

Bill 23

Submission to the Ministry of Municipal Affairs and Housing

Environmental Registry of Ontario ^(R)

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1.0 INTRODUCTION

The Region of Waterloo has been at the forefront of municipal planning since its inception in 1973.

The Region of Waterloo was the first regional government to have an official plan approved by the Province. This occurred more than a decade before some other regions in Ontario met this milestone.

The Region of Waterloo was among the first regions assigned approval authority status.

The Region of Waterloo has been at the forefront of innovation throughout its history, regularly developing unique policy solutions to problems facing municipalities that subsequently became the inspiration for provincial policy initiatives.

The Region of Waterloo has consistently met – and virtually always significantly exceeded – the provisions of the Provincial Policy Statement (PPS) with respect to ensuring availability of designated, zoned and serviced land to support development of the housing necessary to accommodate growth as forecast by the Province.

The Region of Waterloo has been a leader in the establishment of long-range infrastructure master planning to ensure services were planned, budgeted for, built, and available when required to support forecasted growth. This was done in part because of the incredible complexity of the water and wastewater systems in the Region of Waterloo.

The Region of Waterloo is the largest community in Canada dependent on groundwater resources for most of its municipal drinking water supplies. Not only does the Region extract water from 120 wells spread throughout extensive moraine and aquifer systems, but the Region also operates an aquifer storage and recovery system drawing water from the Grand River during peak flows in the spring and fall and injecting it into the ground for subsequent extraction and use during peak summer periods.

This complex municipal water supply system is matched to some degree by the need to manage sewage effluent disposal into three different rivers, all of which are impacted by communities upstream and impact communities downstream, both inside and outside of the Region.

The highly integrated growth management and infrastructure planning in the Region of Waterloo has helped create and continuously supported one of the strongest economies in North America for over 30 years. The Region of Waterloo is recognized globally, second only to Silicon Valley for technology. It has world-class universities, is home to hundreds of new start-ups, is an insurance and financial hub, and is home to leading global companies such as Google and Toyota (to name but a few). These companies have added thousands of jobs in the past few years alone. This incredible success is somewhat unique in Ontario and is visible across the community as cranes dominate the skyline.

The Region of Waterloo has consistently led all other municipalities in implementation of the Growth Plan for the Greater Golden Horseshoe (Growth Plan), including far exceeding the intensification target (averaging 56% intensification since the coming into force of the Growth Plan, including 64% in the most recent five-year period).

Unlike fully subsidized rapid transit systems elsewhere, the taxpayers of the Region of Waterloo paid a significant portion of the costs associated with the development of the ION LRT system that has become the anchor for an effective and efficient transit system that is reshaping the urban area.

The recent adoption of Regional Official Plan Amendment No. 6 (ROPA 6) continues this tradition of planning excellence. ROPA 6 marked the culmination of a multi-year cooperative effort between the Region, a wide group of stakeholders, the public and the local municipalities to develop a comprehensive plan to address the challenges facing the community as it prepares to accommodate the substantial growth that is forecast to occur over the next 30 years. ROPA 6 - with its focus on intensification first, complete 15-minute neighbourhoods, “missing middle” intensification in existing neighbourhoods, protection of farmland, and environmental and fiscal sustainability - addresses these challenges through a well-balanced policy framework embodying the broader public interest in the forward-looking innovative traditions of the Region of Waterloo.

ROPA 6 conforms to the provisions of the Planning Act and the Growth Plan, and is consistent with the Provincial Policy Statement and the Land Needs Assessment Methodology.

The Regional Official Plan continues to have among the strongest focus on the protection of farmland anywhere in Ontario, with non-farm uses having long been kept out of what is among the most profitable farmland in Canada. ROPA 6 successfully balances various competing interests with the challenges that everyone in the world is struggling with these days. It sets a platform for the continued success in the decades to come.

The Region of Waterloo and the local municipalities have responded proactively to the Paris Accord targets with all our municipalities unanimously agreeing to work to achieve a 50% GHG reduction by 2030 and 80% by 2050.

The Region of Waterloo has confirmed that it currently has ample approved development with associated available servicing capacities to accommodate its share (70,800) of the 1.5 million new homes by 2031 target established by the Province.

As of year-end 2021, the Region of Waterloo had over 35,000 housing units in the subdivision pipeline (unbuilt registered (5,933), draft approved (14,387) and pending plans (14,880)) with 58% of these housing units being approved. In addition, the Region of Waterloo has upwards of 80,000 housing units worth of capacity (zoned and with services available) in the Built-Up Area.

Everything that the Province says Bill 23 is intended to achieve is already occurring in the Region of Waterloo.

So why is the Province proposing the elimination of regional planning in the Region of Waterloo through Bill 23?

It would appear that the Province has failed to look specifically at the issues here that may differentiate the Region from many other communities. There is always room for process improvements, but the fundamentals are incredibly sound here in the Region of Waterloo. The elimination of upper tier planning in the Region of Waterloo is the equivalent of cutting both legs off a sprinter to treat a sprained ankle. You will never again have to deal with a sprained ankle, but neither will the sprinter ever walk or run quite the same again.

This submission speaks directly to this issue, provides a critique of the 1.5 million new homes by 2031 target and provides statistics and supporting information to demonstrate the senselessness of the Province's proposed elimination of upper tier planning in the Region of Waterloo.

2.0 WHY HAS BILL 23 BEEN PROPOSED?

No reasonable person would question the need for additional housing throughout the province and specifically here in the Region of Waterloo. That is not what is at issue here. What is also not at issue, is that everyone has a role to play in the creation of the additional housing that is needed.

What is at issue is the quantum of additional housing that's been identified as being needed by 2031 and the measures being proposed to achieve it.

It is completely unrealistic to assume the affordable housing crisis we face today will be solved by the private sector. That is not the business they are in. Ultimately, the affordable housing crisis will only be resolved through partnerships between the Federal government, the Province, municipalities, non-profits, co-operatives, charitable organizations and other agencies. The private sector will play a supporting role in this process, but simply providing them with more urban designated land in the vain hope that somehow this will result in more and cheaper homes being built is not a realistic solution.

Even providing financial incentives directly to the private sector to build more affordable housing has often proven to be of limited value. No matter what form of financial assistance is granted, unless it is tied to specific performance measures secured through enforceable agreements relating to the provision of affordable housing units, the homebuilding industry will typically build whatever the zoning allows and will charge whatever the market will bear.

Homebuilders say they only make about 10% to 12% on the purchase price of a house, so there is also little incentive to build cheaper homes. Because of this, the homebuilding industry seems to have adopted a low volume / high price business model rather than the high volume / low price one which is necessary to deliver affordable housing. This is seen throughout Ontario where large numbers of approved lots sit vacant, while at the same time market demand remains higher than the number of homes available.

It is also important to remember that the actual construction of homes is only one of the ways the homebuilding industry makes money. An even a bigger profit generator is the uplift in the value of land when it is brought into an urban area. This huge increase in the value of land is often the payoff to speculators and provides financial advantages for the owners whether it is developed or not. Designated land is an asset that can be used as collateral against which banks will loan money.

The Province's Housing Affordability Task Force stated: "a shortage of land isn't the cause of the problem" yet many of the solutions, including the subsequent announcement that lands are proposed to be removed from the Greenbelt, focus on increasing the supply of land.

This is perplexing until one realizes that the major focus of Bill 23 is not actually about building more homes to address the housing affordability issues facing Ontario today. If the Province was serious about

doing that it would instead be establishing collaborative processes with a broad range of partners to address the issue. They aren't doing that.

They didn't even consult with municipalities, stakeholders, or agencies before proposing massive changes to municipal planning, financing, and governance in Ontario. When it comes to the issue of whether more land is needed, they even ignored their own Housing Affordability Task Force.

Why? Because housing affordability appears simply to be the cover being used to resolve long-standing grudges the development and homebuilding industries have with municipalities, Conservation Authorities and the public. What appears very complex is actually pretty simple:

- The Growth Plan promotes intensification over sprawl – the proposed changes will eliminate the Growth Plan.
- Regional official plans and regional planning have proven effective at ensuring only the amount of land needed to accommodate forecasted growth is brought into urban areas, thereby stopping sprawl – Bill 23 eliminates regional official plans and regional planning.
- Development Charges were introduced to make sure growth pays for itself and not put the cost of growth onto the shoulders of taxpayers – Bill 23 transfers some growth-related costs to taxpayers.
- Provincially significant wetlands (PSWs) increased costs to developers who had to make sure these important ecological features were protected to help us avoid catastrophic floods and maintain important wildlife habitat – the proposed changes to the evaluation criteria for PSWs eliminate much of this problem for developers.
- Public input and any associated alterations to proposed developments often cut into developer profits – Bill 23 eliminates public meetings for plans of subdivision and third-party appeals to the Ontario Land Tribunal.
- Design requirements and green standards require developers to put more care into how they build so as to create more liveable neighbourhoods and mitigate climate change – Bill 23 prohibits implementation of these practices.

These changes appear to have been proposed without any consultation with affected parties other than the development and homebuilding industries. None of these changes appear to be about building more homes. They are about profits. If the development and homebuilding industries had wanted to build more homes here in the Region of Waterloo and elsewhere in Ontario, they could have. There were plenty of approved lots in greenfield areas and pre-zoned intensification parcels that were available. Instead, they ignored the part of the market that is not profitable enough for them and in some cases withheld lots from the market to meet longer-term business plans.

3.0 QUESTIONING THE BASIS FOR THE 1.5 MILLION NEW HOMES BY 2031 TARGET

Once again, so there is no confusion, there is a need for additional housing. However, the 1.5 million homes by 2031 target, and the measures being proposed to achieve it, don't appear to align with what is happening or needed on the ground.

This is a real concern, as the 1.5 million target is being used as justification to eliminate regional planning, pave over wetlands, promote large expansions to urban areas, further neuter the Conservation Authorities, and remove lands from the Greenbelt.

As noted in the lead-in to a recent report by the Smart Prosperity Institute: ONTARIO'S NEED FOR 1.5 MILLION MORE HOMES (August 2022) [see attached]:

Early in 2022, Ontario's Housing Affordability Task Force released a series of 55 recommendations to increase the attainability of homes for rent and sale across the province. Their very first recommendation, "[set] a goal of building 1.5 million new homes in 10 years," caught the eyes of policymakers, the media, and the public. ...

Despite the precision of these targets, there has been little evidence presented to date that 1.5 million new homes in the next ten years, or a doubling of housing construction over the next decade, is either necessary or sufficient to address Ontario's housing shortage and future population growth. **The Task Force presented no details on how the 1.5 million figure was estimated; the figure also differs substantially from other estimates.** [emphasis added]

This report by the Smart Prosperity Institute proports to test the validity of the 1.5 million target and has been referenced by the Province as justification for the actions they are proposing.

It is assumed that one of the estimates referred to in the lead-in to the Smart Prosperity Institute's report (as highlighted above), was their previous conclusion from a report they did in 2021 (Baby Needs a New Home) that Ontario needed 976,000 more homes by 2031.

The August 2022 report by the Smart Prosperity Institute, which now concludes we need 1.5064 million new homes in Ontario by 2031, has some significant and questionable jumps in logic with no supporting analysis that we are aware of having been released to date.

They essentially say that because Headship rates [the percentage of each age group that are heads of households] were typically lower in both BC and Ontario then the rest of Canada, that this somehow indicates that a shortfall in housing must exist in BC and Ontario.

[Note: If there were 100 people aged 25 to 35, and 57 of them headed up households (household maintainer as defined in the Census) then the headship rate would be 57%. A household is considered a person living alone or any number of people living together. There is one head of household per housing unit no matter how many people live there. Therefore, one house is required for each head of household and the higher the headship rate the more houses are required]

They then create a “rest of Canada” headship target by subtracting Ontario and BC from the 2016 Canada wide data and conclude somehow that the resulting “rest of Canada” headship rates should be the standard we need to plan for in Ontario.

[For (hypothetical) example: If in a sample of 100 people aged 25 to 35, Ontario had a headship rate of 45% and the “rest of Canada” headship rate for that age group was 53%, the report would conclude that Ontario was somehow short 8 homes to house that group of 100 people. (53 homes existing for those 100 people in the “rest of Canada” – 45 homes existing for those 100 people in Ontario = Ontario being short 8 homes)]

By applying this “rest of Canada” factor to Ontario, they conclude we need 1.5064 million new homes by 2031, a difference of 54.3% from what they had projected just a year earlier and remarkably only a 0.4% variance from the unsubstantiated Housing Affordability Task Force forecast.

On what basis did they concluded that the “rest of Canada” (Canada minus BC and Ontario) somehow developed over the years with the perfect amount of housing such that in 2016 it represented something close to a Utopian housing market? There is nothing in their report that addresses this issue. The conclusion that somehow this apparent perfect “rest of Canada” housing market now needs to be emulated in Ontario (despite the existence of different economic, social, and cultural factors) is equally puzzling.

To use an analogy to explain these concerns, let’s suppose there are two farmers, farmer Jones and farmer Smith that each have 50 head of cattle. If farmer Jones grazes his cattle on 40 acres of land and farmer Smith instead grazes hers on just 30 acres, the logic espoused in their report would have one conclude that farmer Smith’s cattle must be starving (or at least very hungry).

It doesn’t seem to matter that the cattle may be different types, that the quality of forage may vary between the two farms, that grass maybe can’t grow on a portion of farmer Jones’ land, or if farmer Smith feeds her cattle a grain supplement. It also doesn’t matter, apparently, whether there is underutilized forage left in farmer Jones’ fields after his cattle finish grazing. Using the logic in the Smart Prosperity Institute report, none of that type of information appears to be necessary for one to conclude that farmer Jones is awesome, and someone should call the SPCA on farmer Smith!

Why did they use the “rest of Canada”? What makes it the perfect sample? Don’t highly variable levels of intraprovincial migration in good and bad economic times make the population / housing units relationship in the “rest of Canada” a moving target? What about post-secondary education rates which delay household formation, as well as influence the ebb and flow of the young adult population moving from province to province? What about life-style differences (did people living alone in big cities like Toronto suddenly become a good thing)? What about divorce rates? What about the number of single parent households (created either through divorce or where one of the parents has had to move away for employment purposes)? What about the reality that Ontario is the home of the largest number of immigrants coming to this country, people who may have different housing preferences, larger family units, and multi-generations living together, with care for elderly parents occurring in the family home rather than in seniors’ residents?

Why 2016? What identified 2016 as representing perfection in the rest of Canada? Nothing in the report provides justification for the “rest of Canada” standard they assess Ontario against. Even within

the analysis there is a strange jump to a conclusion in the text analyzing the data presented in Figure 2: Headship rates by Age Cohort and Province, 2016. In the very first sentence after Figure 2 it states:

These lower headship rates for persons under the age of 45 suggest housing shortages causing a reduction in family formations. [emphasis added]

No analysis of the data. Nothing. Straight from the fact there is a difference to this is what caused it.

There is a huge difference between correlation and causation. The data presented suggests a correlation exists between lower headship rates and fewer existing houses, but that in no way automatically represents the causation [there is a shortfall of homes] assigned. Where is the analysis to support this conclusion? In the absence of this information, it would be just as defensible to suggest that lower household formation rates are the cause of the reduction in the number of houses being built, and indeed there are many socio-economic variables at play that would suggest this is true.

Then using this unsubstantiated conclusion, they determine - by applying the “rest of Canada” standard to Ontario - that there is a dramatic shortfall in housing in Ontario. No analysis is presented of the differences between the jurisdictions that might influence the conclusions they draw ... at least nothing until after the conclusions are established. After the fact, they address in part cultural issues, but even here they appear to discount the portion of the analysis that goes against what they have already concluded.

Two requests have been made for analysis or data to address the questions posed here. No such information has been provided. In the absence of such information, the target of 1.5 million new homes needed by 2031 has yet to be substantiated in a manner anything near the appropriate level of analysis required to support it and may significantly overstate the real issues that need to be addressed. Overstating a problem can result in solutions being proposed at a scale that fail to address the real issues that need addressing. That is what appears to be occurring here.

4.0 THE REGION OF WATERLOO

We acknowledge that there is a need for more housing, and more housing options in the Region of Waterloo. We also acknowledge that there is a role for everyone in achieving that.

We were pleased to hear Mr. Rod Regier, the Region of Waterloo’s Commissioner of Planning, Development and Legislative Services - in response to a question at a recent Regional Council meeting - indicate that should the portion of the 1.5 million housing units assigned to the Region of Waterloo (70,800) be required by 2031, the Region would be able to accommodate such development from both an approvals and servicing perspective without adding any more land if the homebuilding industry were to pursue construction of such units.

Unfortunately, that seems irrelevant. Instead, the unsubstantiated shortfall is being used to blame everyone but the homebuilding industry for somehow constraining housing construction, with the predictable solution, among other things, being a perceived need for more agricultural land to be added to urban areas. Such a conclusion is not supported by the data, at least not in the Region of Waterloo.

THE FACTS: Capacity in Greenfield Plans of Subdivision – Region of Waterloo

Since 2006, there has been an average capacity of over 19,200 housing units remaining unbuilt in registered and draft approved plans of subdivision each year (measured at year-end). This is in addition to capacity available to support intensification as noted below.

Conditions of draft approval are intended to be virtually entirely under the control of the owner of the property to resolve. Draft approvals are not granted when EAs are outstanding, (sub)watershed studies are yet to be done or servicing capacity is unavailable. Some development may have to await the extension of services through adjoining plans of subdivision, but generally, a relatively high percentage of draft approvals are available should the developer move forward with fulfilling the conditions under their control.

Year-End Inventory of Registered Unbuilt and Draft Approved Units in Plans of Subdivision (2006 to 2021)*

Year	Registered Unbuilt Units	Draft Approved Units	Total Registered Unbuilt and Draft Approved Units
2006	8,728	9,876	18,604
2007	7,871	12,893	20,764
2008	7,254	10,834	18,088
2009	6,007	10,581	16,588
2010	6,573	12,412	18,985
2011	6,287	10,593	16,880
2012	7,207	11,549	18,756
2013	7,332	9,850	17,182
2014	7,845	11,778	19,623
2015	6,987	13,098	20,085
2016	5,618	14,637	20,255
2017	5,603	13,649	19,252
2018	5,996	14,967	20,963
2019	6,101	14,525	20,626
2020	6,157	14,981	21,138
2021	5,922	14,387	20,309
Average	6,718	12,238	19,256

Source: Region of Waterloo Annual Inventory of Dwelling Units in Plans of Subdivision

During this same period, the supply of lots and blocks available to the homebuilding industry included an average of over 8,700 unbuilt registered and draft approved single- and semi-detached units, so there was no shortage of lots constraining development of those types of units at any point in time.

Year-End Inventory of Registered Unbuilt and Draft Approved Single- and Semi-Detached Lots in Plans of Subdivision (2006 to 2021)

Year	Registered Unbuilt Single- and Semi-Detached Lots in Plans of Subdivision	Draft Approved Single- and Semi-Detached Lots in Plans of Subdivision	Total Registered Unbuilt and Draft Approved Single- and Semi-Detached Lots in Plans of Subdivision
2006	4,320	5,672	9,992
2007	3,884	7,754	11,638
2008	3,583	6,320	9,903
2009	3,073	5,985	9,058
2010	3,194	6,629	9,823
2011	2,824	5,954	8,778
2012	3,307	5,745	9,052
2013	3,005	4,860	7,865
2014	2,998	5,596	8,594
2015	2,558	6,523	9,081
2016	1,527	7,344	8,871
2017	1,726	6,347	8,073
2018	1,689	6,786	8,475
2019	1,986	6,128	8,114
2020	2,013	3,174	5,187
2021	1,699	5,810	7,509
Average	2,712	6,039	8,751

Source: Region of Waterloo Annual Inventory of Dwelling Units in Plans of Subdivision

A recent article in the Toronto Star attributes comments to Ed Jegg, research manager at Altus Analytics, indicating that a balanced market would need nine months to a year's worth of supply of single-detached lots. The following is an analysis of the availability (in years of supply) of such lots in the Region of Waterloo, based on the average construction of such units over the previous five years.

Figure 8 – Year-End Inventory of Vacant Single-Detached Lots in Registered and Draft Approved Plans of Subdivision Compared to Average Single-Detached Unit Construction over the Previous Five Years (2010 to 2019)

Year	Annual Average of Single-Detached Units Built in Previous Five Years	Inventory of Vacant Registered Single-Detached Lots (Years)	Inventory of Draft Approved Single-Detached Lots (Years)	Combined Inventory of Vacant Registered and Draft Approved Single-Detached Lots (Years)
2010	1,498	2.11	4.29	6.40
2011	1,439	1.92	4.05	5.97
2012	1,345	2.38	4.88	7.26
2013	1,181	2.46	4.09	6.55
2014	1,093	2.66	4.93	7.59
2015	1,029	2.40	6.05	8.45
2016	1,101	1.33	6.44	7.77
2017	1,114	1.38	5.45	6.83
2018	1,127	1.43	5.81	7.24
2019	1,096	1.74	5.43	7.17
Average	1,202	1.98	5.14	7.12

Source: Region of Waterloo Annual Inventory of Dwelling Units in Plans of Subdivision and Annual Building Activity and Growth Monitoring Reports

The Region of Waterloo has consistently (and in most cases quite significantly) exceeded Mr. Jegg's one year test of a balanced market for single-detached units. That doesn't even take into consideration the additional average of five-plus years of supply in draft approved lots. So, obviously a healthy balanced housing market existed throughout the 2006 to 2021 period in the Region of Waterloo.

It should also be noted that the Region of Waterloo continues to maintain a large overall inventory of plans of subdivision in process, with the combination of housing units in unbuilt registered (5,933), draft approved (14,387) and pending plans (14,880) exceeding 35,000 housing units in the subdivision pipeline as of year-end 2021. Based on the average of slightly less than 1,700 housing units that were built annually in the greenfield areas from 2006 to year-end 2021, this would potentially represent upwards of 20 years of greenfield capacity in plans of subdivision, with the majority of it (58%) already having been approved.

THE FACTS: Greenfield Development 2006 to Year-end 2021 – Region of Waterloo

An annual average of over 19,200 unbuilt registered and draft approved units have been available since 2006 in greenfield areas, yet the homebuilding industry only built, on average, about 1,700 greenfield housing units per year from 2006 to year-end 2021. This represents a construction rate each year of only 9% of the average annual available supply of approved greenfield units. The potential existed for double, triple, or even quadruple the amount of greenfield construction in any given year in the Region's greenfield lands. It did not occur.

THE FACTS: Capacity in Intensification Areas – Region of Waterloo

Since the early 2000s, local municipalities have worked diligently to pre-zone nodes, corridors and Major Transit Station Areas (MTSAs). The Intensification Technical Brief (August 2021) done as a background report for the Region of Waterloo's Land Needs Assessment by Watson and Associates states:

Based largely on existing planning permissions, there is a potential to accommodate an additional around 173,000 people and 143,000 jobs [through intensification in the already built-up area] by 2051 ...

This translates to between 80,000 and 100,000 housing units based on the typical number of people who live in such units. In addition, newly proposed intensification projects continue to be approved by the local municipal Councils at a higher rate than had been anticipated.

The Region and local municipalities have worked cooperatively to put in place significant financial incentives to help ease barriers to intensification (such as Development Charge waivers and tax increment grant programs to support the clean-up of contaminated sites). In addition, the Region and local municipalities have promoted development in the downtown core areas of the cities through the waiver of Development Charges, partnered with various groups in development of affordable housing, and built the ION LRT system to help reshape the urban environment, ease transportation costs for residents living and working in intensification areas, and reduce development costs for developers due to reduced parking requirements in the associated MTSAs.

The local municipalities have been actively planning MTSAs for years, with the result being phenomenal amounts of development occurring in the Region's Central Transit Corridor.

THE FACTS: Intensification Development 2006 to Year-end 2021 – Region of Waterloo

From the coming into force of the Growth Plan in June 2006 to year end 2021, building permits have been issued for 33,410 residential units in the Built-up Area of the Region of Waterloo. This represents an intensification rate of 56% and has provided the Region with a wide range of lower priced housing options. The rate of intensification has been increasing over time, with the intensification rates from 2006 to 2011, 2012 to 2016, and 2017 to year-end 2021 being 53%, 54% and 64% respectively.

And intensification has not just been in the form of high-rise apartments. In a recent report to Region of Waterloo Council, staff stated:

Over the past decade, there has been rapid growth in accessory apartments added to existing dwelling units, such as basement suites or duplex conversions. In 2012, only 67 permits were issued for these units across the Region. By 2020, the number reached 398, and increased by a further 37 per cent to 546 units in 2021 – that is, nine per cent of total residential units. This number includes detached additional dwelling units such as garden suites or laneway homes.

Given the existing inventory of intensification opportunities and the progressive policy framework included in Region of Waterloo Official Plan Amendment No. 6 implementing the MCR process mandated by the Province, there is no reason why these high rates of intensification will not continue to be achieved.

THE FACTS: Servicing Capacities – Region of Waterloo

There have been no shortages of sewer, water, landfill, or transportation capacities hampering growth in the Region of Waterloo over the past 20 years. With a 30-year plus history of completion and implementation of long-range infrastructure plans, the Region is well positioned to ensure no shortages occur within the 2051 planning horizon. Of course, all of this is dependent on successful source water protections providing protection for groundwater supplies, proper implementation of (sub)watershed planning outcomes and integration between growth management objectives and infrastructure planning, much of which will be negatively affected through implementation of Bill 23.

THE FACTS: Affordable Housing – Region of Waterloo

The Region of Waterloo has been extremely active in efforts to ensure the provision of affordable housing for decades through its Housing Division's mandate which includes management of affordable housing units and overseeing a wide variety of initiatives such as the Region's 10 Year Housing and Homelessness Plan, the Waterloo Region Housing Master Plan, and Incentives to Create Affordable Housing program. As noted on its website:

The Region of Waterloo believes communities thrive when everyone has a place to call home. In Housing Services, we work with our partners to end homelessness. We help people find and keep a home where they feel comfortable, safe, and a part of their community.

We do this by:

- Providing progress updates on our [Affordable Housing Plan](#), Building Better Futures: 2,500 Homes in 5 Years.
- [Planning for housing needs and ways to end homelessness](#).
- Putting proactive measures in place to help house people.
- Funding and providing housing services directly or through community partners.
- Managing wait lists for affordable housing, including housing with supports.
- [Overseeing landlords and housing providers](#).
- Owning and operating over 2,700 community housing units.
- [Creating new affordable housing with our partners](#).
- Creating incentives and policies that encourage a broad range of housing.

What Caused the Apparent Shortfall in Housing Units the Province has Identified here in the Region of Waterloo?

The apparent shortfall in housing units in the Region of Waterloo must have been caused by a combination of:

- shortages of land on which to build housing units (no – there has always been plenty available with still over 35,000 units in greenfield plans of subdivisions and additional vacant land continuing to exist as of year-end 2021)
- slow municipal approvals stifling the marketplace (no - have had over a decade of approved greenfield and intensification units available almost continuously since 2006)
- constrained supplies of low-density housing available for construction (no - an average of over seven years in unbuilt registered and draft approved single- and semi-detached units has existed since 2006)
- shortages in sewer, water, landfill, and/or transportation services (no, no, no, and no - plenty continuously available and expansions planned and budgeted for to cover off future shortfalls)
- the absence of financial incentive programs (no – over the years the Region and local municipalities have actively participated in variety of financial incentive programs - DC waivers/tax increment grant programs etc. - aimed at encouraging the development of housing, particularly near transit)
- NIMBY issues significantly delaying development (no - pre-zoning for significant amounts of intensification is already in place and has been since 2006 thereby restricting the impact of NIMBY objections)
- high mortgage rates are making housing purchases unaffordable (no - at least until lately)

- interference by the Conservation Authorities (no - the GRCA has been an active partner in ensuring the necessary (sub)watershed studies required to responsibly open up new greenfield areas have been completed as demonstrated by the large inventory of approved units in such areas)
- failure to recognize and address affordable housing and homelessness issues (no – the Region has a Housing Division specifically intended to address these issues and has been a leader and an active participant in a wide variety of on-going initiatives. More to be done, but full credit due for efforts to date)
- failure to free up underutilized land owned by municipalities to accommodate housing (no - this has been an objective for decades ... there just isn't much of it)
- failure to take advantage of gentle intensification options (no - accessory dwelling units have become an important component of the new housing market, representing 9% of all new housing units in 2021. These types of units also represent a significant policy focus in Regional Official Plan Amendment No. 6 currently before the Minister for approval) and/or
- the upper tier approval authority role slowing down development (no - a previous review demonstrated that there was very little difference in processing times between when the Region of Waterloo was the approval authority versus where the City of Kitchener assumed that role (the Region was slightly quicker in processing subdivisions through to draft approval at that time). The real benefit in time savings was when the Province dropped out of the development review process in 1996, almost instantly resulting in a reduction in the processing times for plans of subdivision of almost 65%)

Well, then maybe it was the poor local economy (no – the Region of Waterloo has had one of the highest performing economies in Canada, if not North America, for decades).

So, if these didn't trigger the massive structural shortfall in housing units, what did? This is perplexing, especially when these represent virtually all the solutions the Province has identified to solve the apparent massive shortfall in housing in the Region of Waterloo.

5.0 CONCLUSION

With a healthy balanced market in lot/block availability for greenfield housing, substantial amounts of pre-zoned intensification opportunities, adequate service capacity availability, housing supportive incentive programs, a strong economy, active programs to address affordable housing and interest rates at historic lows for an extended period (until recently), it is unclear that a market existed in the past for the magnitude of housing units the Province and the Smart Prosperity Institute say should have been built. Clearly, the homebuilding industry here in the Region of Waterloo was not able to capitalize on it ... or maybe they simply ignored certain segments of the need.

Do we need additional forms of affordable housing in the Region of Waterloo to help alleviate homelessness, help individuals otherwise under stress, provide more options for young people starting out in home ownership, and places to go for some of the seniors moving out of it? Absolutely, but to the

best of our knowledge nowhere near the magnitude of shortfall of housing units identified by the Province.

The Region is working to resolve these issues through on-going housing initiatives such as implementation of the Region's 10-Year Housing and Homelessness Plan, the Waterloo Region Housing Master Plan, the Incentives to Create Affordable Housing program, and policies and programs that promote intensification.

Through these existing programs, which will be further enhanced by the policies in Regional Official Plan Amendment No. 6, the Region is creating the opportunity for new forms of housing within the already built-up area, housing with at least the potential to be affordable, particularly when considered in the context of the associated costs of transportation. There is no reason to believe this can similarly be achieved through construction of more low-density dwellings in greenfield areas, paving over green spaces and wetlands, elimination of Regional planning, or many of the other 'solutions' the Provincial government is proposing.

Bill 23 will do little to create additional housing units here in the Region of Waterloo and may arguably hinder such construction, particularly in the near term. Is there a need to work cooperatively with the Region, the local municipalities, the development and homebuilding industries, agencies and the community to ensure more affordable housing is made available? Absolutely. Are there application processing improvements that can be made? Again, absolutely. But that is not all. There are also other creative opportunities like public education programs to alleviate the public's concerns and put the on-going and future development into proper context. We have found a properly informed public is far more willing to accept change than one that is pushed to the curb. Likewise, collaborative ventures among groups are far more productive than a dictatorial one size fits all attempt to jam more homes into communities.

What we are dealing with here in the Region of Waterloo is the development equivalent of a sprained ankle. Amputating both legs may eliminate that problem, but the sprinter this community has been for decades, will never walk or run the same again.

We strongly urge the Minister of Municipal Affairs and Housing to support the Region of Waterloo in its efforts to ensure the residents of this community continue to experience a prosperous and sustainable future. Let us work together to see if we can ice, tape, rehab and ultimately heal that sprained ankle BEFORE you amputate both our legs and our future.