



Ontario
Home Builders'
Association

20 Upjohn Rd., Suite 101
North York, Ontario, M3B 2V9
www.ohba.ca

(416) 443-1545
Toll Free 1-800-387-0109
info@ohba.ca

Standing Committee on Finance and Economic Affairs
Bill 185: Cutting Red Tape to Build More Homes Act, 2024

Deputation Remarks – Scott Andison, CEO, OHBA
May 15, 2024

Thank you, Mr. Chairman, and members of the committee.

- My name is Scott Andison, and I am the Chief Executive Officer of the Ontario Home Builders' Association. Joining me is Christina Gianonne, 2nd Vice President of OHBA and a seasoned builder developer of residential mixed use and master planned communities across the GTA.
- OHBA is the voice of the residential construction industry in Ontario, representing 4,000 member companies in 27 local associations across the province; our members include developers, builders, professional renovators, and trade contractors. Collectively, we have the vital responsibility to build the housing supply and choices that Ontarians need.
- OHBA continues to be aligned with the government's housing supply objectives of streamlining approvals, ending needless delays, and cutting red tape so we can get shovels in the ground sooner.
- That said, we continue to emphasize that the theme of any current and future housing legislation must focus on stability, consistency and predictability, supported by proper transition provisions to mitigate any adverse effects.
- Bill 185, an omnibus red tape reduction bill, contains the next batch of proposed policy changes that form part of the housing supply action plans that the government has committed to releasing at least once per year.
- The Bill's scope covers a variety of themes and targeted approaches that the OHBA welcomes to building homes affordably and prioritizing "service ready" infrastructure to incent "shovel ready" housing supply.
- We especially welcome the suite of changes, that if passed, will eliminate parking minimums in proximity of high order transit stations; allowing mass timber up to 18 storeys; and the release of an updated Provincial Planning Statement to focus planning processes on housing outcomes and ensuring that provincial interests are protected through municipal planning instruments.

- During the lead up to the Bill, Ministry staff held extensive consultations with OHBA related to the fee refund provisions in Bill 109 and the introduction of a Use it or Lose It framework.
- OHBA appreciates the dialogue and solutions that were arrived at in the Bill to ensure that these specific provisions will offer greater certainty in planning approval timeframes without financial recourse to municipalities, and a scoped Use it or Lose It framework that is within our expectations to optimize infrastructure while also delivering critical housing supply.
- That said, Bill 185 as drafted contain two (2) specific policy issues that are troubling to the residential home building industry:
 - The elimination of 3rd party appeals, and
 - Abolishing the Phase-In provisions of municipal development charge increases.

Third Party Appeals

- With respect to 3rd party appeals, we believe the province intended to streamline the land use approval process to get more homes approved faster and avoid the unproductive delays caused by NIMBY-based appeals that interfere with getting more housing supply being built.
- However, Bill 185, in our view, was cast far too broadly and has unintended consequences of eliminating more than just 3rd party appeals.
- It is important that there be an understanding of what distinguishes a 3rd party appeal from others.
 - 2nd party appeals are generally landowners “directly” impacted by a proposed Official Plan or Zoning By-law amendment.
 - 3rd party appeals are generally individuals or entities whose own lands are NOT covered by the OPA or ZBLA, but who feels a change may “affect” them, or are generally aggrieved, nonetheless.
- By not distinguishing between 2nd and 3rd parties, Bill 185 treats them both the same, and removes the right to appeal for both parties.

OHBA supports legislative measures that aim to both reduce the volume of appeals to the Ontario Land Tribunal AND allow for increasing housing supply and generating new jobs.

- OHBA is hopeful that this Committee and the government will support amendments during the clause-by-clause review of the Bill to preserve 2nd party appeal rights for landowners where a change to a municipal planning instrument will directly impact and applies to the property.

Eliminating The Phase-In of Development Charge Increases

- On the issue regarding abolishing the “phase-in” provisions of municipal Development Charge increases, in 2022 via Bill 23, the government provided certainty to new home buyers and builders that any new increases in municipal DCs would be phased in over 5 years.
- This measure was simply meant to slow the “pace” of DC increases and in turn preserving affordability for home buyers of new residential construction and certainty for builders to underwrite the financial viability of new housing projects.
- Bill 185, if passed, will most likely place additional costs on new home buyers at the time of closing if municipalities choose to increase development charges in response to the passage of the Bill.
 - An analysis of current housing projects in the GTA reveals that DCs could be increasing in the magnitude of \$10-20K per unit when DC increases are levied immediately by a municipality.
- The Ontario housing market in terms of new homes sales is on life-support; the GTHA new condo market reported last month the lowest quarterly number of sales since the 2009 financial crisis.
- Developers have dramatically pulled back new sales launches and reviewing the viability of projects.
 - And to inject some “life” into the market, builders are currently offering a wide array of incentives ranging from free parking spots; reduced deposits or mortgage assistance programs to close out current projects.
- Given the current macro-economic environment, this is not the time to allow municipalities to make the cost of new home ownership even more unattainable.
- Ideally, to ensure that housing projects with units that have undergone pre-sale but are not yet in construction (pulling of building permits) and could be subject to additional DC charges being added to the price of the home, OHBA recommends an amendment to the Bill, that would defer the proclamation date to June 1, 2025 of Section 2(1).
 - This would provide additional time for deals to close and respect the original price offered to the homebuyer at the time of presale purchase and arranged mortgage financing.
- If this amendment cannot be supported, OHBA and our members can only hope that Mayors and elected officials across on Ontario will exercise constraint in raising development charges overnight...once Bill 185 comes into effect.
- Because after all – “who raises development charges and taxes during a housing crisis”?

Thank you.