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Greenbelt Foundation

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Greenbelt Foundation Submission to Ontario Housing Affordability Task Force

20 December 2021

Submitted via email to: HousingSupply@ontario.ca

Dear Task Force Members:

The Greenbelt Foundation is pleased to provide you with our submission on the important job you have undertaken to increase housing affordability for Ontarians.

Affordability is one of many key requirements for making Ontario livable and competitive. This is particularly true of the Greater Golden Horseshoe, a region whose growth is guided by a suite of provincial and municipal plans and policies to ensure that the region remains livable and sustainable by focusing growth as much as possible in existing urban areas and near existing major infrastructure investments.

One of these plans is the *Greenbelt Plan*, which ensures that vital environmental and agricultural lands, as well as water resources are protected from encroaching development that would compromise their functions and services to the people of southern Ontario.

Any discussions about housing supply must begin with an analysis of how much undeveloped land is already designated to accommodate projected population growth, understanding that municipalities are required to ensure such planning is in place and undertake a regular review of their plans to confirm it is up to date and adjust as necessary.

To achieve affordability, it is important to use the land designated for growth efficiently through intensification and the building of complete communities where people can afford to live near their workplaces, and where local economies are supported. Our submission provides insights into how to achieve affordability for residents and government by doing just that.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edward McDonnell".

Edward McDonnell
Chief Executive Officer
Greenbelt Foundation



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About the Greenbelt Foundation

The Greenbelt Foundation stewards Ontario's Greenbelt, comprising over two million acres of protected land that provide clean air, fresh water, climate resilience, and a reliable local food source to help Ontario thrive.

The Foundation works to protect and enhance Ontario's Greenbelt – which today provides more than \$9.6 billion in contributions to provincial GDP and directly supports 177,700 full-time jobs – not to mention protecting critical agricultural lands including two specialty crop areas as well as iconic natural features such as the Oak Ridges Moraine and Niagara Escarpment.

We are focused on ensuring that Ontario sustains the critical water systems, local food and agricultural activities, natural heritage and climate resilience benefits of the Greenbelt – rich resources that make it a more livable and competitive region.

As a granting organization and partner, the Foundation has supported efforts to identify best practices in urban intensification and patterns of growth that support complete communities – an important component of the *Greenbelt Plan* which has a close, interdependent relationship with the *Growth Plan*.

Effective and efficient urban growth that maximizes major local and regional infrastructure investments helps protect critical agricultural and natural heritage systems outside urban areas by limiting the need for boundary expansion.

In Summary: Key Takeaways

- **The Greenbelt Foundation supports efforts to improve affordability** by creating solutions and incentives that encourage effective forms of growth and the right mix of housing solutions for the future.
- **Housing affordability needs to be considered in relation to the full costs to individuals, municipalities, and the provincial government.** All levels of government should be prudent in their development and infrastructure choices given the immense capital and long-term operating costs. Residents and taxpayers ultimately bear all costs whether it's in personal outlays for accommodation and transportation or ultimately as tax and rate payers sustaining infrastructure and services.
- **Land supply is not a primary cause of lack of affordability and settlement area boundary expansions are not generally needed to accommodate growth.** Many regions continue to designate more land for residential use despite thousands of hectares of existing, often serviced residential lands sitting unused across the Greater Golden Horseshoe region. Given existing land availability and existing *Growth Plan* requirements to have 25 to 30 years of future land designated, we need to be focused on why affordable development is not happening.



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- **Urban development patterns must be aligned with existing infrastructure investments, particularly transit and transportation.** The *Growth Plan* identifies the critical need to ensure that billions of dollars in infrastructure have sustainable usage. Investing billions in transit infrastructure, for example, while designating new development elsewhere is not sensible or sustainable. Creating a liveable, competitive, and environmentally sustainable region is also dependent on optimizing such investments.
- **Intensification and new approaches to housing supply are critical including zoning and other changes to expand as-of-right zoning.** Much of the region’s needed housing capacity and mix can be accommodated within existing settlement areas by building the “missing middle” and other forms of urban intensification. We are seeing accelerated action in many parts of the region which should be encouraged and supported through policy and incentives.
- **Protected lands are key to making the region livable, competitive and sustainable.** The *Greenbelt Plan* has been an ongoing process of decades of planning to identify and permanently protect the land base of critical natural heritage, water resource, and agricultural systems that are essential for the region’s future prosperity. Developing in protected areas will not necessarily create affordable housing, and protection of farmland and natural features is not causing the affordability problem.
- **Rural affordability and the integrity of agricultural systems and rural communities must be considered.** Rural communities have their own unique needs and should not simply become “bedroom communities” for urban employment areas. Protecting our existing agri-food economy and realizing significant opportunities in agri-food and other sectors such as tourism are dependent on affordable housing for people working locally.
- **Climate change risks to individual households and municipalities are immense and growing.** We should be building in a manner that does not exacerbate existing vulnerabilities while we invest in natural assets and infrastructure to reduce long-term recovery costs from climate events such as storms and flooding.

Understanding Affordability

The direct cost of renting or buying a home often comes to mind first in discussions about affordability, but affordability has many factors. Any analysis must consider less obvious costs to individuals and households such as transportation and property taxes to support municipal services, among others. Affordability means developing near existing employment zones to reduce the economic and other costs of people getting to work.



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What Matters

People matter. An aging population will need new forms of housing and supportive living arrangements – a process that will make current housing stock newly available. Young people and young families trying to get into the marketplace need housing solutions close to employment, public, and cultural amenities as well as transportation and transit infrastructure. Today’s planning must rely not just on past market trends but on a model for the future that includes a mix of housing types that is affordable for younger, our most vulnerable, and older people.

Land matters. As a uniquely precious commodity, it cannot be replaced once consumed. Good land use supports cost-effective infrastructure, coherent agricultural and natural heritage systems, and other important outcomes, including affordability. New housing should be built in existing urban areas first and take into account actual historical consumption rates rather than just Official Plan designations or zoning approvals before settlement area boundary expansions into rural, natural, and agricultural areas are permitted

Integrity of rural and agricultural communities matter. Agriculture is a key component of rural economies and protected natural and agricultural lands are part of a complete community. A 2020 report by the Greenbelt Foundation grounded in interviews with municipal planners identified that “decades of low-density scattered development created automobile-dependent communities that lacked in housing, transportation, and employment diversity, and fragmented local natural heritage and agricultural systems.”^{1 2}

Nature and climate resilience matter. How we protect natural systems is critical to climate resilient communities confronting climate change. Ignoring the contributions of nature carries costs, as municipalities and individuals confront the rapidly growing cost of flooding and extreme weather events. The Intact Centre for Climate Adaptation, which conducts leading research into the impacts of climate change, reports that “the loss of natural infrastructure is most pronounced in southern Canada, where population growth is concentrated, and agriculture and urban development have expanded...[and] the considerable loss of these natural environments increased the respective communities’ vulnerability to floods, droughts and water contamination.”³

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https://d3n8a8pro7vhm.cloudfront.net/greenbelt/pages/12315/attachments/original/1593022385/GB_CompleteCommunities_REPORT_E-ver.pdf?1593022385 (p.10)

²https://d3n8a8pro7vhm.cloudfront.net/greenbelt/pages/12315/attachments/original/1593022385/GB_CompleteCommunities_REPORT_E-ver.pdf?1593022385 (p.48)

³ https://www.intactcentreclimateadaptation.ca/wp-content/uploads/2018/09/IBC_Wetlands-Report-2018_FINAL.pdf (p.16)



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Rural Affordability and Integrity

The Task Force should seriously consider impacts and needs of affordability proposals on the unique needs and opportunities within rural and agricultural communities. Significant loss of agricultural land over the past decades has not resulted in affordability – and at the same time, rural communities and industries have unmet needs for local housing.

Urban boundary expansion almost always consumes agricultural land. In fact, the Ontario Federation of Agriculture has determined that “from 1996-2016, Ontario lost 1.5 million acres of farmland to development, at a daily rate loss of 175 acres per day. According to OMAFRA’s 2016 census data, the average Ontario farm is 249 acres with many of our farms being family-owned and operated.”⁴ This trend continues without a true understanding of whether it actually contributes to affordability, particularly for residents of rural communities, and whether bedroom community options are not accessible for rural workers. This sustained loss has not perceptibly resolved the affordability challenge to date and should be stopped.

Affordability for rural and agri-food workers is critical to sustaining and growing rural economies, which are often centred on tourism and agri-business sectors. The Greenbelt Foundation reports that “The lack of affordable housing makes it difficult to attract and retain employees with lower incomes working in manufacturing, retail, and service industries that support tourism. This has created situations in some municipalities where local jobs are unfilled, or where the majority of local workers commute to the municipality because they cannot afford to live there while those who live in the municipality commute outside of it for higher paying jobs.”⁵

Intensifying existing towns and villages with more diverse and affordable housing types such as mixed use, rental and secondary suites as-of-right, and above shops on main streets, is key to increasing rural affordability and healthy economies.⁶

Barriers to Housing Affordability

Municipal approaches to housing development projects range from a true understanding of the depth of the housing crisis to supporting neighbourhood opposition to reasonable new housing proposals in existing urban areas. This housing crisis has a differential impact – new Canadians and those in precarious employment are the most at risk; the next largest group are people in their 20s and 30s who are paying significantly higher rents and are likely unable to afford owning any type of unit. That is not well understood; there is significant privilege for a large portion of Ontario’s population in their housing.

⁴ <https://ofa.on.ca/newsroom/ofa-urges-countryside-preservation-to-maintain-demand-for-locally-sourced-food/>

⁵ https://d3n8a8pro7vhmx.cloudfront.net/greenbelt/pages/12315/attachments/original/1593022385/GB_CompleteCommunities_REPORT_E-ver.pdf?1593022385 (p.18)

⁶ https://d3n8a8pro7vhmx.cloudfront.net/greenbelt/pages/12315/attachments/original/1593022385/GB_CompleteCommunities_REPORT_E-ver.pdf?1593022385 (p. 19)



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Housing supply and land supply and designation are not the same. Efficient, medium and high-density use of existing urban lands are key to addressing supply, and reluctance to do so is the barrier.

There is a lack of understanding of the true impact of supply on prices, as compared to other factors such as location, housing type, transportation, employment options, property speculation and other market forces. Strong emphasis is needed on the type and location of development. It is often simply assumed that supply is the primary factor without further analysis.

The situation is, of course, more complex. The Royal Bank/Pembina Institute "[Priced Out](#)" report (2013) finds that:

"There is no evidence that Provincial land use policies, including the *Greenbelt Plan* and the *Growth Plan for the Greater Golden Horseshoe*, restrict housing development and contribute to rising home prices."⁷

"Many factors enter the home-pricing equation, and no single factor can explain fluctuations in home prices. ...Five key factors that are cited most often as affecting home prices in the GTA:

- Demographics
- The cost and accessibility of mortgages
- Construction and development costs
- Land availability and regulations
- Home location and housing stock."⁸

A further barrier is a lack of clear and consistent policy direction and performance measures to include efficient, affordable housing in developments, where market forces alone may not deliver.

The "Missing Middle" and Intensification

There is plenty of land already designated to accommodate population growth into the foreseeable future in the Greater Golden Horseshoe – especially if it is developed efficiently. That requires building the "missing middle," medium-density development between single-family houses and large high-rises, such as rowhouses, multiplexes, and stacked townhouses.

⁷ https://www.greenbelt.ca/priced_out_gta (p. 4)

⁸ https://www.greenbelt.ca/priced_out_gta (p. 5)



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Housing affordability depends upon making use of existing infrastructure and efficient land-use planning, and municipalities already designate a minimum of 30 years land supply to plan for population growth. This land must be fully used before additional land is sought. Speaking to York Region Council recently, a former provincial Minister of Municipal Affairs and Housing pointed out that the region “currently has over 20,000 acres of land already identified for development, and with an annual consumption rate of 357 acres of agricultural land over the last 18 years, it would seem there’s already a 55-year supply of existing available development lands”.

The “missing middle” works together with intensification to make more efficient use of land and increase affordability – where it involves the appropriate supply mix. The Greenbelt Foundation reports that “to attain more affordable housing options, many municipalities are permitting and encouraging the development of secondary and garden suites. They are also looking at opportunities for intensification and infill to make better use of land, and reduce dependency on greenfield developments for accommodating new population growth.”⁹

In a recent report, the Toronto Region Board of Trade identifies that the lack of such housing is at least partially attributable to exclusionary zoning that permits only single-family homes in established neighbourhoods:

- “Contributes to housing shortages that impede the ability of cities to both house its existing talent and attract new talent, impacting business competitiveness”, and
- “Drives up the cost of housing by arbitrarily limiting a more affordable form of supply, resulting in disproportionate impact on BIPOC communities, newcomers and first-time homebuyers.”

To resolve this issue, one of report’s five recommendation is to “...enable as-of-right permissions for at least four units in a building in all residentially zoned areas, and consider designating a higher baseline (e.g. eight units and/or four to five storeys) for properties near transit stations.”¹⁰

Ryerson University’s City Building Institute draws a similar conclusion in a 2018 report supported by the Greenbelt Foundation. Using Mississauga as a case study, the report finds that building “missing middle” housing via intensification could accommodate 435,000 new residents and that “even more housing could be accommodated through intensification of Mississauga’s low-density residential neighbourhoods...without the new consumption of greenfield land, reducing the need to encroach into

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https://d3n8a8pro7vhmx.cloudfront.net/greenbelt/pages/12315/attachments/original/1593022385/GB_CompleteCommunities_REPORT_E-ver.pdf?1593022385 (p.17)

¹⁰ https://www.bot.com/Portals/0/PDFs/Meeting_in_the_Middle_a_Plan_to_End_Exclusionary_Zoning.pdf (p. 5)



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Ontario's Greenbelt". It further concludes that "...building in these areas has yet additional benefits, for example, optimizing transit operations and improving household affordability".¹¹

These types of development approaches not only increase supply where public amenities already exist and avoid undue consumption of land - they also generally provide housing in areas where existing transit, transportation, and other infrastructure contributes to fiscal sustainability for various levels of government and therefore ultimately to tax payers.

Overcoming Barriers

At a municipal level:

In their urban planning role, municipalities have a key role in creating policies that directly affect housing affordability. Wherever possible, they should:

- **Implement** hard urban boundaries in the current Municipal Comprehensive Review exercise, mandate use of existing residential lands, and ensure that approvals and servicing are not sitting unused for years before considering boundary expansions.
- **Phase** developments and Official Plans to prioritize density first – municipalities currently tend to back-end density in their Official Plans, making it more difficult to achieve as it becomes difficult to intensify established neighborhoods later in the process.
- **Strengthen** regional-level planning to distribute growth most efficiently to where it can be readily accommodated without urban boundary expansions.
- **Remove** unnecessary delays in the approval process for applications that are well-aligned with Official Plans and set performance standards for all participants in the process. Examples include The Town of Fort Erie, which establishes a set number of days for making a decision on applications and the City of Welland, whose study requirements are consistent with the Official Plan and move the process quickly.
- **Ensure** that growth pays for growth, minimizing costly and inefficient patterns of development and speculative infrastructure investments.
- **Support** municipal smart growth goals including new innovative models such as municipal development corps that can regenerate downtowns.

¹¹ <https://archive.citybuildinginstitute.ca/portfolio/missing-middle/www.citybuildinginstitute.ca/download/7127>
(p.2)



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- **Use** the full array of financial tools available to them rather than defaulting to land development for short-term relief. Procedural barriers and delays should be removed in areas where as-of-right zoning applies for medium- and high-density housing.
- **Develop** and firmly implementation of regional affordability plans.

At a provincial level:

Although Municipalities are primarily responsible for urban planning, they are guided by requirements to comply with provincial policies. The province therefore also has a key role in ensuring affordability and should:

- **Mandate and accept** ambitious intensification and greenfield density targets from municipalities.
- **Establish** density-related performance goals and tie proposed solutions clearly to these goals so we ensure provincial objectives are achieved. A large and high-priority initiative such as housing affordability requires central tracking by the province at a more fine-grained level than the current five-year review period for Official Plans is likely to allow. A performance management approach is needed.
- **Revise** growth targets to better align with Ministry of Finance population projections as the current projections are resulting in over-designation of land and infrastructure needs in certain regions.
- **Require** a mix of accommodation types within municipal Official Plans for new housing market entrants, vulnerable and aging demographics. Such a policy would offset the natural tendency of the marketplace to gravitate to certain segments of the market either because of ease of build and/or profitability, limiting affordability.
- **Establish** duplexes and triplexes as-of-right in all single-family zones by provincial regulation. Use the current provisions in the additional dwelling unit regulation supporting tandem parking for duplexes and triplexes.
- **Further investment** in transit infrastructure that supports high densities will ensure that the housing mix needed for affordability is achieved.
- **The Province** needs to build climate resilience, reduce GHG emissions, and support biodiversity recovery. Increased use of green building standards and technologies as well investment in existing natural systems and infrastructure will be critical to those goals.



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By all levels of government working together:

Working together, the province and municipalities should:

- **Better understand** the changing demographics of an aging population and the housing shifts a retiring generation will cause as they free up existing housing stock.
- **Better understand** the desires of young families.

By reducing demands on municipalities:

Property developers can be part of the solution. They have great influence on the location and forms of housing that is built, and therefore on affordability. In addition, a large volume of development applications take capacity out of municipal planning teams, adding to delays and costs that are ultimately borne by purchasers and taxpayers.

Reducing demands on municipalities to consider matters outside of their Official Plans will better allow them address core approvals and oversight in the interest of getting housing built in a timely and more affordable fashion.

Many large developers' business models are based on building single-family homes that are not meeting the changing needs of the region. The industry should be encouraged through cooperation, regulation, and incentives to meet these changing needs.

Recent changes to the planning process by the Province also add to the burden on municipalities and constrain their ability to build affordable housing into their plans. Such changes include changes to the appeal process to permit de novo hearings and broadening the appeal test to include "good planning" rather than compliance with provincial policy and municipal Official Plans, which are the policy levers by which municipalities are able to plan for the smart growth that underlies affordable housing. Moreover, the broadened appeal process may encourage more appeals that tie up municipal planning resources that would be better spent on priority activities such as approval of existing applications and activities tied to new affordability performance goals.

In addition, changes that permit settlement area boundary expansions up to 40 hectares outside of a municipal comprehensive review and lower density targets in greenfields without affordability requirements encourage less efficient development that is more costly to municipalities and may result in more expensive built forms, particularly large single-family homes.



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Conclusion

Housing affordability is a crucial issue facing the Greater Golden Horseshoe, but it is not simply, or even predominantly, a matter of supply. There is enough land designated for housing and employment to accommodate demand for the foreseeable future, without compromising the natural and agricultural lands that make the region livable, sustainable, and resilient. There are many steps that the Government of Ontario and Municipalities can take that will help to address affordability for residents and for municipal governments.