

Housing Affordability and the Provincial-Municipal Housing Summit

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Introduction

Premier Doug Ford and Municipal Affairs Minister Steve Clark have invited Ontario's Big City Mayors and Regional Chairs to a meeting that's been billed as a *Provincial-Municipal Housing Summit*. While the government has asserted this meeting will aim to "tackle the issue of housing affordability," the Minister's recent statements suggest it may be little more than an attempt to reanimate discredited claims about the roots of Ontario's crisis. At worst, it could derail the broad and growing consensus among housing advocates, environmentalists – and many developers – in support of the public policy measures that *will* be required to make housing affordable.

To help the Premier and mayors avoid these pitfalls – and to help observers attempting to parse their statements – Environmental Defence has assembled some key facts to keep in mind.

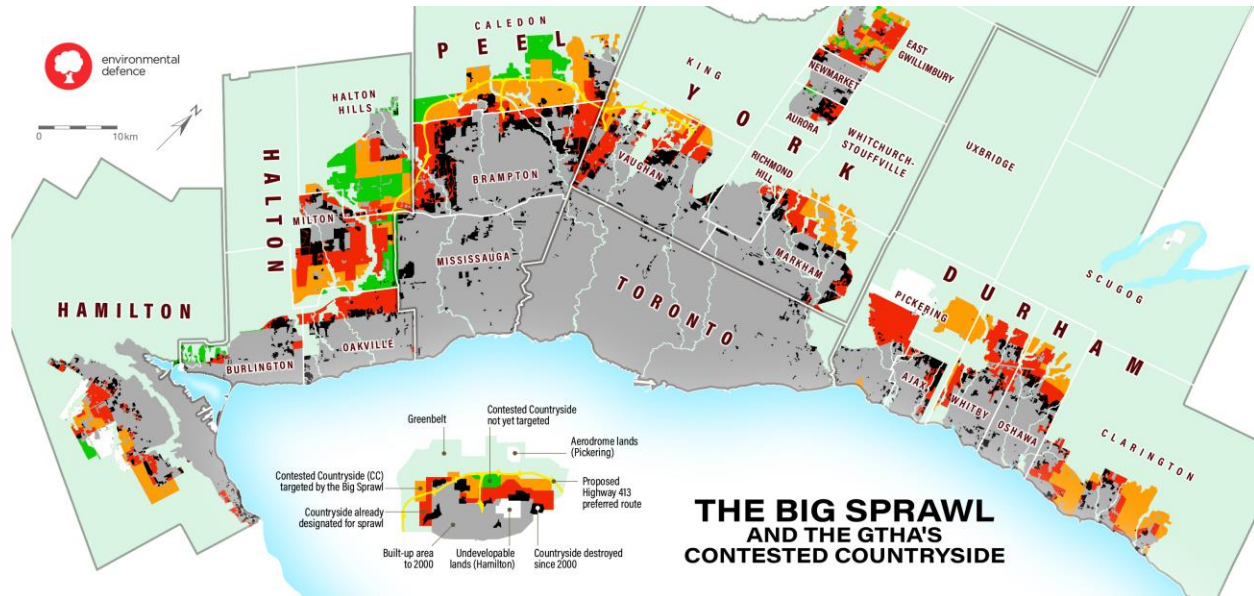
1.0 There is no shortage of *land* to build homes

The supply of developable "greenfield" *land* is not a factor behind constrained *housing* supply, or behind high home prices. The areas of Ontario where population is growing most, and projected to continue growing, have already designated so much extra land for development in previous rounds of boundary expansion that there is now a massive *surplus* of "designated greenfield area" within existing settlement area boundaries.

The GTHA alone has roughly 350 square kilometres (88,000 acres) of such land available for development but sitting unused. This is more than three times the amount of greenfield land (approximately 26,000 acres, or 100 square kilometres) that was used from 2001 to 2019.

Even with the modest intensification of existing neighbourhoods required under Ontario's existing rules, developing these existing greenfield lands with densities and a housing mix typical of the GTHA's most successful and desirable neighbourhoods would meet that region's entire projected housing demand for the next 30 years.

Map of The GTHA's contested countryside



2.0 We must build more homes in the existing neighbourhoods where people want to live

To the extent that constrained housing supply is one of the factors behind rising home prices, the problem can be traced to a failure to add enough of the right mix of new housing to existing neighbourhoods and built-up areas, particularly those well-served by public transit, and well-suited to getting around on foot. Demand for housing in new suburbs, and even rural areas does not reflect a preference for the “suburban way of life.” On the contrary, it is a product of people – especially families with children – being “priced out” of the existing, walkable and public transit-friendly neighbourhoods where they actually want to live.

In an Innovative Research Group poll conducted in April 2021, two-thirds of all GTA residents said that “If housing prices weren’t an issue, I’d much prefer to live in a neighbourhood where I didn’t need to use a car to do my shopping, recreation, entertainment, or commutes to work or school.” (Only 13 per cent disagreed.) Because housing prices *are* a key issue, the same share of GTA residents (two-thirds) find themselves living in neighbourhoods where they say they “simply can’t get by without driving my car.”

Access to walkable, public transit-supporting neighbourhoods is not just a “nice to have.” 73 per cent of GTA residents say that “People who want to be able to get by without a car should not be priced out of the neighbourhoods where that is practical.”

Building more homes – including homes for families with children and other multi-person households – in neighbourhoods that are already walkable addresses the shortage of walkable, transit-serviced housing directly. However, adding homes to existing suburban neighbourhoods, particularly in “core” municipalities like Toronto and Hamilton, meets the same need by giving neighbourhoods that are currently car-dependent the densities they need to support frequent, reliable, fast-moving public transportation (e.g., bus rapid transit) and to attract and maintain amenities like grocers, pharmacies, schools, and clinics within walking distance.

3.1 Ontario must unlock the “yellow belts” of its towns and cities

To “tackle housing affordability,” Ontario and municipalities must overhaul the planning regime to promote the construction of more and more compact homes, rather than larger homes, within existing neighbourhoods and built-up areas.

The province should prohibit, and municipalities should eliminate, minimum parking requirements and exclusionary zoning, to allow at least four residential units, including semi-detached homes, townhomes and 2-4 storey multiplexes and walk-up family apartments, on lots that are now zoned for single detached homes. Planning documents such as the *Growth Plan for the Greater Golden Horseshoe* and *Land Needs Assessment Methodology* should treat these diverse, family-friendly housing types as part of a single, family-friendly, housing demand category.

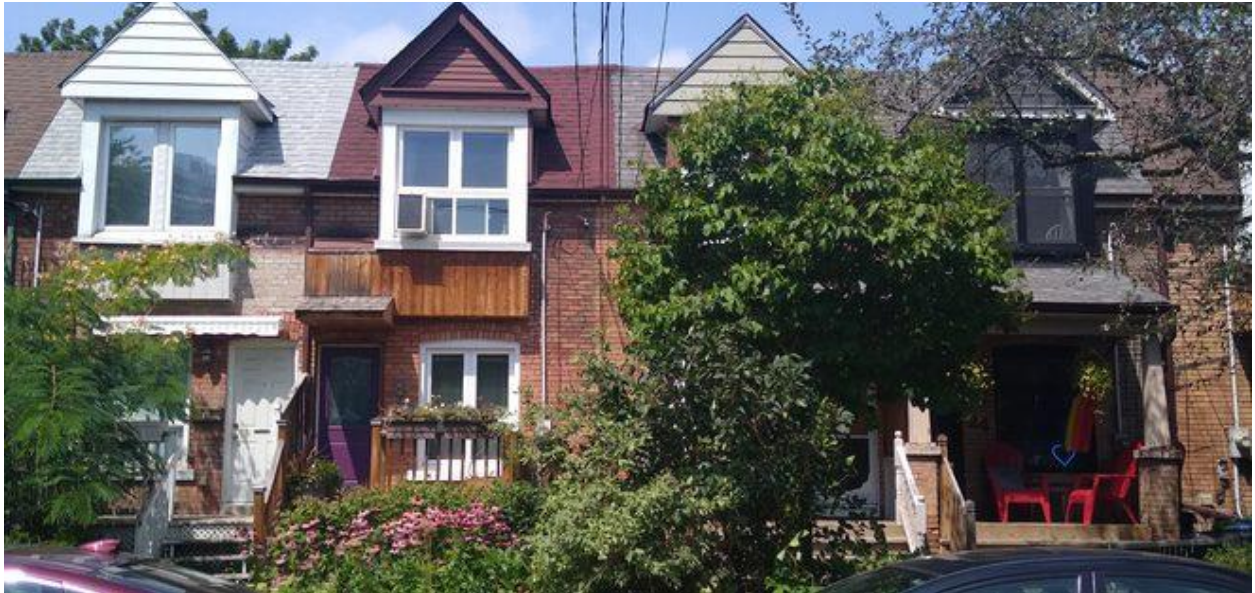
Ontario must set neighbourhood-scale population and job density targets of 90-100 people and jobs-per-hectare for all *existing* residential and mixed-use areas within present settlement areas.

The provincial government should also provide public, zero-interest financing for infill development that will add two or more affordable homes for multi-person households (e.g., families with children) to lots in “yellow belt” neighbourhoods that are currently occupied by single detached houses.

Governments should address “construction inflation” by discouraging “McMansion” and other forms of redevelopment in “yellow belt” neighbourhoods, that compete for resources and squander serviced land. For example, they should ensure that the controls on height, square footage, and setbacks for new single detached homes that replace existing houses, are much more restrictive than those which would apply to the construction of multiplexes, townhomes, or semi-detached houses on the same plot of land.

To help ensure that Ontarians who would prefer to be able to get by without spending money on a private automobile aren’t priced out of the neighbourhoods where that is practical, governments should impose *mandatory caps* on the amount of parking added to development served by quality public transit, or within walking or cycling distance of amenities. New single and semi-detached homes in these areas should not include parking.

Photos: To tackle affordability, “yellow belt” neighbourhoods must mature into forms more typical of pre-World War II neighbourhoods



3.2 Ontario must build as much housing as possible on the green field land that is already open for development

Ontario must also do much more to maximize the number of new homes that are constructed on the “greenfield” land that has already been added to settlement areas.

Ontario should mandate, and municipalities should voluntarily impose, minimum densities of 100 people and jobs per hectare for all existing designated greenfield areas. Ontario should legislate so that municipalities are required and permitted to update *approved* secondary plans and zoning for designated greenfield areas for these minimum densities, provided there are no already-issued building permits.

Governments should actively restrict the amount of parking included in greenfield development and require that sufficient public transit servicing and pedestrian and bicycle connectivity, with amenities such as shops and schools, be provided to ensure that most residents do not need to pay for cars.

3.3 Housing affordability will require much more than increased supply

The overall housing supply is just one factor among many that are pushing rents and home prices out of reach for more and more Ontarians.

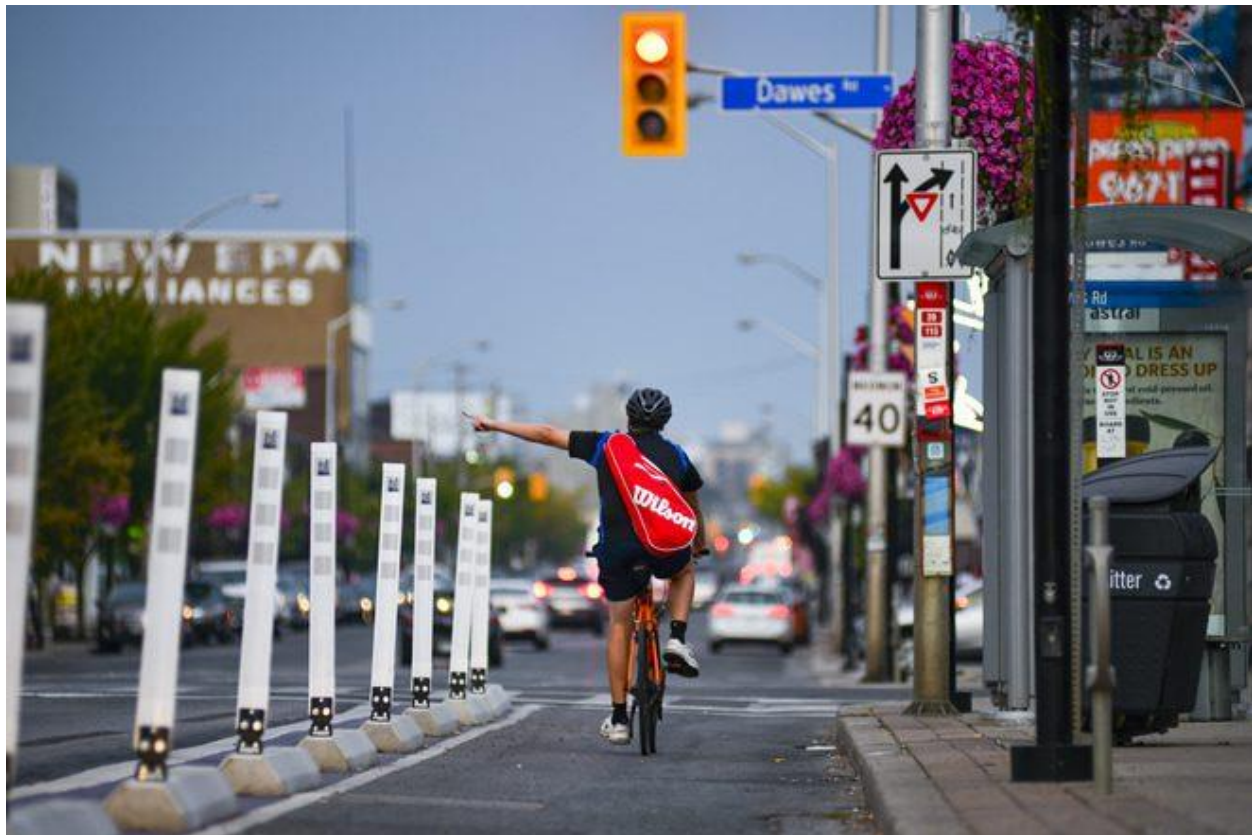
Ontario and municipal governments must also act aggressively with non-supply measures to ensure the supply we create meets the needs of Ontarians at all income levels, by doing the following:

1. Governments must get back in the business of building and funding the operation of rent-geared-to-income social housing in existing built-up areas. Between 1982 and 2010, the share of new homes that consisted of social housing fell from roughly 20 per cent to less than 2 percent. As late as 1992, that figure was about 16 per cent. That trend must be reversed.
2. Governments must use a combination of purposeful rezoning, and public investment to ensure that in each neighborhood – and not just at the regional scale – there is a mix of housing types, tenures, and prices that makes room for every income level.
3. Governments must make it more economical to build true affordable housing by legislating substantially higher as-of-right permissions for public, non-profit, affordable, and deeply affordable housing development, and substantial density bonuses for long-term affordable and deeply affordable units within market developments.
4. In order to incentivize the construction of units as purpose-built rental, and open existing communities to more people who cannot afford a down payment, governments should consider taxing rental income, from owners who have *constructed* the rental buildings in question, on a portfolio basis.
5. Governments must fund and mandate the extension of frequent, reliable, high-quality public transit, and protected bicycle infrastructure, to all existing built-up

areas so that neighbourhoods currently restricted to affluent, car-owning households are unlocked for low-income people.

6. Government must legalize and promote the introduction of small-scale commerce, such as corner variety stores, greengrocers, physicians' offices, pharmacies, and small restaurants within all residential neighbourhoods, so that basic amenities are accessible to residents who can't afford or can't use motor vehicles.

Photo: Built-up areas should have protected bicycle infrastructure to make it possible to safely get around without a car



4.0 Rents and mortgages are not the only relevant housing costs

While skyrocketing rent and mortgage payments do demand an aggressive public policy response, they are only one part of the overall “housing price” that Ontarians actually pay. Government action on housing affordability must factor in the high tax liabilities and transportation costs that residents face when new homes are added as “greenfield” subdivisions rather than infill within existing neighborhoods.

First, residents of Ontario’s suburban communities face a future of crushing tax bills, as aging sewers, watermains, and other infrastructure wear out and need to be replaced or renovated. The low densities currently typical of the suburbs (often lower than when they

were first built) mean that there is simply more sewer pipe, water main and road surface to be replaced per resident. Ontario's planning regime should be designed to add more homes to existing neighborhoods, so these replacement costs can be shared among more taxpayers.

Second, to improve overall housing affordability, Ontario must ensure that new supply is created both in places that are already well-served by public transit and within easy walking or cycling distance of amenities, and in less-complete communities where infill housing will *introduce* the density needed to support frequent public transit and amenities like greengrocers and pharmacies within walking distance.

Photo: A large home in a low-density sprawl neighbourhood in the GTHA



5.0 Ontario's pro-sprawl planning agenda will make housing less affordable

Ontario's 2020 changes to the *Growth Plan for the Greater Golden Horseshoe*, its introduction of the mandatory *Land Needs Assessment Methodology*, and its aggressive pressuring of municipalities to sprawl seem calculated to *worsen* supply constraints in high-demand communities, and push growth into places and forms that will be *less* affordable.

For example, while Ontario's own Ministry of Finance projects that Toronto's population of 3 million will grow by 950,000 to reach 3.95 million by 2046, the new Growth Plan for the Greater Golden Horseshoe requires it to plan housing for just 650,000 new residents, a 300,000 person shortfall. Ontario *should* be planning for Toronto to maintain its current share of the GTHA's population.

Further, rather than requiring "greenfield" developers to produce more compact, land-efficient and low-cost homes, the government actually *lowered* the minimum density requirements, from 80 people and jobs per hectare, to just 50 in primary suburbs, and 40 in outlying communities. Lower greenfield densities mean *fewer* homes, in much larger, much more expensive formats. They also push new developments out of reach for lower-income households because they make it inevitable that residents will need to squander income for one or more private automobiles.

6.0 Environmental ENGOs are allies, not obstacles to housing affordability

Environmental NGOs, and environmentally concerned residents have been leaders in the push to increase housing supply and make homes affordable. Long before organizations like the Ontario Real Estate Association (OREA) joined the fight against "exclusionary zoning," organizations like Environmental Defence and Environment Hamilton were lobbying provincial political parties and local governments and educating residents about the need to legalize and add much more housing, in compact, low-cost forms, to existing neighbourhoods.

Municipal governments' and ENGOs' objections to Highway 413 and the Bradford Bypass, sprawl MZOs, and to the further extension of settlement area boundaries in southern Ontario, have never had anything to do with how much or even what type of housing gets built. They're about *where* housing should be built. Through zoning reform, municipalities can spur construction of the same number of homes and the same mix of housing types in the existing neighbourhoods where people *want* to live as they can through greenfield sprawl.

Environmentalists have been saying for a long time that greenfield sprawl in the suburbs and residential NIBMYism in cities are two sides of the same coin. The denser, more diverse, pedestrian- and transit-oriented development approach that Environmental Defence has advocated as a way of protecting farmland and natural heritage and reducing carbon emissions, is also the best way of putting a safe, affordable home within reach of every Ontarian.