

November 17th

To: The Honourable Doug Ford
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

CC: The Honourable Steve Clark
Minister of Municipal Affairs and Housing
777 Bay St, 17th Floor
Toronto, On M5G 2E5

Re: Bill 23, 2022

Dear Premier Ford and Minister Clark,

Your *More Homes Built Faster Act* (Bill 23) has been introduced in the name of solving the housing affordability crisis. We believe, however, that this Bill will not succeed in that regard, and that it will come at a great cost to our residents. This Bill was introduced without consultation, and the post facto consultations planned do not include a hearing in Ottawa, the second largest city in Ontario.

We are calling on you to withdraw Bill 23. At minimum, your government must consult with Ottawans before implementing this Bill.

Bill 23, along with the broader slew of other recent regulatory changes imposed upon municipalities, will succeed at making for-profit housing development less costly (i.e., more profitable) for developers. They will not, however, make a significant impact on housing affordability, especially not for those who need it most.

The trickle-down politics of tax cuts and deregulation, of which this Bill is an expression, have limited efficacy when it comes to achieving the stated goals. It is an approach that has not worked in other contexts over the last 40 years. We do not believe it will work here and now.

As Ottawa city staff have pointed out in their comments on Bill 23, there are other variables beyond government regulations and taxes that limit the supply of for-profit housing that the market can deliver: e.g., interest rates, labour, material and equipment availability.

Even if making development less costly for developers does lead to supply of housing beyond what was already coming through the city's comprehensive zoning bylaw review, there is good reason to be skeptical that this will in turn lead to lower, let alone affordable, prices for those seeking shelter. The real estate market in Ontario and beyond is not characterized by typical supply and demand side forces.

As professor Steve Pomeroy—one of Canada’s top housing experts—has noted, the supercharged demand of real estate investors is a major causal factor behind the high price of housing in Ontario. So too is the increasing financialization of the housing market over the past several decades, e.g., securitized mortgages and the creation of related financial instruments. These are issues that go far beyond the municipal sphere, hence the international scope of the housing affordability crisis. Local tax cuts and deregulation simply cannot address this.

There is no guarantee that real estate developers will be sharing their increased profits with our residents in the form of more affordable prices.

The leverage that councillors and their communities had through the local planning process to secure affordable housing commitments has already been tempered by your government; this Bill further undermines the city’s ability to require these commitments through inclusionary zoning; it also further hampers the city’s ability to protect existing affordable rental stock and the tenants who live there.

As professor Pomeroy’s research has shown, we have been losing 7 affordable rental homes for every new one we build in Ottawa. This will not change without protections for existing rental stock, and real rent control in Ontario. Your government has actively opposed these measures.

It should, therefore, be no surprise that advocates for affordable housing are opposing this Bill. The Alliance to End Homelessness Ottawa, for example, argues that this Bill will increase homelessness and housing insecurity by undermining municipal programs that create affordable housing, by speeding up the loss of existing affordable homes, by cutting regulations to protect tenants from renovictions, by risking undermining affordability for families, by ignoring the most important task of creating new affordable housing, and by setting no targets for affordability and social housing.

This Bill is hardly a solution, then, to the housing and homelessness emergency we face here in Ottawa. Rather, it will in many ways contribute to this emergency, which will come at a cost to all Ottawa residents.

Enriching industry at the expense of residents is the hallmark of this Bill.

As our city’s staff have outlined, this legislation undermines our ability to create desirable streetscapes, promote sustainable development, protect natural habitats and biodiversity. City staff argue that this Bill “compromises livability, health and safety of intensified areas.” It does so while also displacing the financial burden of growth from developers to residents.

Nominally increasing housing supply need not come at such a cost to quality of life, to the environment, to local democracy, and to ratepayers.

Reducing the development charges and parkland dedication or cash in lieu that municipalities can collect from developers is a de facto tax cut for the development industry. A tax cut worth 10s of millions of dollars annually here in Ottawa alone.

We are open to waiving development charges for non-market housing developments. However, such waivers should be used judiciously as all residents deserve access to the infrastructure, services and amenities that development charges pay for. For profit development need not be subsidized in this way, especially when the affordability criterion employed is defined by proportion of market cost, rather than housing cost in relation to income.

The need for any such waivers could be obviated if your government made serious investments in the creation of non-market housing.

Instead, residents will either have to cover the cost of these revenue shortfalls through significant increases to the limited and regressive revenue generation tools at the municipality's disposal (user fees and property taxes), or they will be forced to pay in-kind with infrastructure, services and amenities that fail to accommodate new density.

Our residents want to know why they should have to pay to accommodate already profitable real estate industry investments. Put another way, why are large corporate developers—with large sums of annual profits—not expected to contribute their fair share towards accommodating the intensification they create and profit from?

It gets worse. Our residents are not only being asked to pay more with this Bill, but they are also being asked to take even more of a backseat when it comes to urban planning. What little control residents have over their built environment is being undermined through your government's changes to delegated authority and the Site Plan Control Process, through your unilateral changes to our Official Plan, and through undermining the public's ability to effectively appeal local planning decisions.

We believe the public should be more involved in shaping the environment that they themselves live in, not less. It should not be left to development corporations to privately plan this city on a lot-by-lot basis. Yet, this new legislation is another large step in that direction—all while asking residents to either foot more of the bill or to otherwise accept a lower quality of life.

This approach to intensification will undermine its political viability. It also risks pitting intensification against the fight against climate change—no small feat given the two objectives should be complimentary. By undermining conservation authorities, wetland protections, green building standards, and parkland dedication, this Bill undermines the net environmental benefit that intensification could otherwise provide.

The proposed implementation of this Bill comes on the heels of an imposed urban boundary expansion through our Official Plan that will see further encroachments into our green space and bring with it the environmentally destructive accompaniments of sprawl. The existing expansion proposed in our Official Plan was already set to be one of the largest costs to Ottawa ratepayers over the life of the plan; with the increased expansion and the cost reductions for industry in Bill 23, the cost to ratepayers will be to the tune of billions of dollars in the decades ahead.

On a positive note, ending exclusionary zoning is one way to spread the burden of intensification within and without the urban core, and we welcome that change. This is indeed where Ottawa was already headed with our comprehensive zoning work, but with proper discussion and consultation.

However, a sharing of the burdens of intensification should also come with a sharing of the benefits. The latter is undermined when the funding is cut for the infrastructure, services, and amenities needed to accommodate growth in a way that builds complete communities; it is further undermined when the changes are made so swiftly that there is little time for local governments and communities to ensure appropriate protections and resources are in place to accommodate the change.

This Bill is framed in a way that suggests that we must choose between affordable housing and sufficient infrastructure, greenspace, and other community amenities. The reality is that this Bill delivers neither.

Ontario is a very wealthy province of a G7 country. There is a way to make this province the most livable province in Canada while also making housing and life more affordable to current and future residents, but it requires a politics that puts people first, not the profits of corporations.

We know that the solutions are out there, but your government must be willing to hear from everyone, not just industry. Bill 23 is presented as a response to the report from the housing affordability task force that you previously established; a taskforce comprised almost entirely of people who profit from real estate development, with zero representation from those who represent tenants, non-profit housing providers, or those who have or who are experiencing homelessness.

It is unsurprising that the proposed solutions benefit the very same industry.

The answer to the affordable housing crisis is not tax cuts, deregulation, or any other free market solution. If your government is looking for answers to this crisis, here are some suggestions:

- Take profits out of the equation and seriously invest in non-market housing options, including public, co-op, and other not-for-profit housing;
- Introduce real rent control to rein in endless real dollar rent increases;
- End legislated poverty by raising OW/ODSP rates. This puts money in the hands of the housing insecure, instead of in the pockets of those who profit from that insecurity;
- Increase funding for rent supplements and rent banks;
- Introduce better protections for existing affordable rental stock, and a plan to bring this stock under public ownership when it goes on the market;
- Tackle the problem of super-charged demand by disincentivizing and otherwise addressing speculative and other profit-driven real estate investment activities;
- Define affordability using a housing costs relative to income metric.

- End exclusionary zoning in a more deliberative fashion reflective of the kinds of development we see builders actually delivering, still in a form that matches well with a detached home, change parking minimums, encourage missing middle development and stop costly sprawl.

A lack of willingness to move forward on these issues, and in collaboration with residents and municipalities, is a clear message to our residents that your government is not concerned about making life more affordable for anyone other than the development industry.

Sincerely,

Shawn Menard

Ottawa City Councillor for Capital Ward

A handwritten signature in black ink, appearing to read 'Shawn Menard', with a long horizontal stroke extending to the left.

Ariel Troster

Ottawa City Councillor for Somerset Ward

A handwritten signature in black ink, appearing to read 'Ariel Troster', with a long horizontal stroke extending to the right.