

JOINT LETTER TO THE ONTARIO GOVERNMENT ABOUT BILL 23 THE “MORE HOMES BUILT FASTER ACT”

To: *Hon. Doug Ford, Premier*
Hon. Steve Clark, Minister of Municipal Affairs and Housing
Hon. Michael Parsa, Associate Minister of Housing

The new provincial housing legislation is a lengthy and complex bill. While we welcome provincial efforts to grapple with the affordable housing crisis, and this bill does offer some areas of progress for affordable housing, it unfortunately also includes areas of considerable concern.

The bill definitely takes important steps that will help expand supply and also create new units of affordable housing. Reduced taxes on nonprofit development and on affordable housing could lower costs and make more projects viable. As-of-right permissions for secondary suites should remove some barriers to new, more affordable homes.

However, the bill also includes policies that have a negative impact on affordability. Unaddressed, the issues outlined in this letter will undermine the goals of this legislation, threatening its ability to create any net affordability in Ontario.

The bill undermines municipal programs that create affordable housing

The bill, as it is currently written, would eliminate the charges that developers currently pay toward housing. This will, according to recent estimates, eliminate hundreds of millions of dollars that municipalities rely on for housing programs, and dramatically reduce municipal affordable housing efforts.

The bill also constrains municipal efforts to require affordable housing in new developments. The new limits on Inclusionary Zoning are well below the targets in bylaws that local governments have already passed - bylaws that were based on the local economic feasibility studies the Ministry required. It is worth underscoring that these bylaws are one of the only tools that municipalities have to create the much-needed affordable housing for people experiencing homelessness across Ontario.

These aspects of the bill will cut hundreds of millions of dollars from municipal investments in affordable housing and cancel plans that would have built thousands of new, permanently affordable homes.

The bill will speed up the loss of existing affordable homes

The bill gives the Minister the power to cancel rental housing protection programs that ensure that when apartment buildings are redeveloped, the affordable units are replaced at affordable prices. Those programs have saved over 4,000 affordable homes, and their loss would put more pressure

on affordable housing. Losing those protections would accelerate the already rapid loss of affordable rental units and undermine efforts to increase the supply of affordable homes.

The bill risks undermining affordability for families

The bill cuts taxes and fees on developers, eliminating millions in funding that is used to build roads and sewers, as well as parks and other amenities. But those roads and sewers are still needed, and funding them will now put significant pressure on the property tax base, even though tax increases would be difficult for families to afford in these tough times. Municipalities have expressed grave concerns about the impact of these changes on their ability to balance budgets and keep property taxes in line.

Nothing in the bill ensures that new homes, built with public incentives, are affordable

Though developers will benefit from hundreds of millions in tax cuts and incentives under this bill, there is nothing that requires them to build affordable units or pass any of their savings on to renters or homebuyers. While lower taxes and reduced regulatory requirements may lead developers to offer homes at less than the current market rates, there is nothing in the bill that prevents them from continuing to charge what buyers are willing to pay.

The bill ignores the most important task in creating affordable housing: new investment

While regulatory reform is useful, and more supply is warranted, virtually everyone in the sector agrees that, without new investment in affordable and deeply affordable housing, we will not successfully address the housing crisis. Although this is the government's third legislative initiative on housing, there is still no coherent investment plan that can enable the public, private, or nonprofit sectors to build the amount of affordable and deeply affordable housing needed.

Housing legislation should center the housing needs of the people who call Ontario home. Deregulating development will not address the housing needs of those most at risk of not having adequate housing.

We urge you to reassess the current legislation, amend the provisions identified here, and move quickly to focus on investing in affordable and deeply affordable housing.

Sincerely,

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