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Submission to the Heritage, Infrastructure and Cultural Policy Committee regarding Bill 23, More Homes Built Faster Act 2022

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Room 1405
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Dear Clerk and Members of the Standing Committee on Heritage, Infrastructure & Cultural Policy,

ACORN members take this opportunity to express our concern regarding the new Housing Bill (Bill 23), More Homes Built Faster Act 2022. ACORN Canada, the Association of Community Organizations for Reform Now, is a community union of low- and moderate-income people. ACORN has more with 160,000+ members in 24+ neighbourhood chapters across 9 cities.

ACORN members strongly believe that the Bill, if passed in its current form, will have a devastating impact on low- and moderate-income tenants. There are a lot of issues in the Bill that will exacerbate the existing housing crisis by creating more unaffordable housing and stripping the power and resources cities have in building and protecting affordable housing.

Bill 23 overrides cities' powers in more ways than one.

1. Guts inclusionary Zoning (IZ) policy

Just a few months ago we celebrated the passing of the IZ bylaw in Toronto and subsequently in Mississauga. IZ is an important new policy tool, empowering cities to impose affordability requirements on a certain percentage of units in new housing developments. The potential of IZ was already diluted when in 2019, the Ford PC government restricted the application of the bylaw to only within 800 metres of major transit station areas. Bill 23 goes a step further. If passed, municipalities will be limited to requiring affordability for no more than 5% of the units in any housing development are affordable. Further it caps the number years they will be kept affordable to 25 and it changes the definition of affordable housing to 80% Average Market Rent (AMR).

Toronto passed its IZ bylaw in late 2021, setting affordability requirements at up to 22% of a new development (phased in over several years). Furthermore, the city required these IZ units to be permanently affordable, a commitment made in response to years of organising by community action groups and advocates. Even the affordable rent definition that applied to these IZ units was revised to be based on household income and not average market rent. CMHC defines housing as affordable if the rent is no more than 30% of household income.



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Similarly, the city of Mississauga recently passed its own IZ bylaw. Although not as strong as Toronto, affordability requirements are set up to 10% of a new development and affordable ownership units are to be kept affordable for perpetuity.

If Bill 23 passes, these new IZ policies will have to be drastically weakened, resulting in more resources in the hands of wealthy developers and a much less productive and highly constrained IZ bylaw in North America. New York requires that new developments subject to IZ set aside between 25% and 30% of their floor area for permanently affordable rental housing. Montreal requires most new residential high rises subjected to IZ set aside between 30% and 40% of newly permitted floor area and at least half of which is transferred to social housing providers.

2. Destroys existing affordable housing

Not only does Bill 23 threaten the cities' efforts to build affordable housing, but it also impacts remaining affordable housing. Bill 23 talks about "standardizing" rental replacement bylaws. Rental replacement bylaws are a tool cities can use during the redevelopment of affordable housing or conversion to condos to require developers to replace the affordable units in the new development and offer them back to existing tenants at the same rent. Instead of viewing them as a key protection that helps preserve the existing affordable/low-end of market housing in major Ontario Cities, Bill 23 sees existing affordable homes as energy inefficient, aging homes and current rental replacement bylaws a hindrance to building more housing. It therefore gives the power to the province to eliminate these protections which will erode the remaining affordable housing, thereby worsening the homelessness and eviction crisis by accelerating demovictions and conversion to condos.

In Toronto alone, by the city's own data, since the start of the city's rental replacement policy framework, between 4,000 and 5,000 private market rental units have been secured. This is a gross underestimate as a lot of developers would have acted as a strong deterrent for the developers to demolish buildings in the first place. There are 71,866 purpose-built apartments in Toronto built before 1960. These may be the most vulnerable to conversion/demolition. Their rents are considerably lower than more recent rentals — and rents in current condos are 82% - 116% higher. Most people in these buildings make \$30,000 - 60,000.

Furthermore, it is a no-brainer that it is substantially cheaper to protect existing affordable housing than build new housing from scratch.

Akin to Toronto, the city of Mississauga also a Rental Protection bylaw. Ottawa and [Hamilton](#) are on their way to develop their rental replacement policy frameworks. Bill 23 will eliminate these gains in the guise of "standardization", "energy efficiency" and "building more housing" and destroy thousands of affordable housing units. Steve Pomeroy's research suggests that we are losing 12 homes for each new unit built between 2011-2021. Hence, new housing supply cannot keep up with the pace of lost affordable housing, protecting existing affordable housing is key to the housing crisis. ACORN members want energy efficient homes but meeting carbon emission targets at the expense of low-income affordability is not the solution! ACORN strongly believes in giving cities the tools and powers they need to protect tenants' rights. More, not less tenant protection in case of renovations/demolitions is the answer!



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If anything, the government must study these facts and investigate the true cost of eliminating these protections.

3. Starves cities from the money needed to create critical infrastructure around housing.

Yet another tool that this Bill takes away from the cities is the revenue cities are able to generate through development charges (DCs) to meet critical infrastructure needs such as transit, sewer, libraries etc. Housing is not just about homes but the entire ecosystem. The Bill exempts developers from DCs which only means more money in the hands of the developers with no obligation whatsoever to build affordable housing.

Conclusion

In all, Bill 23 essentially means more money in the hands of wealthy developers, no control in the hands of the cities to protect and build affordable housing, even less tenant protections and worsened housing, eviction and homelessness crisis.

Already, lack of full rent control, above guideline rent increases, renovictions and big corporate landlords are worsening the housing crisis in the province of Ontario. Bill 23 does not touch any of the real root causes behind the housing crisis.

Ontario needs equitable housing solutions, those that do not come at the expense of losing existing affordable housing and low- and moderate-income renters who are in desperate need of support.

Yours sincerely,

Marva Burnett
President
ACORN Canada