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MEMBER OF PROVINCIAL PARLIAMENT
DON VALLEY EAST | DON VALLEY-EST

April 30, 2024

Hon. Paul Calandra
Minister of Municipal Affairs and Housing
17th Floor, 777 Bay St.
Toronto, ON M7A 2J3

RE: Reaction to Bill 185

Dear Minister Calandra,

The purpose of this letter is to highlight deficiencies in your recently introduced housing legislation and implore you to take drastic corrective action. Bill 185 has proven to be profoundly disappointing and lacking entirely in ambition. This sentiment is evident from my conversations with countless Ontarians from all walks of life and from all sectors including municipalities, homebuilders, non-profit housing service providers, and urban planners. Amidst a generational crisis that has left everyday Ontarians with bleak prospects of ever affording a home, Bill 185 reveals that this government is not serious about solving the problem.

This failure to take action, unfortunately, is entirely consistent with the track record of your government under Premier Ford. Since he assumed power:

- the **average price of an Ontario home has skyrocketed by 53%** from \$570,400 in 2018 to \$872,312 in 2023.¹
- the **average market rent for an apartment has risen by over 34%** from \$1,197 in 2018 to \$1,607 in 2023.²
- the **rental vacancy rate in large cities has plummeted**, such as in Toronto where it declined from 2.4% to a **historic low of only 0.7%**³
- **homeless encampments have become commonplace** province-wide.⁴
- there has been **massive outmigration** of thousands of young people from the province⁵
- highly qualified and **well-earning Ontarians cannot find suitable places to live.**⁶
- **older adults and seniors are struggling to downsize.**

¹ Statista. (2024, January 30). Average house prices in Ontario 2018-2023, with a forecast by 2025. <https://www.statista.com/statistics/604254/median-house-prices-ontario/>

² Housing Market Information Portal. (n.d.). CMHC. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Apartment>

³ Housing Market Information Portal. (n.d.). CMHC.

⁴ <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.2.33&GeographyId=2270&GeographyTypeId=3&DisplayAs=Table&GeographyName=Toronto>

⁵ Mitchell, D., & LeBel, J. (2023, September 11). How more homeless encampments in Ontario signal a housing crisis out of control. *Global News*. <https://globalnews.ca/news/9926529/homeless-encampments-housing-crisis-ontario/>

⁶ Kirby, J. (2024, February 23). It looks like renters are ditching Ontario. *The Globe and Mail*. <https://www.theglobeandmail.com/business/article-it-looks-like-renters-are-ditching-ontario/>

⁶ Maclean's. (n.d.). The end of homeownership - MacLeans.ca. <https://macleans.ca/longforms/the-end-of-homeownership>

Clearly, the consequences of Premier Ford's inaction on housing have been profound and his failures resonate throughout Ontario. Indeed, the future of our province is more tenuous than ever before.⁷ Business confidence is cratering (only 13% of businesses in this province have a positive and confident outlook about the future), productivity has plummeted and our economy is slowing down.^{8,9}

Moving Forward: Creating Hope and Abundance

This situation demands bold and decisive action. It requires ambitious and innovative solutions leveraging every tool at our disposal.¹⁰ For example, I recently tabled *Bill 175 - Building Universal and Inclusive Land Development in Ontario Act (BUILD Ontario Act)*, which presents a pathway towards creating gentle density in our communities while also increasing the feasibility for many new homes to be built.¹¹

Today, I invite you to borrow from the ideas in this Bill and adopt a number of other sensible solutions to increase the supply of all types of homes in Ontario. This list is by no means exhaustive but represents an important starting point.

1) Build affordable homes near public transit stations

It should be mandatory that all surplus provincial land sold for housing development have 20% of all constructed units dedicated as affordable housing, using a definition of affordability that requires occupants to spend no more than 30% of their annual gross household income. My colleague, MPP Andrea Hazell, recently tabled *Bill 184 - Supporting Mobility, Affordability, and Reliable Transportation in Ontario Act (SMART Ontario Act)*, which would have mandated this requirement for Metrolinx properties sold for housing projects.¹² Regrettably, your Conservative caucus rejected this legislation.

2) Ensure fairness for landlords and protect tenants

The backlog of over 53,000 cases stuck in the Landlord and Tenant Board (LTB) must be eliminated by reintroducing adequate in-person hearing options, appointing qualified adjudicators, investing in legal aid services, and setting a target of resolving all new disputes within six to eight weeks. My colleague, MPP Ted Hsu, recently tabled *Bill 179 - Fewer Backlogs and Less Partisan Tribunals Act*, which could help address this issue by making the appointment process for tribunals more transparent, fair, and merit-based.¹³ Unfortunately, this legislation was also voted down, further reinforcing your government's stance on appointing insiders and partisan allies.

3) Address homelessness and encampments in urban areas

This should be achieved by adopting a "housing-first" approach with wrap-around services to address homelessness while supporting municipalities that are struggling to meet the rising demand for social housing units (rent-geared-to-income units, supportive housing units, and below-market rental units). An important

⁷ Businesses are joining the growing chorus of concern about the high cost of housing in Ontario. (2023, July 19). thestar.com. https://www.thestar.com/business/businesses-are-joining-the-growing-chorus-of-concern-about-the-high-cost-of-housing-in/article_fb56b12f-e99d-5551-9fe8-f9b1ba2e7ee4.html

⁸ Post-Pandemic Business Confidence Continues to Decline: Chamber Report | OCC. (2024, February 7). OCC. <https://occ.ca/mediareleases/post-pandemic-business-confidence-continues-to-decline-chamber-report/#~:text=F2%80%9CBusiness%20confidence%20in%20the%20economy.and%20CEO%20of%20the%20OCC>

⁹ Taking productivity seriously: The case for an Ontario Productivity Commission - Ontario 360. (2024, March 19). Ontario 360. [https://on360.ca/policy-papers/taking-productivity-seriously-the-case-for-an-ontario-productivity-commission/#~:text=Unfortunately%2C%20Canada%20and%20Ontario%20have,productivity%20\(see%20Figure%201\)](https://on360.ca/policy-papers/taking-productivity-seriously-the-case-for-an-ontario-productivity-commission/#~:text=Unfortunately%2C%20Canada%20and%20Ontario%20have,productivity%20(see%20Figure%201))

¹⁰ New OREA report calls for bold action to build homes. (n.d.). <https://www.orea.com/resources/media-room/press-releases/February-01-2024>

¹¹ *Building Universal and Inclusive Land Development in Ontario Act*, 2024. (n.d.). Legislative Assembly of Ontario. <https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-175>

¹² *Supporting Mobility, affordability and Reliable Transportation in Ontario Act*, 2024. (n.d.). Legislative Assembly of Ontario. <https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-184>

¹³ *Fewer backlogs and less partisan tribunals Act*, 2024. (n.d.). Legislative Assembly of Ontario. <https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-179>

step must also involve delivering funding to municipalities so they can create emergency rent banks to help prevent struggling tenants from falling into arrears.

4) Make home construction financially feasible in the current economic condition

It is not too late to implement the recommendations of your own Housing Affordability Task Force (HATF), particularly in relation to allowing construction of additional residential units such as garden suites, as-of-right. This action alone could spur new opportunities for multigenerational housing that would allow seniors to age in dignity close to their children and grandchildren. HATF consulted widely on these matters and your leadership is now required to streamline regulations and eliminate financial barriers in addition to introducing the required legislation. Although it has been two years since this recommendation was made by HATF, it's never too late to take the right action.

5) Explore innovative solutions to turn the dream of homeownership into a reality

Governments that purport to be innovative must back their words with action. One way to finally accomplish this is by introducing alternative financing arrangements that would make home ownership accessible to more communities. For example, allowing people the freedom to choose from a wide range of financial products such as halal mortgages is a principle that Conservatives elsewhere have embraced. In Alberta, Premier Danielle Smith instructed her Minister of Finance, Nate Horner, to work on “implementing a Halal financing option for Alberta's Islamic communities”.¹⁴ Tim Hudak, former leader of the Conservative caucus and CEO of the Ontario Real Estate Association, recently urged Ontario to follow Alberta's lead considering “Canada remains the only G7 country that doesn't have the necessary financial and regulatory frameworks to enable halal mortgages”.¹⁵

Additionally, novel housing solutions should be promoted using incentives such as density bonuses (replicating similar policies adopted by other jurisdictions like British Columbia) for homes built using innovative technologies that include modular construction and the use of mass timber.¹⁶ It has been excruciating to witness almost zero progress on modular housing (despite its potential to get more homes built faster and at a cheaper rate) and even outright opposition to the idea as seen at 175 Cummer Avenue (in Toronto), which has been opposed by Minister Stan Cho.

6) Accelerate the creation of a strong pipeline of skilled trades workers

An expedited pathway for experienced skilled trades workers is necessary to help them complete the necessary training to become vocational instructors. This must happen in collaboration with the Ministry of Education, with consideration also of a return to a one-year teaching degree. This will help Ontario keep up with the need for an additional 118,000 construction workers by 2033 to deliver the required pace of homebuilding and replace over 82,000 construction workers (roughly 18% of the industry's current workforce) who will retire in the next decade.¹⁷

A rapid expansion in access to vocational training can support youth while also attracting newcomers, women, and people from historically marginalized and racialized communities to build careers in the skilled trades sector. By leveraging everyone's potential in our province, we can deliver on the skilled trades – iron

¹⁴ Smith, D. (2023). Letter to the Honourable Nate Horner, President of Treasury Board and Minister of Finance. <https://open.alberta.ca/dataset/bf7f9a42-a807-49b3-8ba3-451ae3bc2d2f/resource/84c17e7d-e626-4513-ae23-9d76a61b89d2/download/tbf-mandate-letter-treasury-board-and-finance-2023.pdf>

¹⁵ Hudak, T., & Sawwaf, M. (2024, April 10). Lack of Halal Mortgages Preventing Many Muslim Ontarians from Becoming Homeowners. STOREYS. <https://storeys.com/halal-mortgage-orea-op-ed/>

¹⁶ Wilson, C. (2024, February 28). Vancouver approves new incentives for mass timber construction. *Business in Vancouver*. <https://www.biv.com/news/real-estate/vancouver-approves-new-incentives-for-mass-timber-construction-8371662>

¹⁷ Butler, C. (2023, July 5). Ontario's construction industry faces a severe labour crunch and it seems it's about to get worse. *CBC*. <https://www.cbc.ca/news/canada/london/construction-labour-shortage-housing-affordability-ontario-1.6891288>

workers, electricians, masons, bricklayers, journeymen, carpenters, plumbers, and more – required to build the homes we need.

7) Ensure predictable, reliable, and flexible sources of revenue for municipalities to facilitate the development of housing-enabling infrastructure and to fix repair backlogs

It has been difficult to watch precipitous and chaotic policy reversals that have created an unpredictable and toxic environment for homebuilding in Ontario [as I recently explained](#).¹⁸ Against that backdrop, municipalities are still waiting to be made whole for the estimated \$5 billion shortfall that resulted from Bill 23 and which was promised by your predecessor, former Minister Steve Clark.¹⁹ In the absence of reliable and flexible sources of revenue municipalities struggle to build housing-enabling infrastructure and are left with little options but to impose a significant tax burden on new residents through levying heavy fees on residential projects and homebuilders, raising property taxes on homeowners, or a combination of both. In the absence of predictable funding for community infrastructure (including roads, bridges, stormwater management, parks, libraries, etc.), we are seeing municipalities left pleading with federal and provincial governments.

A New Deal

As a former Mayor of one of the largest municipalities in Canada, Bonnie Crombie believes that municipalities in Ontario need a new deal and a modern financial framework that will allow them to have a sustainable source of funding that involves minimal tax burden, is cost-effective, and ensures development charges remain predictable and manageable. Instead of vilifying municipal leaders or issuing Ministerial Zoning Orders (MZOs) to reward friends and donors, I ask you to instead focus on adopting a credible action plan to track, monitor, and clear the \$52 billion repair backlog that municipalities face in this province.²⁰

Our Ontario Liberal caucus, under the leadership of Bonnie Crombie, is determined to be the voice of reason, compassion, and bold ideas. I ask you to show the same leadership and courage for the sake of all Ontarians caught in this housing crisis.

I urge you to act decisively and advance an agenda of abundant housing that can create more homes, safer communities, and greater economic productivity in our province. The above-mentioned recommendations represent critical first steps. I wish you the best of luck and remain at your service if I may be of assistance, recognizing that the fate of 16 million Ontarians rests in the balance.

Sincerely,



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Member of Provincial Parliament, Don Valley East

¹⁸ <https://twitter.com/ShamiiAdil/status/1780722225257017696>

¹⁹ CP24. (2022, November 17). *Ontario housing bill to short municipalities by \$5 billion: AMO*. <https://www.cp24.com/news/ontario-housing-bill-to-short-municipalities-by-5-billion-amo-1.6157643>

²⁰ Yang, M., Afroz, S., Rhodes, N., & Financial Accountability Office. (2021). *Municipal infrastructure [Report]*. Financial Accountability Office of Ontario. <https://www.fao.on.org/web/default/files/publications/EC2103%20Municipal%20Infrastructure/Municipal%20Infrastructure%20Review-EN.pdf>