



TO: Standing Committee on Heritage,  
Infrastructure and Cultural Policy,  
Government of Ontario

FROM: **Toronto Alliance to End  
Homelessness**

DATE: Wednesday, November 16, 2022

RE: **Bill 23, More Homes Built Faster Act,  
2022**

## INTRODUCTION

The Toronto Alliance to End Homelessness (TAEH) is a community-based collective impact initiative committed to ending homelessness in Toronto. We bring together over 100 agencies and organizations representing most of Toronto's shelters, multi-service organizations, and supportive housing providers.

As such, we are interested in provincial policy, programs, funding and legislation that have impacts on Toronto's ability to prevent and end homelessness. The vast majority of people experiencing homelessness, and analyses of service intake data, report that being able to afford a place to live is the number one barrier to ending their homelessness.

Given that housing is the solution to preventing and ending homelessness, *Bill 23, More Homes Built Faster Act, 2022*, is a critically important opportunity to make a real difference. Our Executive Director, Kira Heineck, was pleased to present this submission to the Standing Committee on Heritage, Infrastructure and Cultural Policy on November 16, 2022 and thanks the Committee members and MPPs in attendance for their consideration of our recommendations as outlined in the rest of this document.

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There are a number of positive changes that Bill 23 proposes, changes that will expand supply, creating new units of affordable housing. Reduced taxes and waiving of fees for non-profit development, for example, will lower costs and make more projects viable. The elimination of third-party appeals to the Ontario Land Tribunal is a powerful tool to minimize undue delays. These, and others, are important and the Alliance does not discount them.

However, Bill 23 also includes changes that have a negative impact on housing affordability, particularly for those at risk of, or experiencing homelessness. Therefore, we strongly urge the Government to consider these impacts on Ontario's most vulnerable people and amend Bill 23 accordingly.

### **Definition of Affordability**

It is key to begin here as what is affordable for the people that TAEH partners serve is not the same as what is affordable for middle- and higher-income households in Ontario.

Bill 23 defines affordability as 80% of market rent, or 80% of average sale value for ownership. For people experiencing homelessness, with only the most minimum of incomes from Ontario Works or the Ontario Disability Support Program this benchmark is completely unattainable.

In Toronto, where 25% of households are in the \$30,000 - \$60,000 income range, this definition of affordability will also not make it any easier for them to find affordable homes – rental or ownership.

Definitions of affordability must be based on income, not on market factors. Many jurisdictions, and the Canada Mortgage and Housing Corporation (CMHC), now use income-based definitions and policies and we strongly recommend that Bill 23 does so as well, with the standard being 30% of median income in a defined neighbourhood or area.

For example, in Toronto where our Official Plan as of 2021 defines affordability based on income, the rent for a one-bedroom apartment, for households with an income of \$43,600, is set at \$1,090 per month. This is, significantly, almost \$400 less than defining affordability by average market rents.

When it comes to ownership, the affordability gap is even more stark. Currently, the price of an affordable 1-bedroom unit in Toronto is set at \$190,000, supporting households making about \$58,000

per year, while the proposed Bill would set prices for the same unit at \$444,000, requiring a household annual income of at least \$130,000.

### **Rental Replacement Protection**

Affordable and deeply affordable rental housing is the main type of housing that people experiencing homelessness can access to start their journey back to stable, healthy lives and return to contributing again to their communities, local economies and the tax base. Policies that protect overall rental stock through Official Plan provisions and rental replacement by-laws are essential to ensuring that what we have now is not lost, and that future rental development remains rental.

Bill 23 proposes to do away with rental replacement protection, overriding municipal decisions made to address local circumstances and priorities. In Toronto alone, rental protection policies have replaced anywhere from 2,200 to 4,000 units in the last five years. The TAEH recommends that rental replacement protection measures are not eliminated in Bill 23.

### **Changes to Development Charges (DCs)**

Removing “housing services” from eligible uses of the development charges a municipality collects, as Bill 23 does, is perhaps the most direct example of how the bill will actually decrease access to deeply affordable housing for people at risk of, or experiencing, homelessness across Ontario.

In Toronto alone, the loss of revenue from this change is projected to be \$130 million per year, all of which is used to support critical affordable housing programs. These programs create units that are amongst the only homes people on minimal incomes can afford. Losing these resources will clearly result in more homelessness in Toronto, as it will elsewhere in our province.

In addition, an additional \$700,000 to \$800,000 per year of the DC revenue will no longer be available to support essential systems-change initiatives in Toronto's emergency shelter system. Currently, these funds are used to expand a housing-focused shelter model and converting shelters to permanent supportive housing. These are outcomes that reduce homelessness – outcomes that the Government is also committed to, and an impact of Bill 23 that we urge you to reverse.

### **Inclusionary Zoning Changes**

Bill 23 proposes limiting the affordability period of Inclusionary Zoning units to 25 years. Many municipalities, including Toronto, have moved to a 99-year period, allowing for long-term retention of the value of public investment and stability for households and the housing developers and service agencies supporting affordable housing programs.

The impact of a 25-year limit will again be felt most sharply by people at risk of, or experiencing, homelessness. 25 years goes quickly, and once it is over and the units are no longer affordable, where do the people living in them go? Current experience across Ontario shows that it is often into homelessness, and in the case of seniors, who make up a large number of households in these programs, increased demand for long-term care services.

The TAEH agrees with many others who have recommended that this time limit be 99 years, or at the very least at the discretion of municipalities to decide what works best for them.

Similarly, the proposed cap to the number of Inclusionary Zoning units per new development at 5% undermines our collective ability to build enough affordable housing for those most vulnerable.

Mandatory caps assume that markets across Ontario are the same – they are not. The percentage that

makes sense for the market in Thunder Bay is simply different from what it is for Bracebridge, or Kitchener, or Ottawa.

### **Closing the Affordability Gap for Ontario's most vulnerable**

In the end, there is a disconnect as Bill 23 is currently written between the laudable intent – to create more affordable housing – and the impact of the changes proposed on the individuals, families and communities that are most vulnerable and who most need to access deeply affordable housing.

This cannot be overstated, and it must be addressed. Provisions to close the affordability gap for those at risk of, or experiencing, homelessness must also be introduced. Not only is this the right thing to do, but it also guards against rising homelessness across Ontario because of the changes Bill 23 will make, even in the name of expanding affordability.

To this end, the TAEH recommends that the Government include new and deep enough income support tools for people at risk of, or experiencing homelessness such as housing benefits, including enhancing the number and depth of Canada-Ontario Housing Benefits (COHB), and rent supplements. And initiatives that increase the ability of Bill 23 to support progress on addressing accessibility goals in keeping with the AODA and prioritizing housing for those with developmental disabilities similar to the National Housing Strategy targets.

We also need a new era of provincial investment in building affordable housing for those left out of this bill. Strategies to consider include a capital fund for non-profit developers and policies that protect public land for non-profit development. No matter how much new supply is created by Bill 23, none of it will be accessible to those facing homelessness.

## Conclusion

We need housing solutions for *all* Ontarians. Bill 23 includes some measures that will increase affordable supply for middle and higher income households. It streamlines processes and reduces barriers that will help all developers, for and non-profit. These are good things, but many of the changes, unfortunately, will lead to less access to the deeply affordable housing needed to address homelessness.

The TAEH asks that this committee, and the Government in turn, carefully examine the impacts that will undermine the intent of this bill. Doing so will allow Bill 23 to be a true turning point in creating an Ontario where everyone can find a home.

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