

# BACKGROUNDER

August 2023

# Housing

### **AMO Position**

- Increased housing supply and housing affordability are top priorities for municipalities across Ontario. AMO and its members are committed to helping the province meet its goal of building 1.5 million homes.
- All orders of government have a role to play in solving the housing crisis. Municipalities are ready to work with the province and other private sector and community partners to achieve this goal.
- Addressing deeply affordable housing for low-income residents is essential to meeting the housing needs of all Ontarians.
- Housing supply cannot be built with out appropriate planned and funded infrastructure.
   Changes to land use planning frameworks raise concerns about municipalities' ability to plan and coordinate growth effectively and efficiently.
- Changes eliminating Development Charges to cover the cost of growth will impede new supply if not replaced by other revenue sources.
- AMO is pleased that the province is moving forward with audits to validate municipal costs and continues to call for clarity on how and when the province will keep its commitment to make municipalities whole.

#### Overview

- Ontario is in a housing crisis and municipalities are doing everything within their power to make housing more accessible to residents.
- The scope and pace of land use planning changes have been unprecedented. Municipalities are striving to implement major changes, which is all the more challenging due to remaining uncertainty about key financing and governance questions.
- 28 of Ontario's largest and fastest growing municipalities have signed housing target pledges. However, the success of housing initiatives depends on many factors beyond municipal control, including interest rates, labour shortages, and developer decisions.
- Municipalities do not build market housing, but they play an important role in housing supply through local zoning and development approval processes, as well as servicing land for development.
- Bill 23 created a \$1 billion annual gap in funding needed for municipal infrastructure
  essential to supporting increased housing supply. Municipalities urgently need clarity with
  respect to how and when they will be "made whole." This ongoing uncertainty is resulting in
  delayed decisions, cancelled projects, and undermining fiscal and capital planning.
- AMO continues to work with municipal elected officials and planning staff to ensure any changes to provincial planning are implemented successfully at the local level.

- The province has shown it is willing to work with municipalities and course correct where
  needed in response to municipal and other sector feedback. AMO welcomes all
  opportunities to collaborate with the province on the implementation of significant changes
  to land use planning, infrastructure, and environmental management frameworks and the
  development of any future changes.
- At the federal level, there has been progress since the inception of the National Housing Strategy. However, increased funding and revised program design is needed to better support the creation and preservation of deeply affordable housing that serves those most in need.

### **Key facts**

- Municipalities have estimated that additional funding of at least \$1 billion annually will be needed to address the shortfall from changes to the *Development Charges Act*.
- In Fall 2022, the province set a housing target for 29 of Ontario's largest and fastest growing municipalities and required them to develop a pledge on how they intend to increase and accelerate housing supply by 2031.
  - A total of 1,229,000 of the total 1,500,000 new homes target for Ontario were allocated to these municipalities.
- In Summer 2023, 21 additional municipalities were given the option to identify a locally appropriate target and develop a pledge.

## Other resources and reports

- AMO's Remarks and Submission to the Standing Committee on Heritage, Infrastructure and Cultural Policy on Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023
- Building Ontario Together: AMO's 2023 Pre-Budget Submission
- AMO's Submission to Consultations Related to Bill 23 & The More Homes Build Faster Plan
- A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis

## For more information, contact:

Brian Lambie, AMO Media Contact, 416-729-5425, lambie@redbrick.ca