



Advant**Age**
Ontario

Advancing Senior Care

Response to Bill 108,
More Homes,
More Choice Act, 2019

May 2019

Response to Bill 108, *More Homes, More Choice Act, 2019*

Summary of Recommendations

1. Develop policies that maximize not-for-profit (NFP) providers' capacity to increase affordable housing supply and LTC, and minimize impact on municipal revenues, which fund critical social services and programs.
2. Develop supports, such as proportional surplus land allocation and financial support for land costs, for other significant cost barriers to NFP housing and LTC development.
3. Work with stakeholders to determine the most effective use of the investments under the Canada-Ontario National Housing Strategy Bilateral Agreement in addressing significant cost barriers to NFP providers.
4. Allow municipalities to retain their autonomy to implement inclusionary zoning policies to all or part of a municipality for seniors' housing.
5. Work with municipalities to incentivize and support the implementation of inclusionary zoning by-laws.

Introduction

AdvantAge Ontario is the trusted voice for senior care. We are community-based, not-for-profit (NFP) organizations dedicated to supporting the best possible aging experience. We represent NFP, charitable, and municipal long term care (LTC) homes, seniors' housing, and seniors' community services. For 100 years, AdvantAge Ontario and our members have been building the future of senior care in Ontario.

We appreciate the opportunity to provide feedback on the Ministry of Municipal Affairs and Housing's (MMAH) proposed amendments to the *Development Charges Act, 1997*, and the *Planning Act*. We are encouraged by the government's commitment to tackling the province's housing crisis, particularly the issues related to housing supply and affordability. This response reflects our perspective as the representative of NFP and municipal providers of seniors' housing and LTC who are committed to providing and maintaining a continuum of affordable housing options for seniors with varying needs.

We have consulted with our members about the government's proposed amendments. Our recommendations reflect seniors' needs across the continuum. We make important suggestions for government to ensure that the supply of affordable housing is increased to accommodate diverse needs. It is important that NFP housing and LTC providers are given fair opportunities to contribute to building a continuum of affordable seniors' housing. The Community Housing Renewal Strategy¹ complements the Housing Supply Action Plan. It focuses on helping low-to-moderate income individuals and families find affordable housing, as well as providing supportive housing. We urge the government to use this opportunity to make changes that support the strategy and the government's goals. An increased supply of affordable housing and supportive housing will allow seniors and ALC patients to stay out of hospitals and delay admission to LTC.

This submission describes the seniors' housing and LTC context and outlines the issues in our sector for the purposes of the Housing Supply Action Plan. We provide our recommendations for each of the issues identified. A summary chart of the issues, recommendations, and the positive impacts of the recommendations is available at the end of this submission.

Seniors' Housing and LTC Context

We are pleased to see that the continuum of seniors' housing in Bill 108 includes LTC homes. LTC is defined as institutional development under the *Development Charges Act, 1997*, in the proposed amendments. Given the increasing aging population in Ontario, it is critical that LTC as a housing option for seniors be included in discussions about housing development. This will ensure that we are providing people with options as they age and as their needs change.

The government has pledged to fund 30,000 new beds over the next 10 years, with 15,000 being developed over the next five years. In addition, 30,000 existing long term care beds must be redeveloped by 2025. For homes unable to meet this deadline, beds will be closed, and the residents who occupy them will have no other option but to be relocated to homes already encumbered by lengthy waitlists.

A significant impediment to the timely building and redevelopment of beds is the lengthy planning process in Ontario. We support the proposed changes in Bill 108 to streamline the development process as this will greatly assist in facilitating the development and redevelopment of LTC homes, and much needed NFP seniors' housing.

Development costs, which vary between municipalities, are another barrier. As an association that represents municipal LTC homes, seniors' housing, and seniors' community services, it is also important for us to highlight the potential impact that some of the proposed amendments to DCs will have on our municipal members' capacity to deliver the critical programs and services that people access every day. We explain in the following section how they will negatively impact municipal revenues to fund growth-related infrastructure, including housing, thus making the changes counterproductive. This could also create the unintended consequence of costs being passed onto the taxpayer, in terms of absolute tax dollars or cuts to programs and services. The proposed amendments may also force municipalities to increase DCs which would get passed back onto providers. Another unintended consequence of the proposed deferral and freezing of DCs is that it could lead to increased administrative burden for municipalities. This may negatively impact their capacity to provide other critical municipal services and programs that seniors access. We urge government to consider the negative impacts that the proposed amendments to DCs have on municipalities in the context of their crucial role in supporting the government's goals of increasing housing and growing infrastructure.

Issues and Solutions

Leveraging the Value-Add of NFP Housing and LTC Providers

We acknowledge that the proposed amendments to defer and freeze DCs are intended to help mitigate the upfront costs that all providers, including NFP providers, must bear. However, we also recognize that municipalities rely on DCs as a source of revenue, which are used to fund other infrastructure projects as well as critical support programs and services. As such, there is a

concern that municipalities will need to seek ways to supplement or offset delayed payments and ultimately revenues by increasing total DCs or other revenue sources, such as property taxes. In such a case, this would defeat the purpose of the proposed amendments of DCs to better support developers with managing the upfront and ongoing costs of development and in particular, would significantly impede the ability for NFPs to equally contribute to growing and sustaining the affordable housing supply.

NFP housing and LTC providers work towards the goal of providing affordable housing options across the continuum and maintaining that affordability in perpetuity. Furthermore, NFPs use every surplus dollar to enhance and expand their services and operations. NFPs can be a valuable partner and resource in helping government to increase the development of, and to maintain, an affordable housing supply in Ontario. Thus, it is critical that government use this opportunity to maximize the value that NFP housing and LTC providers bring to achieve the province's housing supply and affordability goals. We believe this can only be fully realized by striking a balance between measures that encourage development and those that limit the impact on DCs as a municipal revenue source and the negative consequences that may result.

To strike this balance, some municipalities have voluntarily applied exemptions to DCs and/or offered development grants only to NFP developers. Hospitals under the *Public Hospitals Act* are currently exempted from DCs². This has effectively removed barriers to timely development of housing, LTC, and hospitals in order to create a continuum of care, while minimizing the impact on municipal revenues. We feel that this is a fair and balanced approach, and we encourage government to consider this approach as a means to best facilitate development and achieve the goal of ending hallway healthcare, while minimizing the unintended consequences and potential for increased downstream costs for developers and residents.

Recommendation #1: Develop policies that maximize not-for-profit (NFP) providers' capacity to increase affordable housing supply and LTC, and minimize impact on municipal revenues, which fund critical social services and programs.

Aside from DCs, there are other significant cost barriers that impede the ability of NFPs to fully and equally participate in the development of affordable housing, such as land and construction costs. Government may consider addressing these challenges, which are less likely to result in similar unintended consequences.

In our submission to the January 2019 Increasing Housing Supply in Ontario consultation, we identified the availability and cost of land as significant barriers to housing development. Affordable housing providers, particularly NFP providers, often do not have the funds available to immediately respond to bids for sale of land because they reinvest their surplus money into their operations and services. This makes it difficult for them to acquire land to develop. We recommended in the previous consultation that government allocate a proportion of surplus government properties for affordable housing development. We further recommend that government offer financial assistance to support NFP housing and LTC providers with the cost of land. By helping them with this barrier, NFP housing and LTC providers will be able to build more affordable housing buildings and LTC homes to meet the needs of our aging population. This would also limit the impact on municipal revenues, which funds many social services, programs, and operations that our seniors and other Ontarians use.

In April 2018, a bilateral agreement was signed under the 2017 National Housing Strategy between the Canada Mortgage and Housing Corporation (CMHC) and the Ministry of Housing. The agreement establishes a cost-sharing relationship between the federal and provincial

governments for affordable housing initiatives in the province. Through the agreement, there is approximately \$4 billion in federal and provincial funding over the next nine years. These funds have been available since April 1, 2019. Although some plans have been announced for how these funds will be used³, we recommend government continue working with stakeholders on how these funds can best be used to address housing affordability for seniors.

Recommendation #2: Develop supports, such as proportional surplus land allocation and financial support for land costs, for other significant cost barriers to NFP housing and LTC development.

Recommendation #3: Work with stakeholders to determine the most effective use of the investments under the Canada-Ontario National Housing Strategy Bilateral Agreement in addressing significant cost barriers to NFP providers.

Unlocking the Development of Affordable Housing

We support the proposed amendments that reduce the decision timelines for official plans and amendments, zoning by-laws and amendments, and plans of subdivision. In our January 2019 response to the Increasing Housing Supply in Ontario Consultation, we highlighted that the length of the municipal planning and approval process was a significant barrier for our members who wanted to develop more affordable housing and LTC for seniors. The lengthy process affects the rate at which new housing and LTC can be built as well as the cost of projects⁴. We welcome the proposed changes to address the speed and cost barriers that impact our members' ability to contribute to increasing the supply of affordable housing.

However, we feel that the government can do more to support NFP providers in increasing the supply of affordable housing and LTC for seniors. The Community Housing Renewal Strategy focuses on fixing a fragmented community housing system to improve people's access to affordable housing.¹ In order to do so, there needs to be an increase in the supply of affordable housing for people to access.

The proposed amendments to the *Planning Act* related to inclusionary zoning (IZ) should, but fail to, ensure that an adequate supply of affordable housing is built and maintained to meet the increasing demand. We understand that government wants to increase affordable housing in high growth areas by focusing the discretionary use of IZ to major transit areas and development permit areas as designated by the Minister. However, as more seniors prefer to age in place, affordable housing should be available to them as an option anywhere across a municipality.

Recommendation #4: Allow municipalities to retain their autonomy to implement inclusionary zoning policies to all or part of a municipality for seniors' housing.

The proposed amendments give the Minister the power to designate areas where IZ may be used. This could increase the time for IZ by-laws to come into effect and residential units to be designated as affordable. Furthermore, the emphasis on the use of IZ in high transit areas reflects an urban focus, which creates uncertainty for the use of IZ in rural municipalities. In addition to the proposed discretionary use of IZ, these changes limit the use of IZ and the potential it has to meet the demand for affordable housing. IZ is a powerful tool that can be used to build a continuum of affordable housing options for seniors as they age so that they may age in place. Some of our members are seniors' campuses, which offer a range of housing options for seniors based on their changing needs as they age. Affordable housing for seniors that can be

built close to these campuses, for example, would allow people to age in their communities. By limiting the areas where IZ can be used, there may be fewer affordable housing options close to LTC homes or seniors' campuses. This could also make it difficult for people to move as they get older. We echo the recommendation we made during the Increasing Housing Supply in Ontario Consultation that municipalities should be incentivized and supported to use IZ to increase the supply of affordable housing.

Recommendation #5: Work with municipalities to incentivize and support the implementation of inclusionary zoning by-laws.

Summary Chart – Issues, Recommendations and Positive Impact

Issue	Recommendation	Positive Impact
Leveraging the Value-Add of NFP Housing and LTC Providers	Develop policies that maximize not-for-profit (NFP) providers' capacity to increase affordable housing supply and LTC, and minimize impact on municipal revenues, which fund critical social services and programs.	NFP developers will have greater opportunities to build and sustain affordable housing and LTC homes.
	Develop supports, such as proportional surplus land allocation and financial support for land costs, for other significant cost barriers to NFP housing and LTC development.	Other significant costs to housing and LTC development will be mediated, enabling NFPs to more fully contribute to affordable housing and LTC development.
	Work with stakeholders to determine the most effective use of investments under the Canada-Ontario National Housing Strategy Bilateral Agreement in addressing significant cost barriers to NFP providers.	NFP providers will have sources of financial support to increase the development of affordable housing and LTC in Ontario.
Unlocking the Development of Affordable Housing	Allow municipalities to retain their autonomy to implement inclusionary zoning policies to all or part of a municipality for seniors' housing.	The development of affordable housing will not be limited within a municipality, and seniors will have affordable housing options no matter where they choose to live.
	Work with municipalities to incentivize and support the implementation of inclusionary zoning by-laws.	The supply of affordable housing will be increased.

Conclusion

AdvantAge Ontario members are NFP and municipal providers of housing and LTC who house seniors with diverse needs across the continuum. We urge the MMAH to take this opportunity to work with all stakeholders, including AdvantAge Ontario, to help the government achieve its goal of increasing LTC and housing supply and improving affordability for seniors.

We appreciate this important opportunity to provide input on the development of legislative and regulatory amendments to the *Development Charges Act, 1997*, and the *Planning Act* in order to reduce housing supply and affordability barriers. We look forward to continued involvement with the government in any further work on this issue.

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References

¹ Ministry of Municipal Affairs and Housing. (2019). Community Housing Renewal Strategy. (Webpage). Retrieved from <https://www.ontario.ca/page/community-housing-renewal-strategy>

² O. Reg. 82/98, s. 2.1

³ Ministry of Finance. (2019). 2019 Ontario Budget: Protecting What Matters Most. Retrieved from <http://budget.ontario.ca/pdf/2019/2019-ontario-budget-en.pdf>

⁴ AdvantAge Ontario. (2019). Response to the Housing Supply Action Plan Consultation. Retrieved from http://www.advantageontario.ca/AAO/Content/Resources/Advantage_Ontario/Position_Papers_Submissions.aspx



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