



ONTARIO NON-PROFIT
HOUSING ASSOCIATION

December 9, 2022
Legislative Assembly of Ontario
Ministry of Municipal Affairs and Housing

Re: Bill 23, *More Homes Built Faster Act, 2022*

Dear Minister Clark,

We thank you for the continued opportunity to provide feedback on Bill 23, *More Homes Built Faster Act, 2022*. This letter is designed to introduce and reiterate key considerations and recommendations related to the Bill to help ensure the community housing sector is protected and supported through this change, and in the future-state environment.

The Ontario Non-profit Housing Association (ONPHA) seeks to work collaboratively with all levels of government, as well as our non-profit and private sector partners, to build, protect, and support community housing across the province. We are the voice of non-profit housing in Ontario, representing over 700 non-profit landlords and local housing corporations throughout the province. The community housing sector provides safe, affordable, and stable housing for half a million low- and moderate-income Ontarians and owns built assets worth close to \$30 billion.

We applaud the Government of Ontario's goal to build 1.5 million homes in the next ten years. There is no doubt a housing crisis across Ontario and across Canada. Bill 23 makes several changes that will increase housing supply. As we increase supply, ONPHA would like to work with the government to ensure housing is accessible, affordable, and sustainable for those in most need of support.

Why it matters

We all know Ontario's housing costs have skyrocketed over the last decade – average rent has increased nearly 50%. 735,000 households cannot access an affordable home and 200,000+ households are on the waitlist for community housing in Ontario – sometimes with wait times up to 12 years. Community housing is a critical piece of the housing affordability puzzle. It provides affordable homes to individuals and families who cannot afford today's high rent prices and who would otherwise have no place to live – mostly newcomers to Canada, Indigenous people, single parent families, and seniors.

Bill 23 and Community Housing

Bill 23 introduces a mix of modifications and changes, all with the important goal of increasing housing supply in the Province. ONPHA is encouraged to see that Bill 23 has made direct modifications to support the community housing sector (including non-profit and co-op housing) and encourages the government to extend those exemptions and benefits to all community housing provider types in the Province. This includes development fee exemptions for community housing

developments, and commitments to seek opportunities to ensure the property tax system does not negatively impact community housing providers. Tax credits and exemptions of any kind are beneficial to our members who are often working with persistent budget pressures that result from delivering housing at a below-market rate.

At the same time, there are other modifications and changes that are in some cases contradictory or result in potentially negative impacts on the remainder of the community housing sector. ONPHA encourages government to consider amendments or improvements the following elements of the Bill. ONPHA is also committed to working with government directly to better define the impacts and find productive solutions:

- While development charge limitations and exemptions are designed to incentivize new supply and construction, the changes proposed in Bill 23 specifically limit the ability of municipalities to collect development charges to support Housing Services. All ONPHA's members work with one or more municipalities, in more than 220 ridings across Ontario (as service manager) to fund and deliver community housing, and are often recipients of Housing Services funding to help deliver safe and quality housing to low and moderate-income households in their local area. Without this revenue pipeline, municipalities (or the Province) will need to help find solutions – or fund – this shortfall so that current service levels can be maintained.
- As Ontario's housing crisis persists, more and more Ontarians are falling into 'core housing need'. Bill 23 puts forward specific limitations to inclusionary zoning (including the 25-year affordability cap), rent replacement by-laws, and the definition of affordability that could directly limit the introduction and sustainment of enough supply to meet provincial growth targets.
- ONPHA recommends revisiting how affordability is now defined in the Bill (80% of market rates) as it may directly impact the ability to deliver the right mix of housing typologies to meet affordability needs in the Province. We recommend the province focus on leveraging this Bill and other opportunities to ensure appropriate housing is available to meet the traditional housing affordability threshold – housing costs no more than 30 per cent of household income - for every citizen, regardless of their income level. We believe this approach ensures every link in the housing supply continuum is included in policies and programs by design.
- The community housing sector is also facing additional change and transformation – the mortgages and inter-governmental funding agreements signed 20-30 years ago are set to expire, and the government has introduced regulatory change through the Community Housing Renewal Framework that will introduce a new regime for the ongoing funding, administration, and management of community housing in the Province. ONPHA believes it is critical to understand how these broad legislative and policy changes interact 'on the ground', and our organization encourages government to work with sector partners and teams across the Ministry to manage these inter-connected systems.

The Path Forward

We at ONPHA are working with our members towards a community housing sector that sustains, grows, and fosters social integration in the communities. We understand that this mission cannot be achieved without meaningful partnership between all levels of government – including the province – and our development industry partners. With Bill 23 changes now introduced, ONPHA encourages government to find ways to ensure supply of community housing – the only housing type dedicated to long-term affordability for residents – is built as part of the 1.5 million construction target. In addition to the recommendations above related to Bill 23, ONPHA recommends the following high-level actions to balance the need to incentivize the development sector to build and the need for a sustainable community housing sector:

- Tax Credits or Exemptions: continue to introduce provincial tax policies that incentivize the private sector to construct housing for people, as opposed to investors and speculators.
- Income and Rental Assistance: expand rental assistance and enhance other income support programs like OW and ODSP to keep people housed and prevent pathways into homelessness.
- Bolster Sector Capacity: introduce funding envelopes or tools that the community housing sector can draw on to acquire more existing (or newly constructed supply). For example a non-profit acquisition fund that enables community housing providers to purchase newly constructed housing stock suited to the needs of their residents/potential residents.
- Leveraging Tax Revenues: Ontario now has the highest Non-Resident Speculation Tax in Canada, recognizing the need to make more housing available as a place to live rather than a place solely to invest. The revenue raised from this tax should further the government's goal of providing everyone with the opportunity to find a home. Proceeds from the Non-Resident Speculation Tax and other housing-related taxes – such as the Land Transfer Tax – should be earmarked to support housing initiatives.

Working Together

ONPHA acknowledges the policy and legislative progress made by the government to-date, and we are encouraged to know that Bill 23 and other recent changes are important steps in the larger housing policy changes the government will be introducing. ONPHA encourages the government to make additional funding and regulatory improvements to support affordable housing operation and development. For example, as new funding pipelines are announced through the National Housing Strategy, we strongly encourage the province and Ontario's municipalities take advantage of all co-investment opportunities to maximize results for the province and helps mitigate historic cycles of under-funding in various areas of the housing sector – both private and public.

Through subsequent Housing Supply Action Plans, the Government of Ontario can take a leadership role and develop a blueprint for affordable housing that can be used across the province. ONPHA recommends dedicating a future Housing Supply Action Plan solely to the building, protection and support for addressing the actual affordability needs of the province that can be defined through analysis and research, working with municipal and federal partners, Indigenous communities, non-profit providers, and private and non-profit developers to build, protect, and support community housing in Ontario.

We hope to work collaboratively with all levels of government to ensure we can build a community housing sector positioned for long-term success.

Thank you again for the opportunity to share ONPHA's perspectives with the Ministry. Please do not hesitate to reach out if you would like to further discuss how the province can support the community housing sector.

Sincerely,



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