



More Homes for Everyone

AMO's Submission to the Ministry of Municipal Affairs and Housing

April 27, 2022

Table of Contents

Preamble	3
Introduction.....	3
Schedule 5 of Bill 109: <i>Planning Act</i> Changes – ERO #019-5284 and 22-MMAH006.....	4
Fee Refunds for Applications	4
Mandating Site Plan Approval to Staff.....	4
New Ministry Discretionary Authorities	5
New Regulation-Making Authorities	5
Keeping Surety Bond Use Optional	5
Community Benefit Charges By-Law 5-Year Review	6
Tier Alternative Parkland Dedication Rate for Transit-Oriented Communities	6
Community Infrastructure and Housing Accelerator (CIHA) Tool – ERO #019-5285	6
Community Benefits Charges and Parkland Dedication – Proposal #22-MMAH009	7
Development Charges – Posting #22-MMAH008 and #22-MMAH007	7
The Unique Housing Needs for Rural and Northern Ontario Municipalities – ERO #019-5287.....	8
Opportunities to Increase Missing Middle Housing and Gentle Density, Including Supports for Multigenerational Housing – ERO #019-5286.....	12
Access to Financing for Not-For-Profit Housing Developers - Proposal #22-MMAH010	15
Municipal Access to Financing	15
Not-for-Profit and Cooperative Housing Providers.....	17
Experience with Federal Programs	18
Other Comments and Feedback.....	19
Conclusion	20

Preamble

The Association of Municipalities of Ontario (AMO) is a non-profit, non-partisan association that represents municipal governments across Ontario. Together with our members, we address common challenges facing our residents and provide advice to the government about solutions to them. AMO has been actively involved in housing and homelessness advocacy for years, as Ontario's 444 municipal governments are responsible for building strong, complete communities, of which housing – both home ownership and rentals – is a key component.

Housing affordability and building supply is a challenge all Ontarians share. There is much that can be done collectively by working together to increase housing supply, diversify the mix and increase affordability. Solving the housing crisis will require an all-of-government approach by all three orders of government.

Introduction

Municipal governments have an important role to play in building complete communities across Ontario through sound planning and development approval processes. As the order of government closest to Ontarians, municipal governments balance a myriad of interests for a variety of stakeholders with limited resources. Municipalities responsibly work in the public interest and comply with over 280 pieces of provincial legislation. From drinking water to daycares, residents depend on municipalities every day to ensure their safety and well-being. Municipalities, like the province and federal government, are acutely aware of the consequences of the housing crisis facing Ontario.

AMO has been actively involved in housing and homelessness work for years and have actively participated in the province's most recent housing consultations starting in December 2021. This included [submitting comments](#) and presenting to the provincially-appointed Housing Affordability Task Force, and participating in the [Ontario-Municipal Housing Summit](#) and [Rural Housing Roundtable in January 2022](#). In February 2022, we released [A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis](#), and our [Response to the Province's Housing Affordability Task Force Report in March 2022](#). On April 11, 2022, AMO provided [remarks](#) to the Standing Committee on the Legislative Assembly regarding Bill 109, the *More Homes for Everyone Act, 2022*.

Throughout these consultations our position has been consistent: municipal governments are a mature order of government and have a key part to play in improving planning and development in our communities. The housing market in Ontario is truly complex and is influenced by a myriad of factors that affect supply and drive demand. Housing affordability is equally complex because it is affected by both escalating prices and lagging incomes.

There is very little municipal governments can do about demand. We cannot change the fact that a considerable segment of the housing market is seen as a financial investment rather than places to live. Municipalities do not control interest rates and we do not control the provincial approvals that can often hold up construction.

All orders of government and the development sector have roles to play in making housing more affordable, and the solutions will only come from a comprehensive and integrated approach to the problems at hand.

To ensure municipalities can adapt to the changes made through Bill 109, training and education for municipal councils and staff is of paramount importance. AMO is concerned that the new requirements in Bill 109 are being made at a time where the Ministry is unable to train and educate on these changes in the lead up to implementation. This may set up a situation where municipalities are unable to implement these changes in a timely manner.

The remainder of this document provides a comprehensive list of AMO's positions on various housing consultations. They are included as separate headings for ease of reading. We strongly encourage the provincial government to consider these comments as it moves forward.

Schedule 5 of Bill 109: *Planning Act* Changes – ERO #019-5284 and 22-MMAH006

Many of the changes that Bill 109 makes to the *Planning Act* give municipal governments more responsibility, transfer risk, and create a more punitive planning system that will likely have unintended consequences and may not achieve the desired outcomes.

Fee Refunds for Applications

Changes to the *Planning Act* mean that municipalities will now be required to partially refund application fees to applicants who do not receive a decision on their zoning by-law amendment applications within 90 days (or 120 days if submitted concurrently with an official plan amendment application) and on a graduated basis thereafter for applications made on or after January 1, 2023.

Simply put, these new requirements are unhelpful and will not solve the housing affordability problem. These fees exist as a cost recovery measure, and there is no guarantee that these refunded fees will be passed along by developers to homeowners. For municipalities whose planning capacity is already stretched (or shared between municipalities), this measure is particularly punitive. It negates the intention of building more positive relationships between all parties, including municipal governments and developers.

Municipalities will not simply be able to increase their resources and shorten timelines to meet these new requirements. There is a myriad of reasons why applications take time, including provincial approvals, third party peer reviews and comments, developer delays, and significant staffing constraints.

Therefore, we have strongly recommended removing this measure in favor of providing incentives. Given this measure is now in place, we strongly encourage the province to educate municipal staff and Councils on these timelines, what is required to comply, and what funding (existing or planned) is available for municipal governments to help ensure they can meet them.

Mandating Site Plan Approval to Staff

The new requirement for decisions on site plan applications to be delegated to staff for applications made on or after July 1, 2022, will be problematic. While it is appreciated that site plan application review is extended from 30 to 60 days, there are many details in the new Act that need to be communicated by the Ministry to municipal staff and Councils. Training and education are critical to ensure that Councils and staff are aware that a site plan control by-law must be passed by July 1, 2022. Further, it must be communicated that 'bump ups' to Council are not permitted and that

without appropriate delegation by-laws in place, there will be no ability to approve site plans submitted past that date.

For these reasons, AMO continues to advocate for the government to extend the timeline for site plan control by-laws to be passed to before December 31, 2022, giving Councils and staff time to understand these changes and pass the required by-laws.

New Ministry Discretionary Authorities

The Ministry's new authorities include the ability to "stop the clock" if more time is needed to decide on all official plan matters subject to Minister's approval (with transition for matters that are currently before the Minister), refer all or part(s) of an official plan matter to the Ontario Land Tribunal for a recommendation, and forward all an official plan matter to the Ontario Land Tribunal to make a decision.

AMO is concerned that referring or forwarding these official plans matters to the Ontario Land Tribunal may have the unintended consequence of further delaying projects that are currently backlogged. There are many opportunities to improve the Ontario Land Tribunal and while the \$19 million over 3-year commitment will help, more is needed (e.g., removal of *de novo* hearings).

Therefore, AMO recommends that review of the Ontario Land Tribunal be one of the top priorities to be managed through Ontario Housing Supply Working Group, and that consideration be given to changes to the OLT that will result in faster processing times, and reduced caseloads.

New Regulation-Making Authorities

The Bill establishes regulation-making authority to:

- Prescribe complete application requirements for site plan applications
- Prescribe what cannot be required as a condition of subdivision approval
- Reinstate draft plans of subdivision that have lapsed within the past five years, subject to consumer protection provisions
- Require public reporting on development applications / approvals

More and information details around each of these authorities are required. For example, the need for public reporting in an already stringent planning and approvals process may add additional burden. As well, the prescription of what cannot be required as a condition of subdivision approval should be consulted on with municipal Councils and staff.

This is another example of what the Housing Supply Working Group can explore further.

Keeping Surety Bond Use Optional

The Bill establishes regulation-making authority to authorize landowners and applications to stipulate the type of surety bonds and other prescribed instruments to be used to secure obligations in connection with land use planning approvals. While this may help increase certainty in the process, the use of surety bonds should remain an optional tool rather than a mandatory measure.

The financial risk associated with accepting a different instrument of financial security rests with the municipality and ultimately, the local property taxpayer. Thus, the decision to accept the appropriateness of an instrument should remain a local decision, informed by all available evidence. AMO would encourage the surety industry to engage with municipal treasurers, lawyers, and administrators to see if surety bond acceptance merits broader local use.

The Ontario Home Builders' Association's (OHBA) request for a provincially imposed requirement to accept surety bonds may increase financial risk for municipalities. The commentary of multiple financial rating services and the Office of the Superintendent of Financial Institutions should be sought to assess any associated risks for municipalities and assess the fiscal stability of the surety industry to bear such responsibility on behalf of developers.

Community Benefit Charges By-Law 5-Year Review

Community Benefit Charges are a new tool. A new requirement to review charges every five years (with public consultation) is consistent with existing development charge bylaw reviews. It represents an added administrative cost and process for the municipality to undertake, hopefully not in a manner which discourages the use of Community Benefit Charges.

Tier Alternative Parkland Dedication Rate for Transit-Oriented Communities

For the most part, the application of this alternative approach applies principally to the City of Toronto. As a result, AMO will leave more detailed commentary for Toronto to provide. Having said that, AMO makes the following general remarks regarding the proposal.

Currently, "Transit-Oriented Communities" carries a very specific meaning for the Ministry of Transportation. If that definition were to change, the application of these approaches could broaden.

AMO believes that parkland and public spaces are key elements of successful communities. Greater restrictions or limits on parkland designation are at the expense of the public elements which also have a role in creating a desirable place to live, work, and raise a family. Similarly, permitting the use of a Ministerial Order to deem encumbered land as parkland could degrade the quality of parks or those areas where such encumbrances exist.

Community Infrastructure and Housing Accelerator (CIHA) Tool – ERO #019-5285

The new Community Infrastructure and Housing Accelerator (CIHA) tool will be used for municipal requests to expedite zoning outside of the Greenbelt area. AMO appreciates that the Minister has issued guidelines governing the scope of how this authority may be used and has confirmed that the guidelines will need to be in place before an order could be made and that the guideline will be implemented in a manner that is consistent with recognition and affirmation of existing Aboriginal and treaty rights in section 35 of the *Constitution Act, 1982*.

More details are requested on how the proposed tool will work with municipal requirements on matters like public consultation, public notice and making the order available to the public. As well, details on how upper-tier municipalities will be notified if their local municipalities (lower- and

single-tier), have requested an order relating to lands within their geographic boundaries is required. How adjacent municipalities will be notified should also be considered.

It is critical to ensure that municipal Councils and staff are well-informed as to the Minister's powers under this order. Namely, that it provides an exemption for other necessary planning-related approvals, including subsequent approvals, from provincial plans, the Provincial Policy Statement, and municipal official plans (if specifically requested by the municipality), and that the Minister may impose conditions on the municipality and/or the proponent.

Finally, it is unclear how the tool will address zoning matters, but "will not address environmental assessment matters related to infrastructure." We would request that the province provide additional details with respect to environmental approvals through the CIHA process.

Community Benefits Charges and Parkland Dedication – Proposal #22-MMAH009

Provincial regulation of municipal website design, to add community benefit charges and parkland dedication information, is entirely within provincial prerogative. However, AMO cautions against an overly prescriptive approach. Municipalities offer a broad range of services and information on their websites. These are tailored to local circumstances and needs. Such a regulation must not displace other key information which helps the public access key public services, such as housing for example. Regulation should not be undertaken in a way that complicates the public's access to critical information.

Website Reporting – To be clear, the information to be regulated is already publicly available. Municipalities are a transparent and accountable order of government. Municipal financial information is readily available to the public. Council agendas, documents and decision making is also readily available to the public.

Parkland Plan Reporting – The information to be regulated is already publicly available. However, if further provincially regulated reporting on the use of parkland dedication levies will help developers and the public understand how these dollars and lands are used, AMO has no objection, while noting it is a duplicative regulation.

Development Charges – Posting #22-MMAH008 and #22-MMAH007

DC Background Study Variance Reports – The proposal amends existing reporting requirements for Development Charge background studies to account for annual variances between projections. If further provincially regulated reporting on the use of development charges will help developers and the public understand how these dollars are used year in and year out, AMO has no objection. This is assuming a straightforward interpretation of the terms "variance" and "service" is in accordance with the submission put forward by the Municipal Finance Officers Association.

It would require a municipal treasurer, in their annual treasurer's statement, to set out whether the municipality still anticipates incurring the capital costs projected in the municipality's DC background study for a given service. If not, an estimate of the anticipated variance from that projection would be provided along with an explanation for it.

The proposed regulatory amendments would amend existing reporting requirements to require publication of additional information that municipalities would likely already have available. As such, the financial impact on the municipal sector is expected to be minimal.

For those that have it, “show your work” and prescriptiveness is not going to help. Instead, more busy work will further slow timelines. It is currently unclear what the impact of this measure will be. The province should provide a more detailed explanation to municipalities of where these reports would go and how they will contribute to addressing the broader housing crisis.

The Unique Housing Needs for Rural and Northern Ontario Municipalities – ERO #019-5287

AMO welcomes the government’s effort to seek input on the unique housing needs of rural and northern communities and work with municipalities to find solutions to the housing crisis in these areas. The government’s four-year plan must include specific actions to address these unique needs. A full spectrum of housing options is required from private market rental and home ownership, but also non-market community and supportive housing.

While AMO provides advice to the provincial government on applying a northern and rural lens, our members are representative from across Ontario. As such, our analysis does not dive deep into regionally specific issues. Given this, the rural and northern regional municipal associations are best positioned to provide more specific advice to the government about housing solutions that will work within their locales. This includes associations like:

- Rural Ontario Municipal Association (ROMA)
- Northwestern Ontario Municipal Association (NOMA)
- Federation of Northern Ontario Municipalities (FONOM)
- Northern Ontario Service Delivers Association (NOSDA)
- Western Ontario Warden’s Caucus (WOWC)
- Eastern Ontario Warden’s Caucus (EOWC)

The government should consider the input of northern and rural municipalities and their associations regarding the flexibility that is needed. AMO respectfully asks that the province consult directly with ROMA, FONOM, NOMA, NOSDA, WOWC and the EOWC on the unique and specific housing needs for rural and northern communities.

The government should also consider ideas from associations representing land-use planners and developers of both market and non-market affordable housing. They can all advise on what is needed and workable in the rural and northern context, based on their work with municipalities.

The plan must specifically address the unique needs of Indigenous people living within rural and northern municipalities. These should be accounted for to ensure there are both market and non-market solutions that are culturally respectful and safe through For Indigenous, By Indigenous approaches that are done in partnership with municipalities, District Social Service Administration Boards (DSSABs) and others. To incorporate this into the plan, the government should consult with Indigenous people through organizations such as the Ontario Federation of Indigenous Friendship Centres and the Ontario Aboriginal Housing Services, as well as First Nations communities adjacent to municipalities.

What are the key barriers impacting your municipality in meeting its housing needs that may be unique to northern and rural communities?

The COVID-19 pandemic has created noticeable shifts in housing affordability as individuals and organizations across the province make different choices about where and how to live and work. What is common between all municipal governments, however, is the pressure they face to build and sustain complete communities so their residents can enjoy a quality of life wherever they choose to live. Municipalities will benefit from additional resources and tools – both financial and planning – to help improve housing affordability and increase supply.

In the case of rural and northern Ontario, municipalities' ability to address housing needs and to contribute fully to the province's recovery and growth are constrained by the infrastructure section of the Provincial Policy Statement (PPS). It is expensive to ensure infrastructure can adequately service new housing development in vast geographic areas and work can take time. That is why a collaborative and innovative approach to rural and northern municipal servicing matters needs to be broadly supported.

As well, critical infrastructure such as sewer, water, broadband and access to energy sources including hydro and other alternatives is lacking in many areas. Growing communities also require amenities such as schools, healthcare, and transportation, which is only possible with ongoing joint investments from all orders of government. The trend of urban outmigration to rural and northern Ontario has made the available housing stock in those communities much more expensive and harder to find. The impact on rural seniors and young families is distressing, and this lack of accommodation poses a significant restriction on growth and development and on the sustainability of the labour force. These are new experiences in rural and northern Ontario in particular, and the implications are significant. This compounded by the reality of a dire lack of any type of rental housing in rural Ontario.

Northern Ontario has its own set of unique challenges. Affordable options have until recently been available, but with new in-migration from southern Ontario, prices and rents are quickly increasing. Supply of homes is not the only issue. Smaller and rural communities and First Nations communities often have homes and rental buildings in a poor state of repair requiring renovations to keep them suitable for occupancy. When building new, the cost for construction is higher in the north due to the short construction season, labour shortages, and cost of transporting materials. It is also a challenge to attract developers to many communities outside the larger urban centres to build housing.

Community and supportive housing are also more difficult to access in rural and northern areas, as they are often located in larger urban centres, causing residents in need to leave their home communities or continue living in precarious housing situations. There is just not enough funding to provide affordable housing options equitably across regions to reach people in need where they live.

Black, Indigenous, racialized, and other marginalized communities in all parts of Ontario have unique housing needs and often face discrimination in accessing and securing housing. Affordable housing options that account for these barriers are needed and may look like housing programs with culturally respectful and competent supports and wrap-around care models that eliminate the barriers faced in the private housing markets.

Across Ontario, increasing levels of homelessness are a significant consequence of low supply and unaffordable housing. Homelessness is no longer confined to the visibly homeless, those in shelters, or those with limited income. There are large numbers of hidden homeless in rural and northern Ontario. While there are myriad root causes for homelessness, and many solutions to prevent and break the cycle of poverty and homelessness, housing is the primary solution for those that need a roof over their heads.

What kind of flexibility is needed to address housing needs in your municipality?

Unique needs require flexibility to meet local priorities and circumstances. One size fits all solutions will not work. It is important to point out that rural and northern communities are not homogenous. For example, in northern Ontario there are urban, rural and remote areas that are unique in themselves and for which different solutions may apply. Again, the rural and northern municipal associations can advise on what will work within local contexts.

For further information on some recommendations to consider, see answers to questions 3 & 4.

What potential tools or policies could the government consider to address housing needs in your municipality while balancing other provincial priorities?

AMO provided a range of actions for all orders of government and housing developers in our 2022 paper [A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis](#). As stated in the document, it is important to keep in mind the unique and different challenges facing rural and northern municipalities. Local flexibility, rather than one-size-fits-all solutions, must be considered.

The Blueprint document is fairly comprehensive but not an exhaustive list of solutions, but rather a platform to start the conversation between municipal governments and the provincial government. The rural and northern municipal associations will certainly add more to what has been suggested. A few examples of recommendations in the Blueprint that speak to the unique needs of rural and northern communities include:

- Recognize the complexity and lack of clarity between the Planning Act, Growth Plans, and the Provincial Policy Statement and take steps to educate municipalities and developers on these changes as well as revise the Provincial Policy Statement to better facilitate housing development in rural and northern areas. (#29)
- Develop and implement a provincial Rental Housing Strategy with incentives such as tax credits and tax exemptions for private and non-profit housing developers to encourage the building of new purpose-built rental housing, and specific initiatives to meet the unique needs of rural and northern communities. (#41)
- Monitor and evaluate the implementation of inclusionary zoning and duly consider expanding the areas where this tool can be used to afford a broader application in more communities and neighbourhoods. (#33)
- Support non-profit and co-operative housing to develop community and supportive housing through donations of crown land to municipalities and DSSABs within their boundaries with up-front pre-construction funding, capital, and ongoing operational funding. (#43)
- Pursue opportunities to increase in-province supply of materials and components by building “local” supply chains for materials, logistics and skilled labour. (#55)

- Advocate to the federal government to accelerate the development and implementation of a national Urban, Rural, and Northern Indigenous Housing Strategy with adequate and meaningful resources to achieve the agreed upon outcomes with Indigenous Peoples. (#2)

Again, AMO encourages the province to consult directly with ROMA, FONOM, NOMA, WOWC, EOWC and NOSDA on the unique and specific housing needs for rural and northern communities. ROMA has identified housing as a rural priority in their 2022 paper [Opportunities for Rural Ontario in a Post-COVID World](#). As well, NOMA, FONOM and NOSDA have produced a research paper with the Northern Policy Institute titled “Solving the Homelessness, Mental Health and Addictions Crisis in the North”.

Do you have other suggestions for ways to improve housing supply and needs in rural and northern municipalities?

Housing is a significant social determinant of health and is essential to workforce and economic development. For example, many communities do not have the housing for people to work in local industries that contribute to a prosperous Ontario. Mining in northern Ontario is a case in point where available housing for families in proximity to the work site is simply not available in many cases.

Investments in infrastructure and health and social services, are needed to accompany housing growth to complete the picture and sustain healthy and prosperous communities. This includes schools, hospitals, and community transportation services. Access to these amenities is critical to attract and retain people, like new immigrants and youth. A housing plan must account for this reality to be successful.

A growing homelessness crisis exists amidst a housing crisis. There are unique dimensions to the crisis in rural and northern Ontario, including intersections with the mental health and addictions crisis. One such dimension is the disproportionate over-representation of Indigenous People either experiencing or at risk of homelessness while living in precarious housing situations. Another is the many people experiencing hidden homelessness or living in overcrowded accommodations. Homelessness is impacting people and communities. AMO is calling upon the provincial government to commit to working with municipalities and DSSABs to [end homelessness](#) - moving beyond the previous goals of preventing and reducing. There is a moral and economic imperative to act on this.

To facilitate the development of more affordable community housing in the north, AMO has long supported the call for the government to provide DSSABs the ability to borrow from Infrastructure Ontario (IO). Low-cost IO financing is available to southern Ontario communities, but not to DSSABs in the north. The government should work with the Northern Ontario Service Deliverers Association (NOSDA) to resolve this issue and address the disparity.

As well, the provincial government should work with municipal housing service system managers to identify challenges and to propose solutions about improving rural and northern communities' access to federal housing programs. For example, many have reported barriers in accessing funds from the Rapid Housing Initiative and the Reaching Home program. Other programs should be examined as well including the National Co-Investment Fund and the Rental Construction Financing Initiative.

To facilitate a direct dialogue with the relevant partners, the government should reconvene the National Housing Strategy Trilateral Co-ordinating Forum co-chaired by the governments of Canada and Ontario, AMO and the City of Toronto. This forum was initiated to assist the implementation of the Canada-Ontario bilateral agreement under the National Housing Strategy but has been latent for three years. It would be timely to re-convene it to further dialogue on housing solutions, and to include municipal representation from NOSDA and rural service managers.

Other ways that the provincial government could work with the federal government include providing input into the program design of the national Housing Accelerator Fund intended to help municipalities to increase supply. This fund must account for the unique needs of rural and northern communities. AMO has suggested that flexible funding is needed to resource a wide range of activities that meet local needs and circumstances as determined by municipal councils. Supports could include assistance with e-permitting, data projects and land donations from the federal government. Further suggestions may be explored through the Housing Supply Working Group with municipal representation that includes rural and northern communities.

Opportunities to Increase Missing Middle Housing and Gentle Density, Including Supports for Multigenerational Housing – ERO #019-5286

AMO's Blueprint recognizes that all parties have a role to play in facilitating missing middle, gentle density, and multigenerational housing in Ontario. We need to have all governments and residents on board to address the attitudes in our communities and to foster community support for these developments.

What are the biggest barriers and delays to diversifying the types of housing built in existing neighbourhoods?

A 2019 report from the University of Waterloo identified that there were three main reasons why missing middle housing has represented a decreasing proportion of new housing in Ontario. These include current land use planning regulations that may artificially restrict land available for new housing development, favouring low- and high-density developments; the uneconomical cost of building missing middle housing; and opposition from existing residents.ⁱ

Different communities in Ontario experience these challenges to different extents and responses will need to account for the unique circumstances and needs of each community. One-size-fits-all solutions will not help. For example, land use planning regulations must reflect local services and infrastructure. Changes must be locally driven and appropriately resourced to ensure that along with increased density, increased community infrastructure and services are also available. Different incentives and models for encouraging developers to build missing middle housing will also need to be explored to respond to the various barriers facing small and large urban, rural, and northern communities. Additionally, resident opposition cannot be painted broadly as negative. Many residents want their communities to be inclusive, diverse, and home to a wide range of housing options, but have concerns about how supply is added, whether it will meet the needs of the community, and whether there is capacity to accommodate new residents. While the barriers may fall under those three broad categories, the barriers in each community look different and require different approaches and solutions. Municipal governments are key partners in addressing them.

AMO looks forward to continuing conversations through the Housing Supply Working Group to address how each order of government, as well as the development sector, can contribute to solutions to improve the diversity of housing options available in communities. The Housing Affordability Task Force neglected the importance of municipal decision-making in both the process and the final recommendations. If these recommendations are implemented without municipal engagement or consideration, it will erode local decision-making and result in punitive measures that do nothing to improve affordability. Funding, support, and attention to regional differences will be crucial moving forward to ensure that any measures to improve access to these forms of housing will also genuinely improve their affordability for Ontarians.

What further changes to the planning and development process would you suggest to make it easier to support gentle density and build missing middle housing and multigenerational housing, in Ontario?

Municipal governments play a major role in determining the form, density, and location of housing. They pride themselves in being stewards of complete communities – places where homes, jobs, schools, community services, parks, and recreation facilities are easily accessible, and residents' quality of life and population health are prioritized. To do this, planning and development processes need to be flexible and responsive to the unique needs of each community.

There are many planning and development processes that could be explored to support gentle density and build missing middle and multigenerational housing in Ontario. These could include:

- planning process changes or incentives to encourage missing middle housing in existing, low-density communities
- exploring different construction methods or modular housing options that can improve efficiency, sustainability, and affordability
- encouraging laneway suites and secondary units for multigenerational families
- building partnerships with the non-profit, cooperative, and community development sector to provide long-term affordable housing in missing middle forms through government subsidies and non-market alternatives
- maintaining existing growth boundaries to ensure the demand for density increases and to disincentivize sprawl
- ensuring design requirements are consistent with the neighbourhood
- investing in transit and other services in areas targeted for missing middle development.

Consultation with organizations such as AdvantAge Ontario can also help support multi-generational housing through implementing [senior's supportive housing in communities](#). Ontario's municipal governments should be provided with the tools, resources, and financial support to adopt the much-needed solutions that are suitable for their communities. Implementing any or all these solutions as widespread provincial policy will not be effective. Success will be realized when all three orders of government and the housing development sectors are able to work collaboratively to meet local community needs using a wide range of tools. Collaborative, targeted efforts will shape appropriate and meaningful responses to address the housing crisis, including through these forms of housing.

Are you aware of innovative approaches to land use planning and community building from other jurisdictions that would help increase the supply of missing middle and multigenerational housing?

Many Ontario municipalities are taking steps to encourage missing middle, gentle density, and multigenerational housing. This is being done through updating zoning by-laws, the implementation of secondary suites and detached accessory dwellings policies, allowing for mixed institutional-residential developments, offering financial incentives, and exploring alternative design solutions.

Outside of Ontario, Vancouver has put regulations in place to support laneway housing in single family residential zones. These regulations include monitoring and reporting requirements, and a commitment to ensuring the guidelines promote livability and ensure laneway housing is easier and more cost-effective to construct. In 2018, Vancouver also implemented its Making Room Housing Program to expand the number of residential zones that would permit missing middle housing while maintaining the character and structure of each neighbourhood.

Calgary introduced a new residential zoning category in 2014 that encourages infill development. This zone is designed to accommodate rowhouses, secondary suites, or backyard suites, allowing up to 4 housing units on a typical residential lot.

Internationally, the City of Minneapolis' established a missing middle pilot program through a partnership between the municipality's Community Planning department and the Minnesota Housing and Land Bank organization. A Housing Pilot RFP program allowed developers to purchase city-owned property identified as appropriate for up to 20 residential units, with requirements to guarantee affordability and accessibility of the units to qualify for financial assistance.ⁱⁱ

In towns like Madison, Wisconsin, missing middle housing fits into the character of existing neighbourhoods because the city encourages an eclectic mix of different scales, architectural styles, and a range of low-, mid-, and high-rise housing options. Pedestrian-oriented commercial districts also are served by having various densities within walking distance.ⁱⁱⁱ

There are many best practices already available to consider for increasing the supply of missing middle and multigenerational housing. Through the Housing Supply Working Group, municipal governments and partners can examine the viability of expanding or implementing initiatives like these in Ontario. AMO's [Blueprint](#) also recommends the following to the province:

- Recommendation #6: Create a housing innovation fund to facilitate new solutions and share best practices.
- Recommendation #12: Work with municipalities and housing developers to share Best Management Practices (BMPs).
- Recommendation #16: Research and share promising practices to make better use of existing homes, buildings, and neighbourhoods to increase the supply of housing (e.g., matchmaker services that facilitate shared living arrangements between seniors in "over-housed" situations and renters, including students).

Ontario can leverage these national and international learnings to become a leading innovator in developing missing middle and other housing affordability solutions.

Are there any other changes that would help support opportunities for missing middle and multigenerational housing?

AMO’s Blueprint provides recommendations to the federal, provincial, and municipal governments to support missing middle and multigenerational housing. At the provincial level, AMO recommends that the province consider a “Yes In My Backyard” initiative to address community concerns and change public attitudes against new missing middle and community housing developments. In addition, AMO recommends that the province provide one-time funding to municipal governments to update their zoning bylaw in accordance with their official plans.

At the municipal level, AMO recommends that municipal governments consider and implement as-of-right zoning where feasible to facilitate missing middle housing, and that they revisit zoning best practices to explore planning solutions that could include zero-lot-line housing, community improvement plan (CIP), reduced parking minimums, tiny homes, laneway housing, flex housing, shared housing, and other types that reduce land costs and increase density.

The province should also consider that the increased supply of missing middle housing may not inherently result in more affordable housing. Any policies adopted by any order of government to encourage missing middle development should be mindful of ways to ensure that this housing is responsive to the housing affordability crisis, beyond just as a measure of increasing supply.

AMO looks forward to participating in the Housing Supply Working Group to further explore potential solutions to supporting opportunities for building missing middle, gentle density, and multigenerational housing with all actors at the table.

Access to Financing for Not-For-Profit Housing Developers - Proposal #22-MMAH010

AMO shares the government’s interest in improving access to financing for not-for-profit and cooperative housing providers. This is essential to maintain and grow the community housing system. A technical working group is recommended to identify challenges and propose solutions with representation from municipal service managers/DSSABs and municipal finance staff. Below are suggestions for areas of further exploration with the working group.

Municipal Access to Financing

Challenge: Securing access to financing for Local Housing Corporations and affordable housing development by most municipal governments is generally not a significant problem. The challenge for municipal service managers is that borrowing for housing can affect municipal credit ratings and capacity is limited because of the government-imposed debt ceiling on municipalities in the *Municipal Act*.

While this is not contested, creative solutions can provide remedies. It should be explored whether debt incurred from borrowing for housing should be exempted from the provincial debt ceiling requirements as it generates rental revenue to service its debt unlike most other municipal assets. It should be up to municipalities if they choose to pursue this exemption from their own self-imposed debt ceilings. AMO will work further with municipal finance experts through their

associations to come up with a recommendation about the feasibility and desirability of this proposal.

Solution: That the provincial government explore with AMO about the feasibility and desirability of increasing municipal capacity to borrow for housing by changing the *Municipal Act* to exempt municipal borrowing for housing from counting toward debt ceiling requirements.

Challenge: The one problematic exception is for DSSABs who are not eligible to borrow from Infrastructure Ontario (IO) like their southern municipal counterparts. This needs to be addressed. AMO has long supported the call for the government to remove barriers to growing affordable housing supply in the north by providing DSSABs the ability to borrow from Infrastructure Ontario. The government should work with the Northern Ontario Service Deliverers Association (NOSDA) to resolve this issue to address the disparity.

Solution: That the provincial government amend the *Ontario Infrastructure and Lands Corporation Act, 2011*, to enable DSSABs to become eligible applicants under the Infrastructure Ontario loan program.

Challenge: Municipalities and housing providers can benefit with favourable lending conditions to secure mortgages. There is an opportunity to build upon existing mortgage-backed financing vehicles such as the provincial mortgage pool program.

Solution: That the provincial government work with municipal service managers to enhance the capacity of the provincial mortgage pool program as a vehicle to provide low-cost financing to housing providers for capital repairs and development.

Challenge: Stacking of federal-provincial funding programs under the National Housing Strategy is not allowed in all cases. To make more efficient use of funds to facilitate more affordable community housing development, the government should work with the federal government to review and revise stacking provisions.

Further, the government should address the problems with the 'use it or lose it' approach to capital funding programs. There should be an ability to carry over funds for capital development projects from one fiscal year to the next, similar to what is allowable for federal-provincial infrastructure programs. This would facilitate larger multi-year capital allocations to be pooled together to promote development.

Solution: That the provincial government enable stacking of various federal-provincial funding programs for affordable housing developments, such as the Co-Investment Fund, OPHI and COCHI.

Solution: That the provincial government work with the federal government, and adjust their own provincial rules, to make housing capital programs more effective by eliminating the 'use it or lose it' approach to funding and allow Service System Managers to carry over funding between fiscal years like other federal and provincial infrastructure programs.

Not-for-Profit and Cooperative Housing Providers

Challenge: Some housing providers lack the capacity and expertise to undertake redevelopment and new development including access to financing. They could benefit from government assistance with a dedicated funding stream to bring on the professionals required to assist with the process. A modest funding stream could come from the provincial government (similar to the CMHC SEED grants) and flow out to service managers and then to housing providers to work to raise capacity of their members who need it.

Solution: That the provincial government provide a funding stream for housing providers to build their capacity to undertake development and access financing.

Challenge: Housing providers do not have the same tools as municipalities to access financing, and many struggle to do so with conventional lenders. In the current environment of rising interest rates, it is vital that non-profits have access to long term 30–40-year fixed rate mortgages vs the 5–7-year bank/credit union mortgages that need to be refinanced many times at future unknown interest rates until the mortgage is paid off.

Not all housing providers can readily access financing from Infrastructure Ontario (IO) especially for smaller projects. IO's low credit risk appetite compels it to provide long term affordable housing loans to mostly municipal-owned providers that are guaranteed by the municipality. As a result, IO cannot effectively finance the over 2,000 non-profit providers in Ontario that don't have access to a municipal guarantee.

Housing providers require the services of a dedicated, knowledgeable lender that knows their needs and that provide favourable lending rates. An alternative to IO, the Province should work with [HPC Housing Investment Corporation \(HIC\)](#), a new Canadian non-profit lender dedicated to new affordable housing. HIC was founded by Housing Services Corporation of Ontario (HSC), BC Housing and Manitoba Housing and is supported with a \$20M credit enhancement by Canadian Mortgage and Housing Corp (CMHC). To date, HIC has provided over \$73.1M of 30- and 40-year mortgages at fixed rates under 4.5% to build over 500 plus affordable homes. These mortgages are held by housing providers and are not consolidated into the provincial or municipal balance sheets, except for Local Housing Corporations.

Options that the province should consider with HIC include providing a \$20M credit enhancement and/or loan guarantee to create a customized non-profit lending program for new Ontario affordable housing.

Solution: That the provincial government should work with the HPC Housing Investment Corporation to enhance access to lending for non-profit and cooperative housing providers.

Challenge: Capital development is a costly proposition, especially to purchase land to build on. Without existing land, it is challenging to access financing. If government can provide free land or land at below-market prices, it can significantly reduce costs for development. Community land trusts that dedicate the land to affordable housing in perpetuity are a promising practice. The government should make more crown land and surplus school properties available for affordable housing development.

Solution: That the provincial government provide more crown land and surplus school properties for housing development for free (as already publicly funded) or at significantly below market prices and allow this land to be offered for affordable housing as a priority.

Solution: That the provincial government advocate to the federal government to include donations of land for affordable housing development as part of the national Housing Accelerator Fund.

Challenge: Accessing financing to grow community housing is one thing, but there also needs to be adequate funding to maintain buildings in a good state of capital repair. Through the National Housing Strategy's federal-provincial programs, grant funding should continue for this purpose to share the responsibility with municipal governments on a one-third basis from each order of government. An up-to-date figure of the capital repair backlog for Ontario's community housing portfolio would assist with projecting the need and allocation of funds. The government could work with the [Housing Services Corporation \(HSC\)](#) to project the cost.

Solution: That the cost of capital repairs in the community housing portfolio be cost-shared equally between the federal, provincial and municipal governments on a one-third each basis based on an up-dated projection as determined by the Housing Services Corporation.

Challenge: Indigenous housing providers face their own unique barriers and challenges to accessing financing. It is important that the government work to facilitate For Indigenous, By Indigenous approaches that is in partnership with municipalities, DSSABs and others. Consultations should be undertaken with the housing associations that represent Indigenous housing providers and with the Ontario Aboriginal Housing Services (OAHS).

Solution: That the provincial government consult with Indigenous housing providers and the OAHS to identify the unique needs and barriers to accessing financing for housing and work toward solutions.

Experience with Federal Programs

Challenge: There have been challenges reported with municipalities, DSSABs and housing providers accessing federal programs such as the Rapid Housing Initiative, the Rental Construction Financing Initiative and the Co-Investment Fund. It is reported that application processes involve significant work, are cumbersome, have burdensome reporting requirements and high audit costs. Also, some projects have stringent requirements such as conditions for 100% RGI in the case of the RHI which does not facilitate mixed income communities and does not diversify rental revenue streams for long term sustainability as part of the business model.

In the case of the Rental Construction Financing Initiative, there appears to be interested take-up by mostly private housing developers. It should be examined why non-profits do not access this program as much. It seems a likely reason that the RCFI does not provide as deep enough a level of affordability for projects to serve low-income tenants within the mandate of non-profit housing providers.

Further with regards to the Rapid Housing Initiative, this is a good program in that it funds most of the project costs of land and building. However, timelines have been challenging and service managers report that there are barriers for northern and rural communities accessing funding successfully. Diagnosing the problem and coming up with solutions should include a look at the

application methodology and criteria, as well as how direct allocations of funds across the province can eliminate application barriers and enhance development. This would be a good topic for the proposed technical working group.

Following that, the government should initiate a renewed federal-provincial-municipal dialogue with the Canada Mortgage and Housing Corporation by reconvening the National Housing Strategy Trilateral Co-ordinating Forum co-chaired by the government of Canada and Ontario, AMO and the City of Toronto. This forum was initiated to assist the implementation of the Canada-Ontario bilateral agreement under the National Housing Strategy but has been latent for three years. With the federal government's emphasis on housing as evident in the recent 2022 Budget, it is timely to pick up the conversation again around effectiveness and coordination.

Solution: That the provincial government work with municipal service managers to assess their experience with federal government financing and grant funding programs and identify barriers and solutions to propose to Canadian Mortgage and Housing Corporation through the National Housing Strategy Trilateral Co-ordinating Forum.

In closing, it is also worth mentioning that while improved access to financing and grant funding for housing is critical, it is equally as important for the province to consider operational funding streams to sustain the projects and providing resources for supports to tenants to help them maintain successful tenancies. Access to capital and accompanying operational funding needs to go hand in hand. This funding should come from other ministries as well, including the Ministry of Health, for mental health and addictions support. This should include support for culturally competent services for Indigenous People from organizations such as Indigenous Friendship Centres.

Other Comments and Feedback

AMO continues to be very supportive and engaged with the provincial advancement of a development approvals data standard. We need an integrated data standard that modernizes and supports the municipal planning process including the facilitation of public data sharing, public reporting and e-permitting across the province.

AMO's business services, LAS, is developing an e-permitting pilot in partnership with MPAC, for building permits, which will both accelerate and strengthen our collective learning on the development of a data standard that can support an entire integrated electronic system from land use planning to taxation.

Although there is currently no consultation regarding the changes proposed to the Building Code in the More Homes for Everyone Plan, AMO expresses our general support for the proposed changes. Increasing the use of low-carbon building materials and allowing more 12-storey mass timber buildings and modular multi-residential buildings could be impactful innovations within the housing sector.

As discussed above, we are also encouraging of options that can be used to meet a municipality's local needs for missing middle housing. Exploring options that help people and businesses safely occupy their units faster is also promising. These initiatives must be undertaken in a way that ensures the continued protection of public health and safety. We also look forward to working with the province to address the shortage of building officials and inspectors, a significant concern for

the municipal sector.

Conclusion

On behalf of municipal governments across Ontario, thank you for your consideration of the comments provided in this submission

We need to make sure that new development is supported with sufficient community services and infrastructure capacity. A long-standing principle of municipal governments is, and continues to be, that growth must pay for growth. The tax base at large should not subsidize development, and municipalities must be able to charge developers appropriately to cover the infrastructure needed to service new developments and recover costs associated with planning and development applications. The province must also do its part to ensure that provincial infrastructure is in place to support growth, including schools and hospitals.

We are mindful that the steps to address the housing crisis in Ontario will not be easy and we commend the government for its effort to tackle this issue. Housing must be treated as an essential good and a human right, rather than as a primary means to store and accumulate wealth.

Municipal governments are ready to address the housing crisis in our communities. We caution however, against implementing all the recommendations of the Housing Affordability Task Force without first taking the municipal perspective into account. To adopt even some without further consultation will not solve the housing problems facing every community in this province. We are glad to hear municipal perspectives will be included in the province's upcoming Housing Supply Working Group. AMO looks forward to working together on next steps and trust that our proposals will be duly considered.

ⁱ Webber, K. (2019). (rep.). [In-Between Issues: Exploring the "Missing Middle" in Ontario](#) (Pragma Discussion Paper). Waterloo, ON: University of Waterloo.

ⁱⁱ Urban Strategies Inc., & Toronto Regional Real Estate Board. (2020). [The 'Missing Middle': An Answer to Toronto's Housing Shortages?](#) Toronto, ON: Toronto Regional Real Estate Board.

ⁱⁱⁱ Herriges, D. (2020, August 5). [Where the Missing Middle Isn't Missing](#). *Strong Towns*.