

## MEMORANDUM

To: Members of Committee of the Whole

From: Paul Freeman, MCIP, RPP  
Chief Planner

Date: May 7, 2019

Re: Ontario's Housing Supply Action Plan

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This memorandum provides Committee with a summary of the “More Homes, More Choice: Ontario’s Housing Supply Action Plan”. A separate memorandum is provided on the recent amendments to the Growth Plan.

### **The Province released Ontario’s Housing Supply Action Plan on May 2, 2019**

The Province announced plans to develop a Housing Supply Action Plan (Action Plan) in November 2018, seeking public input on ways to expand housing supply in Ontario. Regional staff submitted [comments](#) to the Province on January 25, 2019.

On May 2, 2019, the Province introduced the “More Homes, More Choice: Ontario’s Housing Supply Action Plan” with a suite of legislative, regulatory and policy changes aimed at increasing new market ownership and rental housing supply. A related bill, Bill 108 – *More Homes, More Choice Act, 2019*, is before the Ontario Legislature and passed first reading. It amends the following 15 pieces of legislation:

- *Planning Act,*
- *Local Planning Appeal Tribunal Act,*
- *Development Charges Act,*
- *Conservation Authorities Act,*
- *Environmental Assessment Act,*
- *Environmental Protection Act,*
- *Endangered Species Act,*
- *Ontario Heritage Act,*
- *Municipal Act,*
- *Ontario Water Resources Act,*
- *Education Act,*

- *Labour Relations Act*,
- *Occupational Health and Safety Act*,
- *Workplace Safety and Insurance Act*, and
- *Cannabis Control Act*.

While multiple pieces of legislation are amended through Bill 108, this memo highlights key changes to the *Planning Act*, *Development Charges Act* and other legislation directly impacting growth and development decisions in the Region.

## **Consultation on the proposed Housing Supply Action Plan is underway**

The Province issued a 30-day consultation period on the Environmental Registry for Bill 108 which includes schedules pertaining to the *Planning Act* and *Development Charges Act* among other legislation. Submissions are due by June 1, 2019.

Staff will conduct a full analysis of changes proposed and their impacts, and prepare comments to the Province. Due to the consultation timeframe provided, staff will submit comments by the Provincial deadline noting that additional comments from Council may follow.

## **The Housing Supply Action Plan proposes a number of legislative, regulatory and policy changes**

The Action Plan contains measures focusing on the five themes of Speed, Cost, Mix, Rent and Innovation to improve housing supply and affordability. The following is an overview of key actions related to each theme.

### **1. Speed: Streamline Approval Processes**

The Province proposes:

- Shorter land use planning decision timelines: from 210 to 120 days for official plan amendments, from 150 to 90 days for zoning by-law amendments, and from 180 to 120 days for plans of subdivision applications.
- To enable the Minister to mandate Community Planning Permit Systems in specified areas, such as protected Major Transit Station Areas and Provincially Significant Employment Zones.
- To streamline the approval process for projects with little risk to the environment, promote soil reuse on construction sites, and remove barriers to building on vacant land while protecting the environment and human health.
- New mandatory standards and timelines (between 90 to 150 days) for decisions on heritage designation by-laws and applications for the alteration and demolition of heritage buildings. Municipal decisions on heritage designation and property alteration matters can be appealed to the Local Planning Appeal Tribunal.

- To streamline and standardize the roles of conservation authorities in municipal planning.
- To define the roles of conservation authorities and municipalities, and their responsibilities and funding for core and non-core programs and services.
- Changes to the *Environmental Assessment Act*, *Environmental Protection Act* and regulations to address duplication, streamline processes and provide clarity that will impact development review timelines.
- Changes to the *Endangered Species Act* modifying the process, including longer timelines for adding to the Species at Risk listing, and establishing a payment-in-lieu trust fund to support larger-scale activities likely to protect or recover species at risk.

The Province also proposes changes to the function and authority of the Local Planning Appeal Tribunal (LPAT), effectively re-establishing the function of the former Ontario Municipal Board (OMB). This includes:

- Giving LPAT authority to make decisions on appeals of major land use planning matters, and removing restrictions on introducing new evidence (enabling “de novo” hearings), and calling and examining witnesses at hearings.
- Limiting third party appeals of:
  - Plans of subdivisions
  - Approval authority non-decision on Official Plans
  - Official Plan amendments
- Hiring more adjudicators to address the backlog of legacy appeal cases.
- Modifying the appeal fee structure to support a cost recovery approach, while ensuring the public has affordable access to the appeal process.

## **2. Cost: Increase the Certainty of and Reduce Housing Development Costs**

The Province proposes:

- A municipality can continue to levy development charges for water and wastewater, roads, policing, transit, and waste diversion (which is no longer subject to the ten per cent statutory deduction).
- A municipality may only levy a development charge for those services prescribed in the *Development Charges Act*.

- A number of services which the Region currently levies development charges for would no longer be eligible services, including paramedic services, public health, senior services-capital component, social housing, and court services.
- A community benefits charge, through a Community Benefits Charge Bylaw, is proposed as a new provision that could be used to recover costs no longer eligible for development charges. This new tool also replaces existing density bonusing provisions in exchange for community benefits under Section 37 of the *Planning Act*.
- The community benefits charge would be capped, with details provided in a forthcoming regulation. At this point, it is unclear if there will be a limitation on the services for which a Community Benefits Charge Bylaw can apply.
- That development charges would be ‘frozen’ on the day upon which an application for site plan or zoning approval is made, with payment made at the usual time (building permit issuance).
  - For non-residential development, rental housing and not-for-profit housing, the payment of development charges would be phased, beginning at the earlier of occupancy permit or first occupancy of the development, and paid in annual installments over five years.
- To remove requirements for new homes to include electric vehicle charging infrastructure under the Ontario Building Code (OBC).
- Harmonizing the OBC with National Codes to open new markets for manufacturers.
- To allow only modest increases in education development charges and lower-cost alternatives for School Boards to secure property.

### **3. Mix: Support a Range and Mix of Housing**

The Province proposes:

- Requirements for municipalities to permit the creation of additional dwelling units in prescribed classes of existing residential buildings or prescribed structures ancillary to existing residential buildings.
- Limiting the use of inclusionary zoning to areas with high-growth and near higher order transit services. This includes protected Major Transit Station Areas and areas where a Community Planning Permit System is in place at the discretion of a municipality or as may be required by the Minister.

#### **4. Rent: More Rental Options and Better Protection for Tenants and Landlords**

The Province proposes:

- That a purpose-built secondary suite, in prescribed classes of new residential buildings, or in ancillary structures to those buildings, would be exempt from development charges (subject to restrictions).
- To encourage the creation of rental units by making it easier to build second suites and developing resources to help small landlords navigate the building code and approvals process.
- To appoint and recruit adjudicators to the Landlord and Tenant Board, and provide guidance materials to help tenants and landlords know their rights and resolve disputes.

#### **5. Innovation: Creative Solutions to Increasing Housing Supply**

The Province proposes:

- To promote innovative housing designs, construction techniques and materials to lower cost, increase choice and make homes more accessible. The proposed forthcoming Forest Sector Strategy will support prefabrication of housing components off-site.
- To develop resource guides to encourage innovative housing forms (e.g. tiny houses), and promote different homeownership arrangements (i.e. life lease and co-ownership).

#### **Other Considerations**

The Province is also exploring ways to protect new homebuyers, which include:

- Sharing information on developers' track records via the Ontario Building Directory.
- Introducing more proactive, risk-based inspections by Tarion (new home warranty program) during construction.
- Creating a user-friendly process to help new homebuyers and homebuilders resolve disputes.

Recognizing the need for more comprehensive data to inform housing decisions, the Province proposes to work with municipal and federal partners to gather relevant housing data. The Province is also making commitments to partner with municipalities and businesses on housing solutions that will attract investments and bring jobs to Ontario communities.

## **Next Steps**

Extensive legislative changes are proposed through the Housing Supply Action Plan and Bill 108. Staff are conducting detailed assessments of impacts on Regional policies, initiatives, programs and services. Staff will provide comments to the Province to meet the deadline, noting that additional comments from Council may follow. Staff will also monitor and review forthcoming information related to this bill, including consultation timelines for other schedules as they are released by the Province.

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