



ONTARIO NON-PROFIT
HOUSING ASSOCIATION

Attn: Rachel Simeon
Director, Market Housing Branch
Ministry of Municipal Affairs and Housing
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RE: ONPHA's Response to Ontario's Increasing Housing Supply Consultation

Dear Rachel Simeon,

Thank you for the opportunity to provide comments and recommendations related to the creation of a Housing Supply Action Plan for Ontario.

Founded over 30 years ago, the Ontario Non-Profit Housing Association (ONPHA) is a member funded and directed association that represents over 730 non-profit landlords and local housing corporations throughout the province. Our sector owns close to \$30 billion in assets which provide community benefits throughout the province, and our members provide safe, affordable and stable housing for close to half a million low- and moderate-income Ontarians.

We know that the affordable housing crisis in Ontario continues to grow. As it currently stands, 46% of all renter households live in core housing need¹, and more than 185,000 households are on waiting lists for subsidized housing.² Unless something changes, things are only projected to get worse. Rents are continuing to rise at unprecedented rates in many communities, and estimates suggest that Ontario will need at least 137,000 additional rental homes over the next decade to accommodate population growth.³

¹ According to the 2018 Canadian Rental Housing Index, an online tool measuring rental health across the country

² See: Auditor General of Ontario (2017). *2017 Annual Report*. Available at:

http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

³ See: ONPHA and CHF Canada (2018), *An Affordable Housing Plan for Ontario*. Available at:

http://onpha.on.ca/Content/Advocacy_and_research/Advocacy/Affordable_housing_plan/An_Affordable_Housing_Plan_for_Ontario.aspx



It is clear that Ontarians are having trouble making ends meet and that communities across the province are struggling to keep up with the needs of their residents.

The impacts of this are felt far beyond individual households and communities. The lack of affordable housing is also fundamentally limiting Ontario's economic and social growth as families are being pushed out of the communities where they work and Ontario's businesses are struggling to attract and maintain the talent they need.

We are pleased that the government recognizes the importance of increasing housing supply to address these challenges. That being said, we would like to see the consultation expanded to include focus on the needs of Ontarians who are desperate for quality affordable housing.

At the beginning of the government's document, it states that the "consultation does not cover initiatives specifically related to community housing (i.e. social and supportive housing)". To truly solve Ontario's housing shortage and affordability crisis, the government must work with both private and non-profit sectors to increase housing supply and options across the entire spectrum. This includes community-based non-profit and co-op housing, supportive housing and Indigenous housing. By excluding initiatives related to community housing, this consultation is effectively overlooking a strong partner for achieving affordable housing solutions for Ontario and creating a separation that should not exist.

Our response to the current consultation is heavily informed by the everyday realities of ONPHA's members. We recently surveyed them about their experiences and future plans around development. Nearly half of our survey respondents are currently in the development process or have completed a development project within the last two years. Another 26% said their organizations are seriously considering or planning for a new development within the next three to five years. We also know that many more would pursue development if given the opportunity.

Community housing organizations have come up against significant challenges and barriers to development. And yet, many are still finding a way to develop and increase affordable rental housing options for Ontarians. This speaks volumes about the strength, resilience and innovative spirit of our sector. It also demonstrates that we are a strong partner for achieving affordable housing solutions in Ontario.

With this in mind, we have reviewed the specific consultation questions and offer the following comments and recommendations:



Section 1: Speed

The first section of the consultation document poses questions about how development approval processes can be streamlined while balancing competing interests and the broader public sector.

In response to this, ONPHA recommends that the provincial government:

- a) **Work with municipalities to identify, review and assess the regulatory requirements driving current development approval processes**

Processing time for approvals is only one component of the costs and timelines associated with development. Balancing competing interests and streamlining development processes will be very complex and require substantial municipal input. We urge the provincial government to work closely with municipalities to review regulatory requirements to find potential efficiencies and commit to modifying or amending these requirements depending on the outcome of this process.

Additionally, we strongly encourage the government to consider the recommendations and comments put forth by our colleagues at the Association of Municipalities Ontario (AMO) in response to this consultation. As the voice representing local government across this province, AMO is in the best position to comment on the realities, impacts and implications for municipalities.

Section 2: Mix

The second section of the consultation focuses on mix. It poses questions around how the government can make the planning and development system more effective to build the kind of housing people want, and can afford, in the right places with the right supports and how new types of housing can be introduced to existing neighborhoods while maintaining the qualities that make communities desirable places to live.

In response to these questions, ONPHA offers the following recommendations:

- a) **Give municipalities ample discretion to use planning tools and make development decisions that will best serve their communities**

Housing markets across Ontario are vastly different and will require unique and localized solutions. We fundamentally believe that municipalities are in the best position to determine the needs of their communities, and that they must be given ample discretion to plan and guide development



that meets local contexts as per their Official Plans and 10 Year Housing and Homelessness Plans. The province should support municipalities in doing so, in part, through maintaining access to planning tools such as inclusionary zoning and Section 37 of the *Planning Act* (which allows municipalities to permit increases in height/density in return for community benefits).

We also encourage the province and municipalities to recognize and address the unique situations of District Social Services Administration Boards (DSSABs). DSSABs were developed to carry out social services funding and administrative responsibilities, including housing, in northern regions of Ontario where there are no existing municipal government with legal jurisdiction to act as a Consolidated Municipal Service Manager. DSSABs face unique challenges because they work over multiple municipalities but often have varying levels of engagement from these municipalities in the development of their Official Plans. We recommend that the province and municipalities work together and with the Northern Ontario Service Deliverers Association (NOSDA) to ensure DSSABs are meaningfully included and consulted in assessing housing need and developing housing related plans within these regions.

b) Promote the development of complete communities and support robust community consultation around development

Land use planning and policies should promote the development of complete communities which aim to integrate land use planning, transportation planning and community design to meet the needs of all residents regardless of income and culture. To truly understand the needs of individual communities, we recommend that the government commit to, support and encourage robust community consultation around development decisions and proposals.

c) Partner with the community housing sector to achieve affordable housing goals

The community housing sector plays a critical role in providing the kind of housing people want, need and can afford and is a natural partner to help the government meet its affordable housing goals. Supporting development within the community housing sector is the best investment the government can make. With no built-in profit margin, every dollar contributed to this sector will go towards keeping rents affordable in perpetuity ensuring that public investment will be protected and put towards providing affordable housing options for generations to come. In fact, Ontario's Auditor General recently reported that non-profit developers could offer government better value



for their affordable housing dollars than private sector developers, creating more affordable rental homes of the type needed in communities for less.⁴ Further details and recommendations about the how the province can support this sector through strategic investment and specific initiatives are included in subsequent sections of this consultation response.

Section 3: Cost

In the third section of the consultation document, the government focuses on cost and asks how the costs of developing new housing can be lowered while ensuring that funds are available for growth related infrastructure.

In response to this, ONPHA recommends that the province:

a) Develop and invest in a comprehensive provincial incentives program

Achieving an adequate supply of affordable rental housing will require a comprehensive system of provincial incentives, a significant portion of which should be targeted towards creating and repairing community housing for low-income Ontarians. These incentives could be funded, in part, through reinvesting a significant portion of housing related provincial revenues back into housing affordability initiatives to build the deeply affordable housing Ontario needs. This could include revenues generated through the provincial land transfer tax, the non-resident speculation tax, and the proceeds from surplus provincial lands sold for the purpose of affordable housing development.

b) Support development in the community housing sector

We routinely hear that community housing providers and non-profit developers face significant cost barriers to development. This is preventing them from undertaking projects and has often disadvantaged them from participating in affordable housing initiatives which favour shovel-ready projects. To address this, we encourage the provincial government to support development in this sector through providing upfront project funding which could help get projects up and running. We also encourage the province to design any forthcoming affordable housing initiatives and incentives to prioritize non-profit developers.

⁴ See: Auditor General of Ontario (2017). *2017 Annual Report*. Available at: http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf



c) Use the sale of surplus provincial lands to achieve affordable housing goals

We are pleased that the provincial government has recently committed to evaluating surplus government land sites for the purpose of building affordable housing and long-term care facilities. We believe Ontario can and should use the sale of surplus government properties as a tool to ensure the right mix of housing and the right levels of affordability are achieved. In line with previous recommendations, we believe the provincial government could achieve the greatest value by supporting development by the community housing sector on these properties. ONPHA would support a provincial disposition of land strategy that would see surplus lands made available to non-profit community housing providers at below-market value to create much needed, mixed-income rental housing.

Section 4: Rent

The fourth section of the consultation focuses on making legislation and systems work better for landlords and tenants in Ontario. It poses questions around how the current system could work better for landlords and what additional protections should be provided for tenants.

While improving systems for landlords and tenants is an important goal, changes to the Residential Tenancies Act and the Landlord and Tenant Board system will not meaningfully increase Ontario's housing supply on their own. It is the overall lack of affordable rental housing supply that drives a market where tenants are vulnerable to being taken advantage of and stuck in housing situations where they are at risk of having their rights violated. Government must focus attention on initiatives that will increase this supply.

That being said, there are several legislative and system-level changes that could improve things for landlords and tenants and these should be given adequate attention. On this topic, ONPHA recommends that the provincial government:

a) Address the adjudicator shortage at the Landlord and Tenant Board

The ongoing adjudicator shortage at the Landlord and Tenant Board is resulting in costly delays for every landlord across Ontario. These delays and the associated costs are felt even more acutely among community housing landlords who have limited budgets and reserves to make up for lost rental revenues, and who are often dealing with extremely complex behavioural issues that impact their entire communities. We know the Ministry is aware of the resource shortages and were pleased to see the



Minister of Municipal Affairs and Housing publically comment on this issue in a recent Toronto Star article. We encourage the Ministry to work in collaboration with the Ministry of the Attorney General to address this and put new adjudicators in place as quickly as possible.

Closely related to this, we also urge the government to focus on providing adequate training for these new adjudicators. ONPHA would be pleased to work with the Landlord and Tenant Board to provide education around the purpose, contexts, and challenges related to community housing.

b) Ensure tenants have access to the supports (financial, mental health and/or health supports) they need to maintain successful tenancies:

It must be stressed that that many tenants in both private and community rental housing require supports to maintain successful tenancies. Sometimes these are income supports that allow tenants to afford rent and other necessities. To address this, we strongly encourage the government to invest in adequate subsidies and government support for low-income tenants to access and maintain affordable housing. This should be done both through the expansion of community housing supply and the provision of portable housing benefits that will allow households to access options in the private market.

Other times tenants require mental health or health supports to deal with mental health challenges or complications related to aging. To address this, we recommend the province invest in resources and dedicated supportive housing programs that will allow tenants the opportunity to live independently and with dignity in the communities they have helped create. The provision of supports to promote stable, healthy and successful tenancies will be good for landlords and tenants, and community and private sectors alike.

c) Modify the calculation of annual rent increase guidelines to ensure they are reflective of the actual cost of inflation

Calculating rent increase guidelines to reflect the actual annual rate of inflation would allow landlords to raise rents to match their operating costs and improve the sustainability of their buildings. Although non-profit housing are exempt from most rent rules, many providers use the guidelines to determine market rents within their buildings. Additionally, as community housing providers begin to reach the



end of federal operating agreements, these rules will start to apply to providers who choose to rent without subsidy from government.

d) **Introduce provincial programs and incentives to support homeowners in adding second suites to their homes**

This section of the consultation document also asks how homeowners can be encouraged to create legal second units and add new rental supply. We recommend that the provincial government set up programs to support homeowners in navigating the process of adding second suites, and provide financial incentives to support homeowners in conversions and approvals related to creating secondary suites to their homes.

Section 5: Innovation

The fifth and final section of the consultation asks for input on other concerns, opportunities and innovations to increase housing supply. More specifically, it poses questions about encouraging innovation in the building industry, innovative forms of homeownership, creative solutions to increase the supply of housing and making better use of existing homes, buildings and neighborhoods.

In response to these questions, ONPHA recommends that the provincial government:

a) **Work across ministries and with municipalities to align requirements and ensure developers have access to a workforce with the right skills**

Developers and rental housing operators are required to meet requirements set out in various pieces of overlapping legislation, regulation and municipal by-laws (i.e. the Fire Code, Building Code, municipal property standard enforcement, municipal licensing by-laws). We encourage the province to promote innovation and efficiencies by working across ministries and with municipalities to identify and address any potential areas of duplication and inconsistency.

Additionally, our members frequently tell us that there is a skills mismatch between what is needed and what is available in local communities. This is driving up costs related to both development and ongoing maintenance of community housing buildings. We encourage the Ministry of Housing and Municipal Affairs to collaborate with the Ministry of Training, Colleges and Universities and municipalities to seek opportunities and creative ways to ensure that developers and housing providers have access to a



workforce with the right skills. Such initiatives could be closely connected to job creation and skills development for unemployed and underemployed Ontarians. In this way, government could simultaneously support an increase in affordable housing options and employment opportunities for low-income families and individuals.

b) Invest in a provincial incentives programs to explore innovative new forms of housing

We encourage the province to invest in a provincial incentives program to encourage and develop new innovative forms of housing in both private and non-profit sectors, and recommend that a significant portion be devoted to creating community housing for low income Ontarians. One area of focus for such a program could be incentives to encourage the provision of affordable rental housing in buildings and properties that are currently sitting vacant.

c) Partner with the community housing sector to promote innovative solutions

Throughout our response to this consultation, ONPHA has promoted the community housing sector as a natural and important partner for government in achieving affordable housing goals. Once again, we encourage the government to support development and innovation in this sector by providing upfront project development funding, prioritizing non-profit developers in the design of affordable housing initiatives, and giving priority access to surplus provincial lands. We also encourage the province to engage in frequent consultation with the community housing sector to explore further opportunities for innovative solutions, some of which could include:

- i. Non-profit acquisition of private sector rental housing: While this would not immediately produce new supply, it would serve to protect and promote affordability within existing supply, and could also provide opportunity for community housing organizations to leverage new assets towards expanding their portfolios.
- ii. Shared ownership by community housing providers within new private sector developments: Many non-profits and private sector organizations already have such models in place that the province could adopt, support or draw from.

d) Promote the community land trust model

Community land trusts are non-profit organizations that purchase land and use it for the long-term benefit of local communities and residents. Through using this approach, governments can remove



properties from the speculative market and allow the non-profit sector to develop affordable housing for middle- and low-income families

Conclusion

Once again, we are pleased that the provincial government has recognized the importance of increasing housing supply and would like to see the consultation expanded to include focus on the needs of Ontarians who are desperate for quality affordable housing. Overall, we believe that the government must keep six fundamental points in mind when moving ahead with the development of the Housing Supply Action Plan:

- 1) To truly solve Ontario's housing shortage and crisis, the government needs to work with both private and non-profit sectors in efforts to increase supply and options across the entire spectrum. This includes community-based non-profit and co-op housing, supportive housing and Indigenous housing.
- 2) Low-income residents require adequate subsidies and income supports to access housing in both private and non-profit markets.
- 3) Achieving an adequate supply of affordable rental housing will require a comprehensive system of provincial incentives, a significant portion of which should be targeted towards creating and repairing community housing for low-income Ontarians.
- 4) Municipalities must have ample discretion and resources to use planning tools and to make development decisions that will best serve their communities
- 5) Land use planning and policies should promote the development of complete communities which aim to integrate land use planning, transportation planning and community design to meet the needs of all residents regardless of income and culture.
- 6) While improving systems for landlords and tenants is an important goal, changes to the Residential Tenancies Act will not meaningfully increase Ontario's housing supply on their own. Legislative and system-level changes related to this should be given adequate attention outside of the current housing supply consultation.



Thank you again for the opportunity to provide input towards the development of Ontario's Housing Supply Action Plan. ONPHA and our members are eager and ready to continue working with government to achieve an Ontario where everyone has a safe and affordable place to call home.

Sincerely,

Marlene Coffey
Executive Director, ONPHA

Cc. Janet Hope, Assistant Deputy Minister, Ministry of Municipal Affairs and Housing (Housing Division)