have the visionary, sustainable regional planning and regional official plan that will address our housing needs quickly and affordably with far more housing units than the province is seeking by 2031.

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

We now will hear from the Ontario Home Builders' Association.

Mr. Scott Andison: Thank you, Mr. Chairman and members of the committee. My name is Scott Andison. I'm the chief executive officer of the Ontario Home Builders' Association. Joining me today is Christina Giannone, a second vice-president of OHBA and a seasoned builder and developer of residential mixed-use and master-planned communities across the GTA.

OHBA is the voice of the residential construction industry in Ontario, representing 4,000 member companies and 27 local associations across the province. Our members include developers, builders, professional renovators and trade contractors. Collectively, we have the vital responsibility to build the housing supply and the choices that Ontarians need.

OHBA continues to be aligned in the government's housing supply objectives of streamlining approvals, ending needless delays and cutting red tape so that we can get shovels into the ground sooner. That said, we continue to emphasize that the theme of any current and future housing legislation must focus on stability, consistency and predictability, and supported by proper transition efforts and provisions to mitigate any adverse effects.

Bill 185, an omnibus red tape reduction bill, contains the next batch of proposed housing policy changes that

form part of the housing supply action plans that the government has committed to releasing at least once a year. The bill's scope covers a variety of themes and targeted approaches that OHBA welcomes to building homes affordably and prioritizing service-ready infrastructure to incent shovel-ready housing supply.

However, with respect to third-party appeals, we believe that the province intended to streamline the land use, building and approvals process to get more homes approved faster and avoid the unproductive delays caused by NIMBY-based appeals that interfere with getting more housing built and improving the housing supply. However, Bill 185, in our view, was cast too broadly and has unintended consequences to eliminating more than just third-party appeals.

It's important that there is an understanding of what distinguishes a third-party appeal from others. Second-party appeals are generally landowners that are directly impacted by a proposed official plan or zoning bylaw amendment. Third-party appeals are generally individuals or entities whose lands are not covered by the OPA or ZBLA but who feel that a change may affect them or are generally aggrieved nonetheless. By not distinguishing between third- and second-party appeals, Bill 185 treats them both the same and removes the right to appeal for both parties.

OHBA supports legislative measures that aim to both reduce the volume of appeals at the Ontario Land Tribunal and allow for increasing housing supply and generating new jobs.

OHBA is hopeful that this committee and the government will support amendments during the clause-by-clause review to the bill to preserve second-party appeal rights for landowners where a change to a municipal planning instrument will directly impact, and applies to, that property.

1410

On the issue of abolishing the phase-in provisions of municipal development charge increases, in 2022, Bill 23—the government provided certainty to new home buyers and builders that any new increases in municipal DCs would be phased in over five years. This measure was simply meant to slow the pace of DC increases, in turn preserving affordability for housing buyers of new residential construction and providing certainty to builders who underwrite the financial viability of new housing projects.

Bill 185, if passed, would most likely place additional costs on new home owners at the time of closing if municipalities choose to increase development charges in response to the passage of the bill. An analysis of current housing projects in the GTA reveals that DCs could be increasing in the magnitude of \$10,000 to \$20,000 per unit when DC increases are levied immediately by a municipality.

The Ontario housing market, in terms of new home sales, is on life support. The GTHA new condo market reported last month the lowest quarterly number of sales since the 2009 financial crisis. Developers have dramatic-

ally pulled back on new sales launches and are reviewing the viability of other projects. And to inject some life, if you will, into the market, builders are currently offering a wide variety of incentives, ranging from free parking spots to reduced deposits on mortgage assistance programs, simply to close out current projects.

Given the current macroeconomic environment, this is not the time to allow municipalities to take the new cost of home ownership even—to make it more unattainable. Ideally, to ensure that housing projects with units that have undergone presale but are not yet in construction in terms of pulling new building permits—this could be subject to additional DC charges being added to the price of the home—OHBA recommends an amendment to the bill that would defer the proclamation date to June 1, 2025, for section 2(1). This would simply provide additional time for deals to close and respect the original price offered to the homebuyer at the time of the presale purchase when they arrange for the original mortgage financing.

If this amendment cannot be supported, OHBA and our members can only hope that mayors and elected officials across Ontario will exercise constraint when it comes to raising development charges overnight once Bill 185 comes into effect. After all, who raises development charges and taxes in a housing crisis?

The Chair (Mr. Ernie Hardeman): We'll now hear from the city of Hamilton.

Mr. Steve Robichaud: I am Steve Robichaud, the general manager of the planning and economic development department. Joining me today is Anita Fabac, the chief planner for the city of Hamilton.

Hamilton is committed to streamlining the approvals process to allow for new construction to occur. The city has been identified by the province as a fast-growing municipality. In February 2023, the city signed the provincial housing pledge and committed to putting in place a planning framework that will allow for the construction of 47,000 new units by 2031. In 2023, the city exceeded the provincial housing target by 20%, or nearly 700 units.

I would like to acknowledge that Bill 185 responds to issues and concerns the city of Hamilton has previously commented on with respect to the Development Charges Act and the Planning Act, in Bill 23 and Bill 109. The city supports those changes in Bill 185 that will help better utilize existing infrastructure through the proposed changes around sewer allocation policies and allowing for the city to establish what is commonly referred to as a use-it-or-lose-it framework.

Today, I will be focusing on three main areas: the processing of development applications, public involvement in the planning process, and urban boundary expansions.

Over the last few years, the city has worked hard to improve the planning process. Since January 2023, the city has met the 60-, 90- and 120-day time frame targets for 100% of the applications received. The success of the city is tied to the formal consultation process that has been in place for nearly 20 years. Having a robust formal consultation process which allows for discussions with the

applicant and city staff, combined with an inclusive public engagement process, has resulted in timely decision-making and avoided appeals. The city has created a process where, within six to eight weeks of making a formal consultation request, the applicant knows what is required for a complete application. It is up to the applicant to move as quickly as they wish to make their application. The formal consultation process helps to resolve issues and provides applicants with staff's position on the merits of the application before they make a formal proposal.

The proposed changes in Bill 185 to an optional formal consultation process are not supported by the city of Hamilton. The Planning Act requires that applicants must submit the required and other information with their development application. The other information is identified at the formal consultation stage.

Removing the requirement for proponents to consult with the city on the merits of a proposal, which is what is required to be submitted with a complete application and a public engagement strategy, will result in confusion and delay. Proponents will not know what other information requirements will be for a complete application. The city includes community engagement and for applicants to demonstrate how the public feedback has been incorporated into their proposal as part of the other required information. Early and effective engagement is an important step in the process to identify issues and work to a positive resolution of issues and concerns.

The city was also moving forward with a framework on how and when applicants consult with Indigenous communities as part of a complete application. The city is concerned that making pre-consultation optional will create confusion on what is needed, leading to an application being deemed incomplete, which will lead to the delay in building new homes.

In addition, in the city's ERO submission, the city has expressed concerns with removing the ability to require parking, especially AODA-compliant parking, within MTSA areas and exempting universities from the planning process, because this could result in unplanned and inappropriate development happening, which would cause the potential for land use conflicts or create unplanned demand for municipal services such as transit or waste water upgrades. The city requests that the province not proceed with the proposed legislative changes around formal consultation, parking around MTSA's and exempting universities from the planning process.

Bill 185 proposes to remove third-party appeal rights relating to official plans and zoning bylaws. Based on our review of appeals in the city of Hamilton, the vast majority of appeals to the OLT are for non-decision of legacy files that predate Bill 109. Over the last number of years, public participation in the land use planning system has been diminished to the point where, through Bill 23 and Bill 185, the public will have no appeal rights for most development applications.

Public engagement is an important part of the planning process and is beneficial to positive planning outcomes. The city supports meaningful public consultation with

communities and the ability of members in the community to participate in appeals, particularly third-party appeals. The city requests that the province not proceed with the proposed legislative changes around third-party appeals.

Hamilton is projected to grow by over 100,000 households over the next 25 years. The city has proactively been updating the zoning bylaw to allow for development and redevelopment to proceed as of right to accommodate growth. Over the last 20 years, the city has issued building permits to allow 30,000 new units to be constructed. As a result of the city's proactive approach to making land shovel-ready, the unit supply within the city of Hamilton has increased by 36% over the last 10 years, and we are doing more.

As a result of the recently adopted new zoning regulations affecting over 90,000 properties in Hamilton, accessory units, detached accessory units, semi-detached dwellings, triplexes, fourplexes and street townhouses are now permitted in any low-density residential area. By doing so, the city has significantly increased opportunities to create additional housing within the existing urban area. To support these land use changes, the city has also lowered, and in some cases eliminated, the requirement for residential parking.

Through Bill 150, by approving council's decision on a firm urban boundary, the minister has effectively accepted the city's growth strategy that focuses on intensification, re-urbanization and renewal. The fastest way to build new housing is to follow the official plan and zoning bylaw regulations that the city has put in place and continues to monitor, and update these regulations to ensure that lands are preapproved for development and respond to changing market conditions.

However, Bill 185, when read with the new PPS, results in a shift from an intensification-first approach to a greenfield-first approach. According to a report prepared by Hamilton's local home builders, affordability, tenure—

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

Mr. Steve Robichaud:—and a mismatch between investor units and family-friendly units are the major constraints on meeting housing needs in Hamilton. The proposed changes in Bill 185 will allow landowners to skip the formal consultation process, apply for an urban boundary expansion and appeal it to the Ontario Land Tribunal in 120 days. That 120 days is simply not enough time to receive, review and assess an urban boundary expansion to ensure that the proposal is fair, sustainable and fiscally prudent.

Proceeding with Bill 185 before the city has been able to establish submission requirements or evaluation criteria in the official plan, implemented through a formal consultation process, means that proponents will drive the process. This will significantly erode the city's ability to make land use decisions based on the city's growth strategy, public engagement, local conditions and municipal priorities. This will create uncertainty in the terms of design and delivery of both hard infrastructure and community services required for complete communities. The city requests that the province not proceed with the

proposed legislative changes and policy changes in the policy statement around urban boundaries.

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

That concludes the presentations. We'll now start the first round of questions. We'll start with the official opposition. MPP Shaw.

1420

Ms. Sandy Shaw: I'm going to direct my questions to Mr. Robichaud. It's nice to see you here today, and also to see Ms. Fabac.

I want to start by commending the work that your planning department has done—actually, all the planning departments across the province of Ontario have done—in response to what I would just call actual planning chaos that we've seen because of the government's unthought-out changes and rollbacks.

We saw forced urban boundary expansions. We saw a slew of MZOs in Hamilton and, I'm sure, in other jurisdictions. The minister himself meddled in the provincial planning documents by rezoning individual parcels of land. It was unheard of. Then we have the government spending a lot of time rolling back all those decisions, losing precious time in helping home builders to build the homes that we need. Now we're faced with this new bill that, again, I would say is being rushed to the Legislature.

I want to say to you that, despite all these changes, you have soldiered on. I am going to underscore the fact that you agreed to the province's pledge to build 47,000 homes, and you exceeded that target. But let's be clear: You met that target within the existing urban boundaries. Can you just talk to me to confirm that that is true—that that was met within the existing urban boundaries—and talk a little bit about what must have been difficult and resource-draining in your city's ability to keep up with all these changes?

Mr. Steve Robichaud: That is correct. Thank you. The city did meet the housing pledge target for 2023 based on redevelopment and new development occurring within the established urban area.

The changes do require that we stop work we are doing, assess those changes and then figure out what the next steps are moving forward. That can inform both the development of infrastructure master plans as well as our financing strategy, because those land use changes have other and broader implications that have to be assessed. Many times, we have done work, stopped that work, had to start in a new direction, stopped that work and resumed new work. That is one of the issues that we have. It does distract from staff resources. We will have to take staff off development applications to respond to provincial changes or policy changes or shifts, and that means that development applications are not proceeding because we do have finite staff resources.

Ms. Sandy Shaw: That stop-start and waste of resources and time applies to, I would say, the public service. Certainly, as legislators, we have wasted so much time in this Legislature debating bills, going to committee, putting forward good amendments that were voted down by the

government's majority, and then having now to spend time looking at another bill. In all this time, where we're spinning our wheels, we are not building the homes that we need. In fact, I believe that building starts have gone down under this government, and as we heard from the Ontario Home Builders' Association, they're struggling as well. We need home builders to have some sense of certainty because we rely on them to build our homes. They're an important part of planning in Ontario.

I want to direct your attention to what you brought up, which is unplanned demand for infrastructure. It's my understanding, with Bill 185, that a developer can request the city, at any time during your planning cycle, to have urban boundaries expanded, and that the 120 days that it would take to go to the OLT and have the decision made gives you—you'll speak to this—absolutely no ability to plan for orderly, affordable expansion of our infrastructure services, like roads, like sewers, like schools, like fire stations. Can you talk about how the city of Hamilton is managing this, given that we already have a significant infrastructure deficit because of downloading?

Mr. Steve Robichaud: The city is committed to an integrated planning approach, where we bring land use planning, infrastructure planning and the financial strategy—both hard and soft infrastructure—to the approach to dealing with managing growth within the city of Hamilton. Our current infrastructure integrated planning process is predicated on the current official plan designation, which is a firm urban boundary.

In the event, as I indicated, that an application comes forward for an urban boundary expansion, that will require a diversion of staff resources to assess that application. But 120 days is insufficient, in my opinion and experience in processing very complex applications. And once that gets appealed to the Ontario Land Tribunal, then staff resources will have to focus on defending council's position on a firm urban boundary at the Ontario Land Tribunal, which will divert staff away, again, from dealing with those broader strategic master plans and infrastructure plans, as well as being very difficult from a financial perspective to understand where growth will occur and fully assessing the implications of that growth. That is why the current process of where the municipality leads that MCR comprehensive planning process is a policy-driven approach which is much more preferred. The same goes to try to balance intensification and greenfield development and getting that balance correct based on the carrying capacity of the municipality to advance those matters in a timely fashion.

Ms. Sandy Shaw: How much time, Chair?

The Chair (Mr. Ernie Hardeman): You have 1.4 minutes.

Ms. Sandy Shaw: Great.

What's left here is that I would like to say that you talked about that this is devolving into proponents driving the planning process at municipalities—in Hamilton and across the province—but it also speaks to the fact that the OLT really is in charge of planning. So the concern is given, that we have seen so many insiders giving prefer-

ential treatment, so many insiders being appointed to these tribunals, that we now have unelected, unaccountable OLT team members who essentially will be making land use decisions in this province.

I would ask you—and I know it's going to be difficult to answer this, but can you talk about your concern that the good planning process that you have put in place will now be piecemeal and made by both proponents, or OLT, that may not have any expertise in planning?

Mr. Steve Robichaud: That is the concern of the city—that decisions will be made by a third party. Just to put it in context, there's nothing in Ontario in law that requires the owner of the land to be the person applying for an official plan amendment in urban boundary expansion. A developer could apply for a secondary plan affecting my property, and I may not realize it; the council may not realize that not all the landowners are in agreement or are aware of it. That could be approved by council. The landowners would have no right to appeal. That is one of the concerns that we have—by removing the third-party appeal rights from the process, so that I could end up having the school, the park and the stormwater management pond put on my property. It may represent good engineering or best practice, but I would not be able to challenge that—

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

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

MPP Andrea Hazell: Thank you for coming in, and thank you for your presentations.

I'm going to go to Grand River Environmental Network, Kevin Thomason. Thank you for your passionate and detailed presentation.

In your presentation, I just pulled out a couple of statements that really resonated with me and a lot of my followers. You were saying there is no greenbelt protection, no environmental protection, and then you also said what you need is simplicity. That stands out to me.

My first question: What were you hoping to see in this Bill 185?

My second, follow-up question—the removal of appeal rights for third parties will prevent groups like yourself from appealing decisions to expand the urban boundary. Do you believe this is proper policy in a democratic society?

Mr. Kevin Thomason: Thank you for the questions.

To begin with, indeed, Waterloo region—we're lucky—is leading the world in so many areas right now. It doesn't matter whether it's in nanotechnology, in quantum technology, even food processing and agriculture innovations; there are just so many things where our community is firing on all cylinders. We're seeing phenomenal growth. In fact, one of the biggest complaints we're seeing right now is too many 50-storey buildings being applied for in downtown Kitchener. Not too many towns in all of North America have a problem of too many 50-storey buildings.

But what we have isn't broken; it's working, and so this is the danger of, by suddenly taking that planning authority and taking it away from the region and delegating it down

to different municipalities—because of the complexity of our water situation and all the cross-boundary collaboration, co-operation and everything that's needed, it threatens everything. The fact that we were never part of the provincial greenbelt and we don't have all those greenbelt protections that most of the GTA enjoys, as I mentioned, could leave us in this horrific situation of having the most vulnerable water, with upwards of 700,000 people dependent on our groundwater with the least amount of protections in the province. That's very troubling and concerning and should be of concern to everyone in the province who hopes to see our economy continue to thrive and grow.

1430

The removal of the third-party appeal rights is very concerning, as well, just because it's important that citizens have an opportunity. We've heard from the city of Hamilton, from Mr. Robichaud here and others about concerns about that. We need to make sure that citizens have a voice. In fact, I want to make sure that there is always proper planning and consultation and that we're doing proper community engagement and citizen engagement.

One of the things that really concerns me with this desire to remove planning authority from the region is that we don't know if it has ever been studied before. Has anyone actually ever done any costing on it? What does this look like? Do we even know what we are in for? So this is the concern: When we start to skip proper planning processes, we skip that engagement, that consultation and all those, sometimes, studies or research or those sorts of things that let us know to look before we leap.

MPP Andrea Hazell: In your presentation, you were very detailed, but what do you have to say to this government that is the number one priority for your network? You must have the highest priority within your network.

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

Mr. Kevin Thomason: Certainly, the highest priority is our community, and we're lucky to have such a highly involved and highly engaged barn-raising-type community. That's one of the things Waterloo region is renowned for—that level of citizen involvement and engagement—and it's troubling when there aren't those proper processes for that engagement and consultation and that sort of thing.

We've had vigorous debates on what our region should look like in the future. This planning authority removal is coming without any debate or without any conversation or discussion, and it's very troubling to think that we might see it come forward with no understanding of the implications, and from what we can see, the implications could be quite dire.

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

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

Mr. Matthew Rae: Thank you to the presenters—and the presenters for meeting with us virtually as well.

I know costs have come up. Yesterday, we had Mr. Hudak from OREA here talking about the high inflation-

ary, high interest rates that the federal Liberal government has implemented. I know that costs have already come up—obviously, as well, the cost of infrastructure.

I just want to point out for the record, for everyone here and those who may be watching this afternoon, that our government is investing over \$3 billion in infrastructure over the coming years. That's through the Building Faster Fund—and congratulations to the city of Hamilton, getting, obviously, well-earned dollars for that, getting homes built—over \$800 million in housing-enabled infrastructure related to water and over a billion dollars in transportation. I just want to say all that because it's very shameful that the members opposite voted against it in the most recent provincial budget.

Chair, we also hear a lot about the carbon tax. It comes up often in the House of Commons and the Ontario Legislative Assembly. We heard it's the federal carbon tax around transportation costs—and leading to higher construction costs, obviously.

My question for Scott from the Ontario home builders is, do you agree that the federal Liberal carbon tax is increasing the cost of construction in Ontario?

Mr. Scott Andison: On behalf of builders, every cost that is increasing prevents our ability to get shovels in the ground, not just faster, but sometimes at all. Any factors such as increased development charges, increased cost of lending and arranging financing for developers to be able to initiate their projects—everything that goes into that pro forma to get new developers and new homes built drives up the ultimate cost to the homeowner.

At the end of the day, developers can't afford to build houses and projects that homeowners are unable to afford to purchase. So we focus on that and evaluate those pro formas.

In terms of carbon tax, that's one of many factors that builders must evaluate. If that is going to be increasing the ultimate cost to the homeowner, developers are definitely concerned about how they evaluate their pro formas.

Mr. Matthew Rae: As I mentioned earlier to committee and in the Legislative Assembly this week, one of my own transportation companies—they're one of the largest transporters of bricks in the province, and because of the increase to the federal Liberal carbon tax on April 1, they've seen an extra \$60,000 annually on top of what they were already paying for transportation costs, which just adds, obviously, to the cost that they have to pass on to the consumer and the builders.

My question, again, for the Ontario home builders is, I was just wondering if you wanted to comment about the city of Hamilton's comments around the urban boundary expansions.

Mr. Scott Andison: We look at all matters related to the entire province, on behalf of the Ontario Home Builders' Association. With individual decisions by councils, we look and evaluate as to how that will impact the ability for us to meet the province's target of 1.5 million homes.

With respect to examining urban boundaries, this is something that has been dealt with across all political

stripes of government. I remember, back in the 1980s and the 1990s, when they were looking at annexations and amalgamations. What prompts that is the ideal of well-thought-out, well-planned planning. When it comes to these conversations where they have been stalled for many years, it takes sometimes different approaches and different looks as to how you can look at what's required for reasonable and effective planning.

With respect to Hamilton, if they're able to achieve targets within their boundaries, that is fantastic. If, however, we are looking at expanding existing infrastructure in there to be able to leverage the value of that, whether or not it can fit within an urban boundary as it currently exists would have to be evaluated at the time.

Mr. Matthew Rae: Thank you.

Chair, I defer the remaining time to MPP Anand.

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

Mr. Deepak Anand: First of all, I want to say thank you to each one of you for coming, for your deputations, and for supporting your communities.

Bill 185, if you really look at it, includes the removal of the Planning Act fee, refunds for the regions, changes that decrease costs and barriers to build housing, and reduction in parking minimums. I truly believe the Ministry of Red Tape Reduction has introduced this bill as a commitment to cut red tape and help communities to build more houses.

We looked at the data this morning. The number of resale homes has gone up by 10.1% compared to last year, which means there is a big appetite, there is a huge demand—although at the same time, the price has reduced by 1.8%, which, in other words, means that there are ongoing economic headwinds. The high interest rate is trouble.

Thanks to MPP Matt Rae, we talked about the carbon tax implication, which is hurting almost every one of us in every place. Home building across Ontario is not immune to that.

I want to ask about that high interest rate, but before that, I want to ask you: Simply put, in your opinion, how important is it for the government to have housing-enabling infrastructure like water and waste water built in a timely manner so that we can build homes? I request the city of Hamilton, as well as the home builders' association—one by one.

Mr. Steve Robichaud: The two are linked. It is essential. So whether it is the municipality leading the process in planning and designing the trunk infrastructure or the development community being responsible for the local conveyance systems, you cannot separate that residential growth with the infrastructure. The city does appreciate the support of the government in advancing our infrastructure and infrastructure renewals programs—you cannot uncouple those two—in order to have long-term sustainability in terms of fiscal sustainability and infrastructure sustainability, as well as environmental sustainability.

Mr. Deepak Anand: And I want to add to this, as I was actually at the city of Hamilton economic development seminar—one of the things that you're doing. One of the

members asked a simple question: “How do you think about being away from the GTA as competition?”

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

Mr. Deepak Anand: I truly appreciated the answer from your group, which was, “We don’t treat this as a competition. We believe Ontario is one, and there is a great distribution of opportunities all across Ontario.” I just wanted to say that.

Thank you for your contribution to the prosperity of Ontario.

Over to you, sir.

Mr. Scott Andison: I’d like to defer this to my colleague Christina Giannone, as a builder, in terms of preparing for infrastructure-ready development. Christina?

Ms. Christina Giannone: What I’ll say is, it’s critical. Obviously, it’s critical to have the infrastructure in place, and that goes for infill development as well. I build in the GTA, I’m out in Mississauga, and what I’ve seen and spoken to—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time. Maybe we can get that in in the next round.

We’ll go to the official opposition. MPP Fife.

Ms. Catherine Fife: I appreciate all of you being here. You’re busy people, and we need your counsel on this piece of legislation.

1440

I’m going to start very quickly with you, Scott. The use-it-or-lose-it recommendations—we’re very much in support of this. I just want to tell you why. In Waterloo region, there are 30,000-plus houses that have been municipally approved that have not moved ahead. Some of them have been on the books for 18 years.

So I want to know: Would home builders be supportive of use-it-or-lose-it legislation in any measure, at any time? And what would be reasonable for you? Five years? Ten years?

Mr. Scott Andison: Why don’t we talk to a home builder about this? I’m going to ask Christina to provide that more on-the-ground perspective.

Ms. Christina Giannone: On this front, we just have to be cautious, and it can’t just be all-encompassing as a use-it-or-lose-it. There are various reasons that developers hold on to different land or parcels of land. If they’ve purchased one large piece, they do it in phases and it comes through.

The challenge is when a new developer comes in and they’ve got a property where they’re able to go immediately and they’re being told they don’t have the capacity. That then ties back to the previous comment about having capacity issues and whatnot for servicing.

There are various reasons—if there are servicing challenges, phasing challenges—so it can’t be an all-encompassing use-it-or-lose-it—

Ms. Catherine Fife: So you’d like to see a framework, perhaps with some conditions set on that time—

Ms. Christina Giannone: Yes, absolutely.

Ms. Catherine Fife: That’s interesting.

As a home builder, Christina, are you interested in building fourplexes?

Ms. Christina Giannone: We’ve been looking into it. Right now, under, again, certain development charge challenges and whatnot, where I’m building, it’s not making financial sense at this time. But absolutely, we would be interested in doing that and are exploring it as a way to have densification.

Ms. Catherine Fife: Thank you very much, Christina. That’s helpful.

Scott, the home builders want to build homes, right?

Mr. Scott Andison: Correct.

Ms. Catherine Fife: The government has as of right for threeplexes but not for fourplexes. This is the line in the sand that they’ve driven.

I just want to make sure that there’s some pressure coming from outside of this House for the government to move forward with fourplexes. We see them as part of the solution, and Bill 185 intentionally leaves it out, even though Tim Hudak was here yesterday and he was on the housing task force—they recommended this, right? If we all can admit that NIMBYism can be a problem here—but the comments from the Premier where he says he doesn’t want eight-storey or six-storey fourplexes.

Have you seen a fourplex that is eight storeys high, Scott?

Mr. Scott Andison: I think the issue that’s central here, and when you talk to developers like Christina and her colleagues—this is about the government needing to rely on a multiple set of factors and influencers and actors in the situation to provide that on-the-ground situation. So they need to be market-aware. At this time, the government has indicated a decision pathway. We will continue, as we do on everything across all ministries, to provide our advice and our feedback.

The other thing to keep in mind is that when we’re looking at developing single-family homes and multi-family, it’s two to three years in a development cycle; it’s five to seven years for a multi-family. Many things change in those periods, and what we’re finding is that those factors, I think, are affecting some of the decisions and there may be a lag in that.

Ms. Catherine Fife: Yes, that’s what we’re learning. The one thing we know for sure is that everything is changing, and it is changing quickly.

Mr. Scott Andison: Correct.

Ms. Catherine Fife: It’s good to get your perspective on fourplexes, so thank you very much to both of you.

Steve Robichaud, I want to thank you very much for the work that Hamilton is doing by trying to stay in the boundaries. This is smart, sustainable planning. I don’t specifically have any questions, but I just want to note that I think that Hamilton is trying to do the right thing and also trying to save taxpayers money for that extra sprawl cost.

Kevin, Wilmot township—770 acres of prime farmland being expropriated, forced expropriation; also, Wilmot requesting a vast number of housing permits, even though we know that there’s a serious water issue. It feels like what’s happening in Wilmot is the precursor to Bill 185,

and it will become the Wild West, and those infrastructure costs are going to be significant.

I wanted to give you an opportunity to highlight why Bill 185 will hinder and not speed up housing, in a very clear way.

Mr. Kevin Thomason: There are so many concerns. Indeed, the situation at the Wilmot farmland assembly, which is seeing a mega-industrial site and tens of thousands of homes proposed into an area where development has never been previously anticipated or expected, where we know there isn't the water or the sewage infrastructure existing right now without incredibly expensive pipelines or things like that, is very troubling. It comes back to that point about proper process, consultation, looking before we leap and making sure there aren't surprises. We don't want a situation like Peel or something like that, where suddenly there are tremendous costs that were never studied or anticipated, that are suddenly found partway into the process. I know one of the concerns of the Wilmot farmers is that if it can happen to them, it can happen to anyone anywhere.

In fact, I've done presentations just in the last couple of weeks alone, out in MPP Rae's riding—the Perth County Federation of Agriculture, the Huron County Federation of Agriculture, other farmers elsewhere, wanting to learn more about the Wilmot situation, because they're so concerned about the lack of process, the lack of consultation, the lack of engagement, the lack of any details, data, studies, research analysis—

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

Mr. Kevin Thomason: —or anything. It's all very troubling.

Ms. Catherine Fife: The Ontario farming association has presented to this committee. Yesterday, Mark was here. The instability and the inconsistency, I think, on the application—and I think the home builders would agree, have clear rules of engagement so people can move forward—will have a cooling effect for those farmers. The last word to you on that—you've got about 30 seconds.

Mr. Kevin Thomason: The planning certainty is so important on anything. Whether you're a realtor, investor, whether you're a developer, whether you're a large subdivision developer or that sort of thing too, you need that long-term planning certainty. I think that's one of the biggest concerns with planning authority being removed from the region. Our regional official plan was our countryside line policy. This entire policy of—the purpose of the countryside line was that long-term planning certainty.

Ms. Catherine Fife: Do you agree that we need greenbelt protection in Waterloo region?

Mr. Kevin Thomason: Greenbelt is another way to provide long-term planning certainty that sets clear expectations for everyone, and if we're going to lose all our—

The Chair (Mr. Ernie Hardeman): Thank you very much. We need more time.

MPP Hazell.

MPP Andrea Hazell: I've got five minutes, and I need to go like clockwork. My next question is for Scott or Christina—any of you can answer.

Bill 185 walks back the removal of development charges that was in Bill 23 not even two years ago. I hope you're aware of that. What does such a reverse of law-making signal to home builders? Do you feel incentivized to start new projects when the rules can change up on you any second? We know it happened. We know the reversal strategy of this government. What are you hearing from your people?

Mr. Scott Andison: Well, as we've always said, developers require stability, consistency and predictability. Bill 23 did provide that element of predictability and consistency in terms of, they saw what the plan was that the government put into place to phase in development charge increases; all this simply did was set a pace for being able to do that. At the end of the day, municipalities would have received the full value of their DC increases. Plans were put into place. Pro formas were developed. Projects were getting initiated and are currently in presale. In Ontario right now, there are an estimated 686 projects currently in various stages of presale, representing about 118,000 units. Developers were able to put those projects forward because the pro formas made sense at the time, and one of those cost factors was development charges.

If you are now allowing development charges to increase, and as those standard agreements of purchase and sale always include an element of, where any municipal tax or levy increases between presale and closing—that those charges are able to be passed along to the homebuyer. If in that case it does happen, where homebuyers are ready to close and those DCs have been increased and fully implemented as a result of Bill 185 as it's currently drafted, it's expected and estimated about \$10,000 to \$20,000 of additional DC charges will be added to the closing bill for a homebuyer. Where a homebuyer has maxed out all available credit ability to put down the down payment and to confirm a mortgage, that may push them beyond the brink, and in that case, that homebuyer is no longer recognizing their dream.

MPP Andrea Hazell: Can you elaborate further? How can this impact us not building those 1.5 million homes by this specific date? There are lots of challenges. Just state that for the record. Use up my time. This is important.

1450

Mr. Scott Andison: I will do my best.

In terms of those that have already been built and are approaching closing, this change would not necessarily impact the total, of being able to achieve the 1.5 million homes. Where it will have potentially a devastating impact is where the performance for those projects that have yet to be developed, yet to be put into presale, may no longer be manageable, no longer appropriate.

Where we've talked about increases in interest rates, as I mentioned, those impact developers and builders, as

well, because they have to arrange the necessary financing. If they can't qualify at that high interest rate for financing—

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

Mr. Scott Anderson:—those projects are no longer able to proceed. So it will potentially have a negative impact on the target of 1.5 million homes.

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

Mr. Mike Harris: Thank you to all the panellists who are here today.

Kevin, it's good to see you. I'm going to focus the majority of my questions to you, just because, obviously, I think we've got a lot that we need to chat about and get on the record—

Mr. Kevin Thomason: We share the same riding; you're my MPP.

Mr. Mike Harris: We do.

There are a few things that I wanted to touch on about regional planning, about upper-tier and lower-tier, and then I do want to speak to the situation in Wilmot.

There's an interesting thing, for the edification of the committee, with the region of Waterloo: We are the only regional municipality in Ontario—and correct me if I'm wrong; I think there are six or seven of them, MPP Rae—seven—and we are the only ones that don't have delegated planning authority of subdivision to the lower-tier municipality. Halton, Peel, other regions, Niagara region—they already have this, and this was done by those regional governments because they felt that those lower-tier municipalities really represented the truly local needs and really understood planning and development, especially when we're talking about home-building, in their communities. The region of Waterloo, for decades, even though the lower-tier municipalities have asked for this multiple times, has not granted them that right, which I think is very interesting. When we look at who knows their local communities best—in at least the way that I look at it—it is that truly local representation, where you have elected councils, where you have mayors who work and live in and represent those communities.

I wanted to float that out there, just because it is an interesting piece that I think a lot of people don't realize, and there are a lot of tools within this bill—and also, I think it's Bill 23—that would allow the lower-tier municipalities to better plan for their communities.

In our region, six of our seven lower-tier municipalities are all on the same page and have been asking for this; the only outlier is Waterloo. I've had a chance to meet with all of our local mayors and the region. Obviously, we've had the committee come and discuss—and you presented at the committee, as well, so thank you for being there.

One of the questions is, why do you think that these local mayors are wrong? Why do you think that they don't have the capacity to be able to lead the charge when it comes to home-building and developing in their own communities? What would you say to them? Tell me why you think they're wrong.

Mr. Kevin Thomason: Yes, quite easily—and first of all, the city of Kitchener has had delegated planning authority for the past 20 years or so, and it was because they eventually grew to the point that they had the staff, the resources, the budgets and such to have some of that required expertise on staff. Certainly, when it comes to our four rural townships, none of them employ a hydrologist, and yet our region employs more hydrologists than the province of Ontario—

Mr. Mike Harris: Kevin, I just want to say, the only caveat to it was that they had to have in-house counsel. That was the only piece. It had nothing to do with hydrologists. It had nothing to do with that. It's in-house counsel—

Mr. Kevin Thomason: Yes, exactly, but as I explained in my presentation, the complexity of our water servicing is very challenging, and to be able to plan for our future when you don't have the required engineers on staff, when you don't have the hydrologists on staff or those sorts of things—you're not going to be able to take things into account, because you don't know what you don't know.

I think that there is an opportunity for a compromise where you have the best of both worlds, where we still have a region that retains an overall regional official plan, that has that expertise and that guiding vision and guiding growth for the whole region—because sometimes watersheds don't follow municipal boundaries or that sort of thing. You get things like the Laurel Creek headwaters ESL that falls into four separate municipalities, with just a few hundred acres in that.

The idea of the region having an overall official plan that guides everything, but delegating that authority to the other municipalities, like Kitchener has already had for the next 20 years, could be the best of both worlds, where those lower-tier municipalities get some of that independence they've always been seeking, but we still have that guiding hand and vision of the region that can efficiently keep those experts there. You don't need a full-time hydrologist in Wellesley township or something like that, but we might need a full-time one across an entire area.

Mr. Mike Harris: I think one of the interesting things when you look at our townships is that they've been quite proactive at looking at ways to share services and how they can work together to bridge some of those gaps that I think you've talked about.

We've heard a little bit, obviously, over the last couple of days here. We've had some presenters—Mark, of course; Mark lives 10 minutes down the road from me—chatting about what's happening in Wilmot township. It's interesting, because I've heard MPP Fife and I've heard you and I've heard Mark talk about how the region really leads the charge on smart planning and the region is the one that is there for source water protection, looking after all our wells, but the region is the one that is assembling this land. The region is the one that's putting it together. So I don't think it's fair to try to put this back on the government, saying that we are not doing what's appropriate, we are not doing the right thing, we are opening the

door to all these hypotheticals later on down the road, when all we've done is ask municipalities across the province to get shovel-ready sites going so that we can take advantage of the economic prosperity that is coming here to the province off Ontario.

We've seen billions and billions of dollars come back to this province. We've seen hundreds of thousands of jobs come back to this province that, quite frankly, were chased away by the previous government. I don't want to see the region of Waterloo, like you said, which is such an amazing area, such a great microcosm of all the good things that Ontario and Canada has—I don't want to see us miss out on those kinds of projects again, because we have previously, because we haven't had shovel-ready sites.

It's not fair to say that the province is behind this and there's some kind of nefarious thing going on, when it's the region that has taken the approach that they've taken. They are the ones that have chosen the site, they are the ones that have done the due diligence on it, and they're the ones that are brokering whatever real estate deals need to happen.

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

Mr. Mike Harris: I do want to give you a chance. I just wanted to get that out there because I think there are so many misconceptions on what has been going on. It's really, really important to make sure that we have the facts.

Mr. Kevin Thomason: Thank you. The facts you've just presented now are more facts than I've heard in the last two months on this. We don't have anyone at the municipality speaking to us or answering any questions or agreeing to any meetings. We don't have anyone at the region speaking to anyone or even allowing the farmers to delegate at council, let alone actually answer any questions. The region points fingers at the province; the province isn't answering. The municipality points fingers at the others. It's just this big circular game. We don't really know who's behind it, what it's for, what the intention is for.

Coming back to the overall regional planning, Ken Seiling was our regional chair for 34 years, and for 34 years he kept all the kids in the candy store playing happily. Ken will say—

Interjection.

Mr. Kevin Thomason: Let me finish, because we've only got a couple of seconds—

Mr. Mike Harris: If you ask the other municipal mayors, they won't say that they were happy and they won't say that they were playing nicely together in the sandbox. I think it's a very different story that's being portrayed—

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

We want to thank all three presenters for a great job of preparing and for presenting your presentations today. We now will say goodbye to this panel, and we will go to the next group.

RESIDENTIAL CONSTRUCTION
COUNCIL OF ONTARIO
FEDERATION OF URBAN
NEIGHBOURHOODS ONTARIO
GREATER OTTAWA HOME
BUILDERS' ASSOCIATION

The Chair (Mr. Ernie Hardeman): The next panel is the Residential Construction Council of Ontario, the Federation of Urban Neighbourhoods Ontario, and the Greater Ottawa Home Builders' Association.

You will have seven minutes to make your presentation. At six minutes, I will say, "One minute"; don't stop, because the punchline is between the one-minute mark and seven. At seven, I will say, "Thank you," and your time is up.

As you start your presentation, make sure you introduce yourself, to make sure we get the right name to the presentation.

1500

With that, the first presenter we'll hear from is the Residential Construction Council of Ontario.

Mr. Richard Lyall: I'm Richard Lyall. I'm the president and CEO of ResCon, the Residential Construction Council of Ontario. On behalf of ResCon, I'd like to thank the committee for this opportunity to share our thoughts on Bill 185, which is before you for review.

I believe most of you are familiar with ResCon. We are Ontario's leading association of residential builders, committed to providing leadership and innovation in the industry. Our members build over 80% of the new residential homes constructed in Ontario.

In broad terms, ResCon is supportive of the overall objectives of Bill 185, which prescribes additional policy measures and the modification of existing legislation to support the provincial government's goal of constructing 1.5 million homes by 2031, which is also supported by the other parties.

In altering 15 different pieces of legislation, Bill 185 is a comprehensive legislative tool. As you know, there are considerable changes contained within Bill 185, so in the interest of time, I'll just focus on a few of them, starting with development charges.

Generally, we continue to retain very serious concerns with respect to regressive and exorbitant development charges. Simply put, they are a substantial impediment to the ability of home builders to construct residential housing in a manner that makes economic sense. Perhaps more importantly, they also represent an unfair, exorbitant and, frankly, unaffordable burden for homebuyers, who ultimately pay these fees. This is especially true for first-time homebuyers, who have been effectively excluded from the current housing market. The level of DCs, taxes, fees and levies collected from homebuyers is simply incomprehensible compared to other jurisdictions outside of Vancouver. For example, the city of Toronto is up over 30% right now on the costs of a new home.

We know that municipalities have very limited tools to pay for infrastructure that supports new home building. However, this burden on homebuyers and builders is simply not sustainable. Frankly, we need a new deal on how housing-related municipal infrastructure is financed. The federal government, in particular, needs to come to the table in a more meaningful way, as they collect 40% of all the taxes, fees and levies on new housing.

Also, since municipalities are not permitted to run budgetary deficits as a rule, we would advocate for permissions allowing them to implement measures that would allow for amortization of costs of residential development infrastructure over time. A municipal infrastructure corporation model could achieve these goals. The result would be a more efficient use of infrastructure budgets, expedited residential construction, improved governance and better long-term planning.

With respect to the changes to DCs outlined in Bill 185, we are concerned with the impacts of allowing these changes to be frozen for only a period of 18 months from the date of application for development applications. Even under the time frame, the new regulations replacing two years is already a challenge for builders. There can be a myriad of legitimate reasons why a builder will not secure an additional building permit within 18 months of approval. This should be considered rather than establishing an arbitrary timeline.

We are also concerned about the impact of repealing the phasing of DCs by municipalities. The removal of DC phasing is yet another potentially significant financial impact impeding the construction of new homes, adding the cost to the construction process and, ultimately, for the purchaser who pays the increased costs.

Use-it-or-lose-it: We recognize that there is a perception that the so-called use-it-or-lose-it approach to approved residential housing projects seems like sound planning policy. However, in reality, the application of this power by municipal authorities is actually more complicated than would first appear. In creating a mandatory lapsed state for the draft plan of submission, the provision effectively removes municipal discretion with respect to whether to apply this measure. Similarly, respecting site plans, municipal authority to apply a lapsed state to projects is also a potentially arbitrary power. Additionally, putting municipalities in the position of having to prescribe a lapsed state or, by default, implementing a three-year period is also potentially problematic. In essence, these provisions do not account for real market pressures that create an environment where pro formas associated with some residential developments do not make sound economic sense at any given time.

The current economic environment is an example of the pressure facing home builders. With high interest rates; increased labour costs; exorbitant taxes, fees and levies; increasing material costs; protracted planning and development approvals processes; and a myriad of other impactful economic factors, many residential development projects simply evade economic sense in the current

environment, as is shown by the current data on sales and starts.

By implementing a use-it-or-lose-it requirement, the desired effect of seeking to encourage residential development may in fact create an alternative reality, in that removing an application approval makes no economic sense to advance a project, currently. It only serves to send the proposal back to the beginning and, in effect, delays home building to when a sound business case is restored.

Third-party appeals: We were supportive of the provision of Bill 23 that restricted many third-party appeals. A considerable number of these appeals delayed residential housing projects, which caused some builders to delay—less housing than the site would optimally allow.

The provisions in Bill 185 that include official plan amendments and zoning bylaw amendments in the limitations of third-party appeals is supported by ResCon. However, we would ask that this provision be amended to exclude landowners and builders from the appeal exclusion on third parties. It is important that landowners and builders retain the ability to appeal municipal decisions.

Parking requirement restrictions, major transit stations: We support the provisions that prohibit official plans from requiring parking facilities in major transit station areas or where minimum densities are part of the official plans or in any other regulated area.

Municipal data reporting: ResCon has always maintained that data reporting is critical to more accurately determine the housing situation of the province. We support Bill 185's initiatives concerning information that must be reported on a quarterly and annual basis in 50 municipalities across Ontario. This improved accuracy in terms of the status of planning applications is a welcome initiative. We'd like to see it right across the province eventually, as is the case in other jurisdictions.

Exempting universities from the Planning Act: Well, that makes sense both on- and off-campus, given the dire circumstances facing the lack of student housing. I won't elaborate on that further.

Employment conversions: This is another area of concern with respect to land conversions. This legislation does not address the need to allow for appeals related to employment land conversions through the OLT adjudication process. We strongly urge that such a provision be incorporated into this bill. Many municipalities continue to oppose employment land conversions on sites where the continued restrictions do not reflect current realities. There are some sites that have been basically dormant for—

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

We will now go to the next presenter, the Federation of Urban Neighbourhoods.

Mr. Geoff Kettel: Thank you very much, Mr. Chair. Mr. Hardeman, congratulations on your many years of service in the Legislature.

I've got a mask on today not because of COVID, but because just at the end of last week, I had surgery on my face, and I think it's preferable to seeing me in bare skin right now, unfortunately. I hope you all get over it.

The Federation of Urban Neighbourhoods—or FUN—is an umbrella organization representing residents' associations in urban centres across Ontario engaged in planning and development issues. FUN advocates for legislation and policies that not only protect but also empower all residents.

Bill 185, released on April 10, affects 17 acts, including the Planning Act, the City of Toronto Act, the Development Charges Act and others. Accompanying this, of course, on the same day, the government released the revised provincial planning statement and a new minister's zoning order framework.

Our comments on Bill 185, I'll summarize as follows

First of all, under the Planning Act, third-party appeals: This removes the third-party appeal rights to the Ontario Land Tribunal on official plans and amendments and zoning bylaws, including on settlement expansions, but allows developers to appeal their own applications for settlement expansion. The impact of this, coupled with the PPS proposal to allow settlement expansions at any time without any comprehensive review, facilitates developer-led settlement expansions and developer appeals, resulting in the OLT being primarily a developer-only adjudicated tribunal. That's a problem.

Secondly, the planning authority, as I think we've discussed extensively previously, formalizes the removal of planning authority from York, Peel and Halton while setting the stage for further removals from other upper tiers in the greater Golden Horseshoe. We think that will result in a highly fragmented and inefficient approach to land use, natural resource and infrastructure planning. Eleven upper-tier governments are being replaced with 89 lower-tier ones. Most lower tiers do not have the expertise, while upper tiers still have their jurisdiction over sewer, water, major transportation, transit and affordable housing. This allows for a disconnect in planning.

1510

Thirdly, the pre-application consultation removes the ability for municipalities to require developers to pre-consult with them prior to submitting an application. Basically, what happened was, under Bill 109, the application time for review was so much reduced that municipalities have tried to find a creative way to get the information sooner, but this, sort of getting them at both ends, I guess, will lead to submission of less robust, incomplete applications and pressure on municipalities to make decisions or face appeal to the Ontario Land Tribunal.

Fourthly, lapsing approval, the use-it-or-lose-it: The approval authority now will be able to set an expiry date for site plans and plans of subdivision—a minimum of three years. We think this is a good thing. It will encourage applicants to act on their permissions.

Fourplexes—does not require municipalities to allow fourplexes: Frankly, permitting fourplexes has a long history. In my community, we've got semis, fourplexes as well as single-family homes, and it provides a part of the variety of homes. That's too bad.

Application fee refunds—eliminates the application fee refund introduced by Bill 109: This now eliminates a type

of financial risk to municipalities that was introduced by Bill 109. We're glad that many of the developers were supporting that removal.

The student housing approvals—exempts undertakings, whatever that is, of post-secondary institutions from the Planning Act and parts of the City of Toronto Act: The impact is to limit municipalities' ability to plan infrastructure in a comprehensive way for post-secondary institutions and address critical and technical issues through site plan control—not a good thing.

Development charges—reversed some, but not all, of Bill 23's changes: The changes reversed include reinstating studies as an eligible cost and repealing the five-year phase-in. The Bill 185 changes are estimated to reduce the impact from Bill 23 on the city of Toronto, and I heard this at council just the other day, estimated previously at \$2.3 billion over 10 years by approximately \$144 million over that same 10-year period—5%—a long way to go, guys.

Based on the issues and the impacts, especially those which amount to a loss of our democratic rights as citizens, we oppose much of the legislation, but with the exception of the Planning Act changes, the lapsing approvals, the application refunds and the CIHA to MZO framework and the Development Charges Act changes. However, we know that additional measures are needed to support the fiscal sustainability of growth, such as for the province to fulfill its commitment to make the city whole—that's the city of Toronto; that hasn't happened yet—additional changes to support the longer-term supply of affordable, attainable, non-profit and rental housing; and the province to provide direct incentives—

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

Mr. Geoff Kettel: —instead of discounts and exemptions to municipal growth funding tools.

Thank you very much, Chair.

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

We now will go to the Greater Ottawa Home Builders' Association.

Mr. Jason Burggraaf: Thank you very much for the opportunity to speak here today. I'm Jason Burggraaf, executive director at the Greater Ottawa Home Builders' Association.

I refer you to GOHBA's written submission to the committee, which I have circulated, and which highlights some of the items from the various EROs related to Bill 185 that GOHBA has responded to.

There are many proposals under Bill 185 that GOHBA believes will help address housing affordability and supply, including:

- reducing parking minimums;
- addressing zoning bylaw and non-zoning barriers or requirements that frustrate the development of additional residential units;
- making pre-application consultation discretionary;
- introducing flexibility in settlement area boundary expansions;
- introducing municipal planning data reporting and expansion to more municipalities;

- supporting municipal incentives for economic growth;
- modernizing public notice requirements;
- streamlining the process for extending DC bylaws;

and

- numerous modifications to the provincial planning statement, especially the use of the Ministry of Finance’s population projections.

GOHBA’s prime concern is housing affordability and supply for the residents of Ottawa and those across all of Ontario. In order to increase housing availability and achieve our goal of 1.5 million new homes over the next decade, we need housing legislation that provides stability, consistency and predictability, combined with proper transition provisions.

While there’s a lot of good in the proposals for Bill 185, there are three proposed changes which are of concern: repealing the five-year phase-in on DC rates; the language around third-party appeals; and reducing the time a DC fee is frozen upon application from 24 months to 18 months. My colleague from the OHBA from the previous panel spoke to most of these before, so I’m not going to repeat what he had to say, but I wanted to provide committee members with examples of how these issues are playing out or are expected to play out in Ottawa.

First, the third-party appeals: Currently, the city of Ottawa is developing a new zoning bylaw, following approval of its official plan in 2022. This is really its first comprehensive zoning exercise since amalgamation. As we detail in our submission, Ottawa’s official plan underestimates its population growth and housing demand. This allows it to artificially limit necessary land expansion, but just as important, it allows the city to limit permissible zoning below what it actually needs to put in place, especially around LRT stations. So the city is not going to provide the as of right zoning needed to accommodate growth in protected major transit station areas, and landowners within those PMTSAs will not have the ability to immediately address this under-zoning. Instead, they will be forced to apply for a rezoning or an official plan amendment, which the city will eventually deny, and then that decision can be appealed to the Ontario Land Tribunal. So you can see how a municipality can frustrate the province’s good intentions and prolong the construction time as well as the cost of critical housing around higher-order transit that would allow residents to live more affordably without a car. We understand there’s some openness to revising that language in that provision to ensure that landowners’ rights are retained. Suggested wording can be found in our written submission, matching OHBA’s, and we strongly urge committee members and all MPPs to see those modifications through.

The second concern is repealing the five-year phase-in of DC rates. Phasing in DC increases over five years ensures cost certainty, protects project viability, and supports housing affordability by allowing home builders to plan ahead more effectively and provide better pricing to future homeowners and renters. As detailed in our submission, the proposed repealing of phase-in hits just as the city of Ottawa is enacting a new development charge

bylaw, which will go into effect next week, on May 21. Before Bill 185, the city was looking to extend its current bylaw because it had not yet completed significant background study work, including updates to its transportation master plan and infrastructure master plan. However, once the prospect of being able to push through a significant DC increase became available without the mandatory phase-in, the city rushed its work in order to do so. It originally proposed increasing DC rates by 28% in the core, 24% in the suburbs, and 40% in the rural areas of Ottawa. Through our technical questions, the city’s consultant found an error regarding the number of households being used to calculate the charge and revised the increase to about 12% within the built-up area of the city and 20% in the rural area. Ottawa city council approved the new rates at its meeting just this morning, although we have yet to see a revised background study that supports these figures. The city also was originally not going to provide a transition period from the old DC bylaw to the new one, and therefore, these increases have come into effect literally overnight for hundreds of already purchased homes and planned rental units.

Our third concern is reducing the amount of time the DC rate is frozen upon application, from 24 months to 18 months. This simply doesn’t reflect the reality of getting approvals through the city—certainly not in Ottawa. Ottawa, and I’m sure many other municipalities across the province, use and abuse development charges to pay for things unrelated to growth because it’s easy to burden new home buyers and renters with additional costs, and I want to provide you two specific examples from the Ottawa DC. One of the line items in the DC bylaw is a new Olympic-level swimming pool that’s intended to draw swim meets and new tourists to Ottawa. New home buyers are paying the majority of that project. What does that have to do with growth? New home buyers are also paying 100% of the interest on the construction costs of phase 1 of the LRT, a transit line that has been open for five years, serving existing communities, and that replaced an existing bus transitway. New home buyers, starting next week and conceivably for the next 10 years or more, are paying for that cost. We urge the government to work with GOHBA and OHBA to amend this proposal to ensure housing affordability and supply are protected by allowing for the current DC phase-in to continue, ideally through its intended lapse in 2026, but as a minimum, through June 1, 2015.

With that—

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

Mr. Jason Burggraaf: —thank you for your time. I’m happy to answer any questions.

The Chair (Mr. Ernie Hardeman): Thank you. That concludes the presentations.

We will start the first round of questioning with the independent. MPP Hazell.

1520

MPP Andrea Hazell: Thank you, everyone, for coming in and presenting on this lovely evening. Your presenta-

tions were very detailed, and I really appreciate that as well.

Richard, in your presentation, you hit a line that is very dear and close to my heart: first-time homebuyers. I think of the young people getting into the market and already shut out of the market, with the DC charges that are going to impact them—and become even further unaffordable for them to reach that milestone. For the record, can you detail that? That's a concern for me, and it should be a concern for many of us.

Mr. Richard Lyall: I was part of a group that commissioned the study on taxes, fees and levies in total on new housing. It had never been done before. The number we came up with was 31%. So on \$1 million of new housing, you're basically looking at \$310,000 in taxes, fees and levies. Simultaneously, not connected with us, there was a similar report done in BC that came out a few months later; their number was 30%. I can tell you that there is no other jurisdiction in North America that comes remotely close to those numbers. The fact is that they're not income-tested fees; they're per unit fees. The people who get hurt the most by them are the new home buyers, especially those who can least afford to get in the market.

So it's not surprising that we're in a situation, right now, where we really can't produce new market housing, which is 85%, 90% of housing supply for the middle class, and certainly not for first-time homebuyers, unless they've got parents with very deep pockets. That's a problem. It's a huge problem for economic development, for growth of any kind, for well-being, for social value analytics. The quality of life is falling. For young people and young families today, it's a nightmare. We need to fix it.

We just need to find another way of supporting infrastructure, growth and growth management, aside from DCs, because they're just, on their face, regressive, punitive and unfair. We don't treat income tax like this or anything else. It's not the Canadian way.

MPP Andrea Hazell: You're right; it's not the Canadian way. I support you fully on that.

What would you have rather seen in this Bill 185?

Mr. Richard Lyall: I generally like the bill. I think we've got more to do. Our sales started plummeting last year—and no surprise. We said that we're going to have a problem coming. So now, today, we're seeing housing starts falling, which is a problem. The reason for that is that—it's not just interest rates. Interest rates are one part of it. The only way rates will—

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

Mr. Richard Lyall: —have a big effect on housing if they were to drop like 200, 250 basis points. That's not going to happen. At any rate, this problem is way bigger than just interest rates. It's the way we, again, tax housing. Then, of course, there's the approvals process. Even though there have been many changes made, there are many problems still embedded in the length of time it takes to get projects through to approval.

A new formula has to be created, involving all levels of government, in how we support infrastructure growth, because infrastructure and growth generally is to the bene-

fit of the entire community and shouldn't be borne just by new home buyers.

MPP Andrea Hazell: I always knew that we have these amazing, brilliant organizations, like every one of you that are sitting at this table—and I'm hoping that when you do your pre-submission, you also send some solutions.

Thank you so much for your presentation.

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

Mr. Matthew Rae: Thank you to the presenters for coming in person, and to Richard for joining us virtually today.

For my first question, I'll start with the greater Ottawa home builders, and then I'll go to you, Richard, with the same question.

I was just wondering, Jason, if you could comment on the proposed changes in the provincial planning statement, especially around commercial conversion and the transit pieces within it?

Mr. Jason Burggraaf: There's not enough time to detail everything, of course, but yes, there are a number of good changes in the provincial policy statement.

Office-to-residential conversion is especially important in Ottawa, where we have a significant footprint of the federal government, especially downtown, and the divestiture of those buildings. The key to revitalizing downtown is converting those buildings into residential so that you have the people there to support that core economy once again.

Also, with transit, Ottawa is looking to get 25% to 30% of all its housing around transit station hubs, around LRT, which I kind of spoke to. It has that desire in its OP, but then is limited on the zoning side of things, so it's another critical piece to push forward for Ottawa in order to achieve the housing targets that it has, even though I believe those housing targets are a little under.

I think the most critical piece, however—and I did mention it in my remarks—is using the Ministry of Finance's population projection numbers, which would allow every municipality across the province not to even have to do that work. Mike Moffatt is a much smarter person than I—and I think most people will recognize his name. We were talking about this the other day, and he said that he felt that those numbers—and those are the numbers he uses for all his demographics and his household demand projections across the province—were the best numbers that you could get for housing demand, population and migration across the province. It would just allow us to set a base, and we wouldn't have to have a discussion in Ottawa, then, about, "Is 400,000 the correct number, which is what the OP based on, or is it 650,000, which is what the ministry puts forward?" There are a lot of political reasons why Ottawa went with 400,000—as I said, to limit land expansion and to limit zoning. So, again, I think using the Ministry of Finance numbers across the board is the single most critical important change that has been proposed.

Mr. Matthew Rae: Richard, same question around the proposed PPS—especially around commercial conversions and the transit pieces within it.

Mr. Richard Lyall: Well, conversions are great, but they take time, and very few buildings are really suitable for conversion. It takes a long time to get there and get those things started. It's like government land. With transit stations, just lift the restrictions around transit stations on high density and parking.

We really are in a deep crisis. If you look at the condo market in Toronto, as tower cranes come down, they're not going to go back up again. The market has basically cratered. It's very hard to sell anything right now that's new. The system needs to be shocked, because a big part of—again, if you go to that million dollars' worth of real estate, the increases in development charges and sales taxes on new housing in the last 15 years is a down payment today by itself, and that's shocking. We're updating those numbers; I should have it by the end of the week. We'll have a new chart on what that looks like, but it's really quite devastating.

That doesn't mean to say that there aren't things that need to be paid off, and the point was well taken about, "What does the alternative look like?" We visited other jurisdictions in the world, and we've seen how they actually manage this.

It's not just a housing crisis that we have; we've got a growth management crisis on our hands. We're not managing growth properly—so the less, the better.

In other jurisdictions—where we have measured 45 different government agencies, commissions and so on that have their finger in the approvals pie, other advanced jurisdictions have a third to a quarter of that. It's much more simplified and much faster. And where they've modernized—digital twinning, GIS, building information modelling—where you've got modernized systems where you have predictability and accountability, that actually encourages more projects and applications to come forward to build, say, for example, along major corridors and avenues.

1530

These are some of the further advances that we still need to make here so we can—but we need to shock the market. We need to give the first-time homebuyer a chance to tread water. Right now, they're under water.

Mr. Matthew Rae: I know, as those will know and you all know very well, we're removing parking minimums around protecting major transit areas to let the free market sort of decide that aspect—an aspect to reduce costs. I'm hearing that from our Ottawa home builders as well—costs today. Whether it's inflation, interest rates or parking minimums, costs contribute to a lot of that aspect and the challenges we're currently facing.

I just want to get your opinion quickly: Do you believe or agree that the federal Liberal carbon tax is increasing the costs of housing in Ontario?

Mr. Richard Lyall: Oh, it's increasing the costs, and that's not the only thing. There are other challenges that we've been facing with respect to increased costs in the

pursuit of climate change measures. In Ontario, we're already ahead of every other jurisdiction in North America, except for BC now, most recently, that has adopted some new measures. But adding additional costs onto consumers, we're going in the wrong—

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

Mr. Richard Lyall:—we're still increasing our costs. We can't do that.

Mr. Matthew Rae: Thanks, Richard.

I want to get to Jason on the same question. Do you believe the federal Liberal carbon tax is increasing the cost of housing in the Ottawa area?

Mr. Jason Burggraaf: To be succinct, of course. But it's on every input within a house—construction materials, transportation, and everything else related to that. And that has an amplifying effect because, of course, it's at the base, and then you build your way up. So, yes, there's a significant portion there. I don't have a good calculation as to what that is—but increased at an input, it increases everything.

The Chair (Mr. Ernie Hardeman): We'll now go to the official opposition. MPP Bell.

Ms. Jessica Bell: Thank you to the presenters for coming in today and being here online. I know you have busy lives, and I'm always interested to hear what you have to say. I also carefully read your submissions. This is a very detailed and thorough submission, and I appreciate it. It makes my job easier.

I have questions for all three of you. I'm going to start off with Richard Lyall from ResCon. I have three short questions to start off with.

We've been asking the Ontario government to permit fourplexes as of right in towns and cities across Ontario. Is that something that you're also advocating the government do?

Mr. Richard Lyall: In our view, the fourplexes issue is sort of a non-issue. A lot of municipalities are already doing it, so why not do it? But the argument of threeplexes or fourplexes is kind of relative to the bigger crisis that we're facing. It is not terribly important, but certainly, we support fourplexes.

Ms. Jessica Bell: Why not, right?

Mr. Richard Lyall: Yes.

Ms. Jessica Bell: We will be introducing an amendment to allow fourplexes as of right. We know the government has moved forward with threeplexes as of right, with Bill 23. That was a move we supported in that bill.

The housing crisis is what it is; I believe we need multiple measures from all levels of government to address the housing supply shortages we have and the housing affordability crisis we have.

The second point that I noticed you spoke about was the issue around having higher density near transit stations. I'd like to know if you could speak a little bit more about that and what you'd like to see the Ontario government do.

Mr. Richard Lyall: The less restrictions, the better, generally speaking, and in there I would look to, for example, one of the more successful—the most successful, I would argue—cities in the world, that we don't pay a lot

of attention to, and we should: the greater Tokyo area, which has the population of Canada in it. They don't have the housing problems that we have. They don't have the social housing problems that we have. They don't have the infrastructure problems that we have.

We're actually going back there this fall to the Japanese home building show. They also are world leaders in modular, off-site construction. There's a lot to be learned there. But they do not have the restrictions that we have around major urban transit hubs. Just let the market dictate what is needed there.

We keep trying to play around with capping things and limiting things to 30 units or threeplexes or whatever else like that. No stone can be left unturned in dealing with this housing crisis. It is monumental, and it's getting worse, by the way. There's no doubt about that. If you talk to our subcontractor associations, their business pipeline is pretty much dry and we're laying off people now. We talk about the lack of skilled labour. We've got hundreds of crews sitting at home now, and it's getting worse. We need to turn that around.

This is kind of like the early nineties. The thing that saved the industry then was the non-profit housing boom that happened in the early nineties. It kept our crews working until the market started to recover. We're in the same situation now; make no mistake about it.

I'm not fearmongering here; I'm looking at the numbers. Why data is so important is—we're dealing with lagging numbers. There are other jurisdictions in the world that have up-to-date data as of that week or as of this week—we do not have that information; if we did, people would see what was happening. We're in a pickle.

Ms. Jessica Bell: We also see the value in the government playing a greater role in providing financing and access to public land in order for the development sector and municipalities and the government itself to move forward with building non-market housing or a mix of more market housing with affordable housing. It's certainly something that we've seen work quite effectively in other provinces and states.

I recently introduced a motion to do what BC and Quebec allow, which is to permit the stratification of a home so that it can be converted into two separate homes for purchase. Other cities and states that have faced housing crises, from Oregon to BC to Quebec to California, have moved forward with this measure because it provides first-time homebuyers with that cheaper option to buy a home that's a little smaller—we're talking 1,200, 1,400 square feet—but it's a whole lot cheaper than a single family home or even semi-detached home. Is that something that ResCon has looked into—allowing stratification?

Mr. Richard Lyall: Not directly, because, you understand, the bulk of our industry is in subdivision work, major projects, high-rises and so on.

Having said that, we have engaged and partnered with groups like Habitat for Humanity and St. Clare's social housing. We recognize that there are people in our society, through no fault of their own, who just simply can't afford

housing and they have to be looked after. That's the Canadian way, again, right?

We've gotten involved with various projects like this—most recently with Habitat, for example, on the taxes and development charges on new housing, because those development charges are hitting Habitat homes too. Habitat's market now is middle-class people. You never thought you'd see that.

Sorry; I lost track of the question.

Ms. Jessica Bell: No, it seems like you don't have a clear position on that, and that's fine. I was just curious.

Mr. Richard Lyall: Sorry; the position on—

Ms. Jessica Bell: Stratification.

Mr. Richard Lyall: Oh, yes. No, we don't have a problem with that. All these things are good things.

In fact, I was going to say we have that happening in an informal way in our market now, in the greater Toronto area, where houses—single-family homes—are being bought and they're being divided up into three-family homes.

Ms. Jessica Bell: Correct.

I have 30 seconds left, and my next two rounds will be with you two.

I feel pretty good about the improvement in the development fee measures that are coming in with this bill. The reason is because municipalities have a huge amount of challenges that they're facing now with infrastructure. In the city of Toronto, we've seen a property tax increase which has been significant—it was, I think, 9.5%. I am concerned about any measure to reduce development fee charges, given the situation that many people are facing.

If developers pay less development charges, then who do you recommend should make up the difference?

Mr. Richard Lyall: This is where a new formula needs to be reached between the three levels of government. The development charges and fees are not paid by developers; they're up-fronted by developers, which is a problem in itself because it actually kills some projects coming forward, but it all come out in the wash. It's the consumer who pays for it. It's a consumer tax. It's just disguised as a development charge. When you hear people say—

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

We'll go to the independent. MPP Hazell.

1540

MPP Andrea Hazell: My next question is for the Federation of Urban Neighbourhoods Ontario and for Geoff.

This bill also supports sprawl and takes away appeal rights.

The government task force report made it very clear that there is enough urban land to build the housing we need.

In your view, why do you think the government is so determined to go after the farmland? And what would be the risk to the farmland? This can happen, and we've seen it happen recently.

Mr. Geoff Kettel: You're referring, really, not just to Bill 185 but also to the PPS, where conversions of industrial land to residential and so on are going to be facilitated

more easily. Locking residents out of appeals is fundamentally undemocratic.

It's really important that we actually plan things in a proper way. The conversions in my area—they were organized; there was a municipal comprehensive review and reports written that came up to council. They made a decision. Now it's going to be open season. We're going to lose our industrial, our employment lands. These are closer to home to me than the agricultural lands, but it's a similar issue. We desperately need to retain jobs in the city, and how can you do that if the land is converted to residential? Where these people are going to work—it's a good question.

MPP Andrea Hazell: I always like to ask with this bill—what would you like to have seen differently with this bill? And what are you hearing from the ground, from your organization?

Mr. Geoff Kettel: Well, we mentioned two or three things which were supported—some of them were just rolling back earlier mistakes by the government in Bill 23.

I would say, on balance, most of it is a problem. It seems like the government is trying one thing after another to try to make amends, but it's not happening.

I did say that lapsing approvals—certainly, in my area, we've got a dozen buildings approved; only two or three of them are moving forward. This is crazy. There needs to be some incentive to actually get shovels in the ground, just to use an Orwellian term—

MPP Andrea Hazell: But what are the incentives that you're not seeing that you need to see? What does that look like?

Mr. Geoff Kettel: We really don't know what those incentives are, because it seems like there's a rush to get approvals, but the approvals simply allow a developer to take the money. And then what happens?

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

Mr. Geoff Kettel: Well, somebody else then builds. That's the problem. We're allowing speculation. We're not managing the speculation, and therefore the building isn't happening. We need to somehow manage the speculation.

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

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

Mr. Mike Harris: Again, thank you to all the presenters who are here in our last panel of the day.

Let's talk about building. Let's talk about incentives. Let's talk about what is a huge disincentive—and that's high interest rates. When you have properties that are green-lit, ready to go, but interest rates are so high that you can't literally afford to build the building, that doesn't help anybody.

I'd like to start with ResCon and Richard. Tell us a little bit about what it's like trying to build right now with these high interest rates.

Builders want to build. That's the whole point of being a developer, a home builder, a community builder.

How are these high interest rates really becoming a disincentive, and how are they preventing you from moving forward with building quality housing here in Ontario?

Mr. Richard Lyall: Well, it's, to a certain degree, self-evident. It's a huge problem. The bigger problem that we have, too, with interest rates is that you basically have to go along with the US. The Bank of Canada has only got so far it can move, and I think they did go too high—that's our view of it, anyway—by maybe 50 basis points and when they increased rates. I think they have to come down. The danger is, of course, the US economy is on fire. The US economy has productivity growth, they've got real income growth and so on, and we don't have that, and that's largely a problem related to federal policies and how things have been, frankly, bungled there. But interest rates are a huge problem.

And then when you factor in, as I mentioned, what is a down payment today, it's an increase in taxes, the bulk of which, is going to the federal government. They've been making out like bandits on housing taxes which were supposed to have been adjusted to inflation originally, and it never happened. So as prices went up and we had this economics-of-scarcity bubble happening, and then you increase DCs—how can you have development charges increasing 900% in a decade when real income growth has been actually negative?

Mr. Mike Harris: It's a major problem, for sure. I think you hit the nail on the head, and your comments really resonate with a lot of the folks who are here in this room.

I want to turn it over quickly to the greater Ottawa home builders and get some of your thoughts on it, as well.

Mr. Jason Burggraaf: As Richard said, it's the cost of financing. If a 100-unit apartment building costs \$300 million to build, do you want to borrow that money on 5% or 7% or higher? It's as simple as that.

Mr. Mike Harris: Just to be clear, builders don't have droves of money stashed away just waiting for this next project to come along. You're taking out, essentially—call it a mortgage, if you will, or you're looking at financing large sums of money to be able to up-front the cost to be able to build these places.

Mr. Jason Burggraaf: You're right; every project is financed. You put up your deposit with the collateral that you have to—the proportion with your bank. But banks and lenders demand big margins on that in order to even move forward with any project, and then you build the interest rate on top of that.

Mr. Mike Harris: Thank you.

I'm going to turn my time over to one of my colleagues.

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

Ms. Patrice Barnes: I have a quick question for you, Richard. You talked about managing growth. When we talk about managing growth, what does that look like? As you said, one of the things that we need to do and we're not doing right now is managing growth or looking at the numbers that manage growth. I'm just curious as to what that looks like.

Mr. Richard Lyall: Well, let me put it this way: We talked about a housing crisis, but, as I've said, we've actually got a growth management crisis, because you can't look at housing in isolation—there's housing, there's infrastructure, there's health care, there are educational elements to it. We're looking at building schools in high-density urban environments, things like that, and then, you've got other associated factors. So it can't be looked at in isolation. It's complex.

We need to run—and we have the capability of doing this. We've got to start simulating what we're doing. In other words, we keep having these announcements on different things. Well, what does it really mean at the end of the day relative to the 1.5-million target which everyone has accepted? What's the actual plan to get there? That has been broken down to a certain degree, but we can actually run simulations using big data analytics, which is available to us, but we're not doing it yet. We need to do that. We need to modernize and digitize the entire system. That has been done in other jurisdictions. We're actually far behind other advanced jurisdictions in how we manage this. In fact, the OECD has us second-last in our approvals process out of 32 developed countries. It's no mystery. So we have to and can improve this. I think that's going to happen. So we can do it, and I think it's going to happen. It's just that the magnitude of this problem kind of crept up on us. COVID and the interest rate increases were sort of the straw that broke the camel's back, but there was a lot happening before that that made our housing supply system dysfunctional. The market has to work, because the market is 85% to 95% of housing supply. The state cannot step in and substitute there.

1550

The best incentives are to reduce the costs, and the biggest costs that went up in the last 10 to 15—they already did it on purpose-built rental housing. They cut the HST on that, which was good, and there have been some measures there with respect to development charges. Whether you rent or own, it's just a matter of choice, economically speaking. We need to do that for first-time homebuyers at a minimum—

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

Mr. Richard Lyall: —to get them back in the market.

Ms. Patrice Barnes: Thank you.

My second question is for Jason. Jason, you listened to Geoff in regard to the speculation or getting builders that are just speculating. What are your thoughts on that?

Mr. Jason Burggraaf: I don't think there's a lot of appreciation for the spectacular risk that home builders take on in order to do these projects and the investment of years and millions of dollars for those sorts of things. You don't turn a piece of land around in a year or two years; it's 10. If you're really fast, you can do that. That takes a lot of time and a lot of effort and, again, a lot of sunken money to do that sort of thing, all of which has to be basically up-fronted by a developer in order to produce that housing. We also somewhat dismiss that as a product, as opposed to the communal good—

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

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

Ms. Jessica Bell: I've got questions for you, Geoff, as well as for you, Jason.

My first questions are to Geoff. It's good to see you again.

What's FUN's position on fourplexes? Are you in support of Ontario moving forward with fourplexes as of right in towns and cities across Ontario?

Mr. Geoff Kettel: Basically, yes. Certainly, as I said, fourplexes exist in my community. They exist everywhere. I don't know what the issue is, really. It makes a lot of sense. Basically, it's a double duplex or a double semi-detached. It's an obvious building form. It's a box divided into four. It makes perfect sense. What is the issue?

Ms. Jessica Bell: We don't understand what the issue is, and I think there are a lot of Conservative members who feel pretty comfortable with fourplexes, too. Unfortunately, I think we need to get a message to Premier Ford that Ontario is ready for fourplexes and that it's time to move ahead with that.

I will be introducing an amendment in this bill to call for fourplexes to be allowed as of right.

My next question is around the development charges issue. As I mentioned to Richard, I've been very concerned about the municipalities not being made whole. They've lost their ability to collect sufficient developer fees to pay for infrastructure. At a time when Toronto has a property tax increase rate of 9.5%, that is significant.

One thing that we are asking for is for development charges to be permitted for affordable housing. The city of Toronto is currently not allowed to collect developer fees for affordable housing, at a time when we've never had an affordable housing crisis as bad or a homelessness crisis this significant.

What is FUN's position on permitting the city of Toronto to collect development fees for affordable housing?

Mr. Geoff Kettel: Basically, development charges should not be—I hear the conversation almost like they're negative; they're simply the cost of development. They're not a tax. It's almost implying that they're some kind of tax, but they're just the cost to allow the grant and allow the services for the development. It seems totally appropriate, and it has to be paid for. That ability has been taken away.

In terms of affordability, the government asked Toronto and all the other municipalities to report on inclusive zoning by July 2022. That's almost two years ago—“Hurry, hurry, hurry. Get in your plans for 15%, 20%, whatever it's going to be.” We're still waiting. The city of Toronto is still waiting. So all of these developments—we've got so much development that has been approved by the city; none of that is going to be affordable, because none of it is within the confines of an inclusive-zoning-approved plan.

Ms. Jessica Bell: Yes, that's correct, Geoff. There are over 104 applications at the city of Toronto that they've made to the provincial government to permit inclusionary zoning near transit stations so that all new big develop-

ments would have a percentage of affordable homes allocated in that development. And we've just been waiting for two years.

My next question is to Jason. Jason, honestly, this is such a good briefing note. I really enjoyed reading it.

My question to you is just around the position of two things: fourplexes in towns and cities as of right—if your association has a position on that; and then, second, if your association is advocating for higher density along transit routes as of right—what's your position on that, as well?

Mr. Jason Burggraaf: GOHBA has certainly pushed for four units per lot as a policy that should be adopted across the province. It is something now that the city of Ottawa has introduced in its draft zoning bylaw, more because of its agreement with the feds under the Housing Accelerator Fund, which—I'll call a spade a spade—I'm not sure the city really wanted to do, but nonetheless accepted in that way.

I think where things get caught up on the four-unit question is—often, people start saying “four storeys,” and so I think we often get caught up in the storeys-versus-units question. One of the proposals that we have in one of our EROs here—I don't remember which one of the seven, but it's in there somewhere: Let's simplify this discussion and talk about height instead and not units. Let's set 11 feet as your low-rise height for less than an R4; in Ottawa, it's R4. That would be the solution there.

Sorry; what was the second question?

Ms. Jessica Bell: Increased density along transit routes.

Mr. Jason Burggraaf: Yes, significantly so, and if anything, we've been highly critical of the city for not putting zoning high enough along transit. As I detailed in my remarks, the zoning around transit stations, around LRT stations in Ottawa, has not been rezoned at all so far and is not being proposed to be increased significantly in the proposed zoning bylaw that's going to be under scrutiny by Ottawa for the next year and a half because it's not producing the amount of units that it should.

In Ottawa, and I would imagine in every municipality across the province, housing units—mostly apartments, because we're talking about high-density apartment buildings for the most part, or condos—should be the housing that is most affordable that any municipality produces. The ability to live on a transit station and to have a more complete community around you should be an obvious goal. I can't speak for every municipality, but certainly, it's baffling that the city of Ottawa doesn't push that more.

Ms. Jessica Bell: I have one final question. I have one minute left, right?

The Chair (Mr. Ernie Hardeman): It's 1.1 minutes.

Ms. Jessica Bell: Thank you, Chair.

This is a question about a related bill, so if you don't have the answer to that, it's fine, but it's something that I'm following pretty closely. In a previous bill, the government moved forward with a definition of affordable

housing—where developers get a development fee exemption if they build an affordable home that, I believe, was about 60% of average market rent. We're still waiting for the bulletin to be released that will tell us what the exact affordable housing definition is for each region, I believe. At that time, some of the stakeholders were concerned that, even with the DC exemption, builders weren't going to build it because they couldn't recoup their costs with the rent price as it was.

ResCon or GOHBA: Do either of you have a position on that—whether the affordable housing definition is going to work to build affordable homes?

Mr. Jason Burggraaf: It's Richard's time to talk.

Ms. Jessica Bell: Richard?

Mr. Richard Lyall: The affordable housing definition, like “attainable” and—

The Chair (Mr. Ernie Hardeman): Thank you very much. That's very well-designed. We want to thank you. The time is concluded for that question and for that panel.

I want to thank the presenters in this panel for all the time you took to prepare and the great way of making the presentation and answering the questions. It's very much appreciated.

I would also like to remind the committee and those present that the deadline for written submissions is 5 p.m. on Wednesday, May 15. That would be 5 o'clock this afternoon. I guess not too many people are going to put it in the mail. Anyway, that's the deadline for submissions.

Are there any further questions or comments from the committee? MPP Harris.

Mr. Mike Harris: I have a motion to move around filing amendments, Chair, if that's okay.

The Chair (Mr. Ernie Hardeman): Yes.

Mr. Mike Harris: Thank you.

I move that the deadline for filing amendments to Bill 185 be rescheduled to 12 noon on Friday, May 24, 2024.

The Chair (Mr. Ernie Hardeman): Debate?

Ms. Jessica Bell: Would you be able to give us an explanation as to why you're changing it?

Mr. Mike Harris: It's just what we believe is an adequate timeline, and we'll be moving forward with it.

We'd like to call the vote, Chair.

Ms. Sandy Shaw: Is this a motion that they're moving—

The Chair (Mr. Ernie Hardeman): Yes. He's moving a motion for the committee to agree to extend the deadline, which the committee has the power to do.

Any further discussion? Is the committee ready to vote?

All those in favour of the motion? All those opposed? The motion is carried.

Any further questions or comments from the committee?

The committee is now adjourned until 9 a.m. on Wednesday, May 29, 2024.

The committee adjourned at 1604.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Ernie Hardeman (Oxford PC)

Vice-Chair / Vice-Présidente

Ms. Catherine Fife (Waterloo ND)

Mr. Deepak Anand (Mississauga–Malton PC)

Ms. Patrice Barnes (Ajax PC)

Mr. Stephen Crawford (Oakville PC)

Ms. Catherine Fife (Waterloo ND)

Mr. Ernie Hardeman (Oxford PC)

Mr. Mike Harris (Kitchener–Conestoga PC)

MPP Andrea Hazell (Scarborough–Guildwood L)

Ms. Christine Hogarth (Etobicoke–Lakeshore PC)

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

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

Substitutions / Membres remplaçants

Ms. Jessica Bell (University–Rosedale ND)

Mr. Brian Riddell (Cambridge PC)

Also taking part / Autres participants et participantes

Ms. Sandy Shaw (Hamilton West–Ancaster–Dundas / Hamilton-Ouest–Ancaster–Dundas ND)

Clerk / Greffière

Ms. Vanessa Kattar

Staff / Personnel

Mr. Michael Vidoni, research officer,
Research Services