



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

ROMA Task Force on Attainable Housing and Purpose-Built Rentals

Proposals for Specific Actions:

Policy, Legislative and Regulations Project Development and Financial Incentives

August 2022



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

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Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

1. Introduction

In the midst of the impact of COVID-19 on Ontario communities, businesses, institutions and markets, the Rural Ontario Municipal Association set out a bold plan ([*Opportunities for Rural Ontario in a Post-COVID World.*](#)) Released in January of 2022, four of the 23 recommendations in the Action Plan focused on addressing the full spectrum of housing needs in Rural Ontario and re-imagining the Provincial Policy Statement in ways that facilitate local decision-making.

In March of 2022, the ROMA Board affirmed as its priority theme, addressing the full spectrum of housing needs (Section 8.6 of the Action Plan) and created a Task Force to address **Attainable Housing and Purpose-Built Rentals**. This emphasis is rooted in the understanding that in Rural Ontario:

Good quality, reasonably-priced rental accommodation has long been in short supply and remains so today. Economies of scale are harder to achieve for multi-unit projects and it is difficult to encourage developers to consider projects in Rural Ontario.

Gaps in the spectrum of housing options mean that rural residents who might otherwise free up existing housing stock by downsizing or moving from owner-occupied to rental homes can't afford to do so, or may not be able to find a new place to live nearby. This is particularly the case with many seniors, who find that they must continue to live in a home that is much too large for their needs.

Competition for the limited supply of homes for individuals and families who want to live and work in Rural Ontario has driven up prices. As a result, employers continue to have difficulties attracting workers, dampening the productivity of the rural economy.

Creative solutions are needed, often ones that provide municipalities with the flexibility and authority to craft approaches that are consistent with their communities' aspirations while respecting the spirit of key pieces of legislation like the Planning Act and the Provincial Policy Statement. The current legislative, regulatory and policy regime for housing in Ontario contains many barriers that hamstringing efforts by municipal governments and others in Rural Ontario to implement well-designed solutions.

Over a five-month period, ROMA's Attainable Housing Task Force identified the issues and solutions that will enable municipalities in Rural Ontario to respond effectively to the dramatic shifts in provincial, regional and local housing markets. Some of the key concerns were learned from more than 255 responses by rural municipalities to a survey ROMA distributed in March 2022. ROMA recognizes that action on the proposed solutions will not, by itself, solve the housing challenges in Rural Ontario; other stakeholders --- beyond municipalities --- must be engaged. But this report is a good start.

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This report offers practical solutions to more than a dozen planning and financial challenges faced particularly by municipalities and communities in Rural Ontario. These solutions tend to fall into one or more of five categories:

- Amending provincial legislation and/or regulations to **bring clarity** to planning processes for provincial and municipal governments, as well as housing project proponents and citizens.
- Delegating **authority and flexibility** for municipal governments to encourage, review and approve housing solutions that “fit” their communities while remaining consistent with good planning principles and key planning documents (such as their Official Plans).
- **Accelerating planning processes** based on prioritization of specific types of *municipally-approved* housing projects.
- Implementing **targeted incentives** to enable proponents to reduce long-term risk and model financially viable projects at scales and configurations that work in Rural Ontario.
- Undertaking tasks that can get municipally-approved housing **projects “out of the gate”** faster thereby reducing prospects for costly delays.

Sometimes, these solutions require collaborative action by multiple provincial ministries in concert with municipal governments. In other cases, the federal government can and should be involved. These solutions do not require or expect that good land use principles be jettisoned, or that important protections for agricultural, forested areas, or resource-laden areas be set aside. Nor do they require that measures to protect the environment or meet the Province’s constitutional commitments to Indigenous Peoples be given short shrift. On the contrary, these solutions could well trigger an accelerated response to contemporary housing challenges over the next three to five years.

Many of the solutions proposed in this report can be implemented without significant financial expenditures by the Province. In each section, the Task Force outlines these **Solutions** followed by **Additional Measures** that could be taken to move forward more quickly.

In proposing these solutions, ROMA acknowledges that the Task Force has not had the time to undertake a comprehensive review of all the clauses in all relevant legislation, regulations or policy guidelines that will need to be amended to ensure consistency and internal alignment. Nor does the Task Force assume that there is only one way to achieve the desired ends.

ROMA expects to work with the Ministry of Municipal Affairs and Housing, other Ministries, and other AMO members to find the simplest, most effective way(s) to implement these solutions, without constraining the aspirations and authorities of other municipal governments in Ontario.



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On behalf of ROMA, we extend our heartfelt thanks to the members of the Task Force for their extensive and timely contributions. They have risen to the challenges of a complex subject with a fast-paced timeline of under twenty weeks start to finish, all the while meeting the commitments of their regular jobs. The Task Force's work was undertaken based on a consensus model with no expectation that there would be full or unanimous support for all measures by all Task Force members. In fact, some proposed solutions may not align with existing Official Plans in some municipalities; detailed discussions may be required to help municipalities consider how best to achieve the desired outcomes in their communities. What ROMA asked for --- and received --- was the best professional advice on practical measures that would address barriers in attainable housing and purpose-built rentals in Rural Ontario. The Task Force members delivered.

And finally ROMA wants to recognize our consultant, Ms. Kathryn Wood, President and CEO of Pivotal Momentum Inc. You have been able to sort through the complicated and overlapping concerns to identify what the issues really are and worked with the Task Force to provide practical solutions. You also delivered.

ROMA also extends our thanks to the Association of Municipalities of Ontario (AMO) for their keen interest in and contributions to the Task Force's work. Through the Task Force, ROMA's objective has been to focus on Rural Ontario; however, there are many aspects of this report that lay out practical pathways for broad policy recommendations that AMO has set before the Province.

ROMA expects to engage with the Ministry of Municipal Affairs and Housing in detailed discussions to explore which solutions might be acted on immediately, and how the groundwork might be laid for those that will take a bit more time.

Respectfully submitted,

Robin Jones
Mayor, Westport
Chair of ROMA and of the Attainable Housing Task Force
August 2022



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2. Place Greater Emphasis on Regulatory Supports for Attainable Housing and Purpose-Built Rentals

What's The Issue?

- The term “affordable” is limiting when describing housing needs in Rural Ontario. A more inclusive term is “attainable”.
- Long-standing housing shortages combined with supply chain challenges, construction worker shortages, inflation and shifting lifestyle choices means that housing that is both “affordable” and “available” is out of reach for many Rural Ontarians.
- The conditions noted above are not likely to dissipate soon. They affect both owner-occupied and rental housing. In Rural Ontario, the acute shortage of rental accommodation before the COVID-19 pandemic has intensified.
- The economic and social implications of the current housing market are significant and far-reaching. Ontario’s legislative and regulatory agenda must broaden to include more regulatory support on “attainable” housing and purpose-built rentals.

What's The Solution?

- A. Incorporate a definition of “attainable” housing** in key pieces and legislation and related regulations: the Planning Act (PART VII Interpretations), Provincial Policy Statement (Section 6.0), and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Definitions)ⁱ.

The Definition proposed by ROMA is:

Attainable housing refers to housing that is **Adequate in condition (no major repairs needed), **Appropriate** in size (bedrooms appropriate for household), **Reasonably-priced** (for lower and moderate income householdsⁱⁱ) and **Available** (a range of housing options).ⁱⁱⁱ**

- B.** Amend **the Planning Act** Part I Provincial Administration, Provincial Interest, 2 (j) to include a direct reference to attainable housing: “the adequate provision of a full range of housing, including attainable housing, affordable housing, and purpose-built rentals” (currently this section reads: “the adequate provision of a full range of housing, including affordable housing”).
- C.** Amend the **Provincial Policy Statement 1.1.1 (b)** with preamble “Healthy, liveable and safe communities are sustained by... , to read: “accommodating an appropriate range and mix of residential types (including single-detached, additional residential units, multi-unit housing, attainable housing, affordable housing and purpose-built rentals.)”

Throughout this report, underlining refers to new or modified text.

Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Place Greater Emphasis on Regulatory Support for Attainable Housing and Purpose-Built Rentals...(Continued)

What's The Issue?

- The term “affordable” is limiting when describing housing needs in Rural Ontario. A more inclusive term is “attainable”.
- Long-standing housing shortages combined with supply chain challenges, construction worker shortages, inflation and shifting lifestyle choices means that housing that is both “affordable” and “available” is out of reach for many Rural Ontarians.
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- The economic and social implications of the current housing market are significant and far-reaching. Ontario’s legislative and regulatory agenda must broaden to include more regulatory support on “attainable” housing and purpose-built rentals.

What's The Solution?

- D.** Amend the **Planning Act (PART VII Interpretations)** and the **Provincial Policy Statement (Section 6.0)** to Incorporate a definition of “purpose-built rentals”.

The definition of “purpose-built rental housing” recommended by ROMA is:
“a self-contained building(s) containing four^{iv} or more Dwelling Units that are intended to be used for rental housing. Purpose-built rental housing meets an identified need for housing in the municipality and does not include condominiums (buildings that are stratified).”

- E.** Amend the **Planning Act PART I PROVINCIAL ADMINISTRATION Purposes 1.1 (f)** to read: “to recognize the decision-making authority and accountability of municipal councils in planning, including interpretation of provisions of the Planning Act and the Provincial Policy Statement to reflect and prioritize housing solutions that address regional conditions”.

Note that in this case and other matters of balancing municipal and provincial interests, those municipalities that are part of the Greater Golden Horseshoe must also adhere to A Growth Plan for the Greater Golden Horseshoe. Misalignment between the Provincial Policy Statement and the Growth Plan could result in Tribunal appeals. Some of the solutions proposed in this report would require amendments to both pieces of legislation; these have been identified in an appendix to this report.

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3. Provide More Flexibility on Settlement Area Boundaries and Development

What's the Issue?

- Settlement areas are defined in the Planning Act as geographic areas designated in an Official Plan for “urban uses”.^v
- In Rural Ontario, settlement areas are highly diverse, with some not discernably different than surrounding rural areas. As a result, from a servicing perspective, development potential is also highly varied.
- With minor exceptions, the Provincial Policy Statement largely precludes a planning authority/ municipality from defining/redefining settlement areas except as part a Comprehensive Review.
- To respond to local housing challenges while managing growth effectively, controlling costs and capitalizing on development opportunities, municipalities in Rural Ontario need latitude to modify settlement area boundaries without requiring a time-consuming, costly Comprehensive Review.

What's the Solution?

- A. Amend the definition of “area of settlement” in the Planning Act – Interpretation** to read: “area of settlement” means an area of land designated in an official plan for (delete urban) higher density and a broader mix of uses, including towns, villages, hamlets, rural clusters, rural settlement areas, rural service centres, urban areas, urban policy areas, urban systems, or future urban use areas, or as otherwise prescribed by regulation; (“zone de peuplement”) ^{vi}
- B. Amend 1.1.3. 8 (d) of the Provincial Policy Statement** to read “the new or expanding settlement area is in compliance with the minimum distance separation formulae as interpreted by the municipality. However, where a settlement area expansion has been justified and there are no suitable alternatives that meet minimum distance separation formulae, the expansion can still be considered if impacts on agricultural operations are mitigated to the extent feasible.”, and further to

Amend 1.1.3.9 d) to read “the settlement area to which lands would be added is appropriately serviced and there is sufficient reserve infrastructure capacity to service the lands. Expansions to settlement areas under private servicing are only permitted subject to conformity with Section 1.6.”

These solutions contemplate a more tightly-scoped Review that would focus on land uses that would be directly affected by a proposed change in settlement area boundaries. The intent is to provide a supportive policy and regulatory environment for attainable housing and purpose-built rentals.

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4. Delegate Authority for Defining “Rural Character” to Municipalities

What’s the Issue?

- The Provincial Policy Statement contains just one reference to “rural character” and one reference to “rural characteristics”. A Growth Plan for the Greater Golden Horseshoe contains one reference to “rural character”. No definitions are included in either provincial legislation.
- The inclusion of the (undefined) term “rural character” can be contentious in municipal land use planning processes, leading to time-consuming, costly appeals to the provincial tribunal.
- Municipalities in Rural Ontario know that “rural character” means something different in each municipality and often to different communities in the same municipality.
- Municipalities should have the authority to include their own locally-determined definition of “rural character” in their Official Plan.

What’s the Solution?

A. Amend the Provincial Policy Statement 1.1.4.1 (a) to delete the phrase “building upon rural character” and retaining “to leverage rural amenities and assets”.

An alternative to Solution A above would be:

B. Amend the Provincial Policy Statement 1.1.4.1 (a) to read “building upon rural character, as defined by the planning authority through their Official Plan, and leveraging rural amenities and assets” and further to

Amend 1.1.4.3 to read “... In incorporating a definition of “rural character in their Official Plan, planning authorities shall give consideration to rural character associated with different settlement areas, and reflect this character, as well as broader rural characteristics, scale of development, and the provision of appropriate service levels.”^{vii}

This solution is similar in approach to that used to address Employment areas (see 1.3.2.2 in the Provincial Policy Statement).

Notes to reader: Implementation of one of the two options noted above is linked to other proposed solutions in this report (example: Rethinking Appeals). Alternatives that accomplish the same end (delegating the definition of “rural character” to municipalities or other designated planning bodies) would also also acceptable.

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5. Revise Servicing Guidelines to Reflect New Technologies and Approaches

What's the Issue?

- Water, wastewater and sewage services are challenging in Rural Ontario typically due to relatively small populations (even if densely concentrated in settlement areas). As a result, individual wells and septic systems owned and maintained by individual property owners have been the primary form of environmental protection.
- In contemplating growth in both settlement areas and rural areas, rural municipalities must consider both the preferred hierarchy set out in the Provincial Policy Statement as well as the capital and operating cost realities. Wherever possible, rural municipalities will seek out new or innovative approaches that can deliver the required processing capacity and meet the qualitative standards expected by the Ministry of the Environment, Conservation and Parks.
- The municipalities' authority and responsibility to develop the best local servicing solutions should be reflected in provincial legislation and regulations.

What's the Solution?

- A. Delete the first sentence in the Provincial Policy Statement 1.6.6.2:** “Municipal sewage services and municipal water services are the preferred form of servicing for settlement areas to support protection of the environment and minimize potential risks to human health and safety,”

An alternative to Solution A above would be^{viii}:

- B. Amend the Provincial Policy Statement Section 1.6** to provide more flexibility to expand partial services for attainable housing and purpose-built rentals into rural lands. This would include statements that acknowledge the role of communal and on-site private servicing options where there are no negative impacts or land use compatibility issues. This approach would increase reserve infrastructure capacity or support the provision of attainable housing and purpose-built rentals. The following amendments are provided as examples:

Amend the Provincial Policy Statement 1.6.6.1 (e) to read: “where financially and technically feasible, conform to the servicing hierarchy outlined through policies 1.6.6.2, 1.6.6.3, 1.6.6.4 and 1.6.6.5. For clarity, planning authorities have the authority to consider use of conventional servicing options set out through these policies or new technologies, systems and methods that have been demonstrated to meet the specified conditions present in a settlement area or rural area. For further clarity, the preceding includes use of combinations of conventional and/or new technologies to meet servicing needs. This may include a municipal sewage or water service in combination with private services, provided that the specified conditions are met., and further to

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Revise Servicing Guidelines to Reflect New Technologies and Approaches... (Continued)

What's the Issue?

- Water, wastewater and sewage services are challenging in Rural Ontario typically due to relatively small populations (even if densely concentrated in settlement areas). As a result, individual wells and septic systems owned and maintained by individual property owners have been the primary form of environmental protection.
- In contemplating growth in both settlement areas and rural areas, rural municipalities must consider both the preferred hierarchy set out in the Provincial Policy Statement as well as the capital and operating cost realities. Wherever possible, rural municipalities will seek out new or innovative approaches that can deliver the required processing capacity and meet the qualitative standards expected by the Ministry of the Environment, Conservation and Parks
- The municipalities' authority and responsibility to develop the best local servicing solutions should be reflected in provincial legislation and regulations.

What's The Solution?

Amend the Provincial Policy Statement 1.6.6.2 to read: "Municipal sewage services and municipal water services are the preferred form of servicing for settlement areas to support protection of the environment and minimize potential risks to human health and safety, provided that both the capital costs and the business case for ongoing operation of these systems is financially sustainable. Within settlement areas with existing municipal sewage services and municipal water serviced, intensification and redevelopment shall be promoted wherever feasible to optimize the use of the services.", and further to

Amend the Provincial Policy Statement 1.6.6.5 to delete the word "only" in the introduction (Partial services shall only be permitted in the following circumstances:) and to add c) "where they can be demonstrated to be the most efficient, long-term solution to addressing the need for attainable housing and purpose-built rental housing, capitalizing on existing services (ex. wells) or new technologies (ex. biofilters) and will not negatively impact the environmental health of the area."

Amend the Provincial Policy Statement, last sentence in 1.6.6.5 to delete the word "only" ("In accordance with subsection (a), the extension of partial services into rural areas is only permitted to address failed individual on-site sewage and individual on-site water services for existing development"; only permitted to address failed systems...) and further to

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Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Revise Servicing Guidelines to Reflect New Technologies and Approaches... (Continued)

What's the Issue?

- Water, wastewater and sewage services are challenging in Rural Ontario typically due to relatively small populations (even if densely concentrated in settlement areas). As a result, individual wells and septic systems owned and maintained by individual property owners have been the primary form of environmental protection.
- In contemplating growth in both settlement areas and rural areas, rural municipalities must consider both the preferred hierarchy set out in the Provincial Policy Statement as well as the capital and operating cost realities. Wherever possible, rural municipalities will seek out new or innovative approaches that can deliver the required processing capacity and meet the qualitative standards expected by the Ministry of the Environment, Conservation and Parks.
- The municipalities' authority and responsibility to develop the best local servicing solutions should be reflected in provincial legislation and regulations.

What's The Solution?

Amend the Provincial Policy Statement 1.6.6.5, to add to the final paragraph: “or to introduce new technologies or systems that can extend the life or expand the capacity of an existing working system that will support additional housing, especially attainable housing and/or purpose-built rentals.”

Additional Measures:

- C. **In collaboration with municipalities in Rural Ontario, the Ministry of the Environment, Conservation and Parks** develop a process for third party testing of new water and sewer technologies and systems, including those that would be especially appropriate for rural housing development. Examples of organizations that could be commissioned to undertake testing and research are the [Ontario Rural Wastewater Centre](#) and the Ontario Onsite Wastewater Association., and further to

Develop and fund a process to pre-qualify technologies for use in Rural Areas and Settlement Areas that would accelerate the process of finding solutions that are workable for specific planning applications. There is also the potential for these technologies to influence hydrogeological/terrain analyses as well as flow calculations required for septic tank assessments and/or Ontario Building Code evaluations of building/renovation plans.^{ix}

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6. Reflect Actual Experience in Environmental Compliance Approval (ECA) Licensing

What's The Issue?

- Guidelines for estimating reserve capacity for water and sewer systems are out of date, underestimate actual capacity in municipal water and sewer systems, and make Environmental Compliance Approval (ECA) licensing more challenging than need be. Combined, these factors underestimate municipality's ability to add to the housing supply in settlement areas.
- The [algorithm for calculating uncommitted reserve hydraulic capacity](#) takes into account hydraulic reserve capacity (m³/day), the number of unconnected approved lots, the existing connected population, the number of households or residential connections, and the average day flow per capita (m³/capita/day)^x.
- Household appliances and fixtures have become much more efficient, and daily use of water and sewer systems has declined. These developments should be reflected in the reserve hydraulic capacity calculation.

What's the Solution?

- A. The Ministry of the Environment, Conservation and Parks update the algorithm (method of calculation)** used to calculate reserve capacity in sewage and water treatment plants. In using an indirect estimate of flow rates (the number of households or residential connections), the Ministry should adjust the formula to take into account the significant reductions in water use (and therefore sewage produced) as a result of increasingly efficient fixtures and appliances.
- B. The Ministry of the Environment, Conservation and Parks provide latitude to municipalities to make calculations using an updated algorithm that takes into account their actual experience** in operation of their water and sewer systems. This is particularly important to the calculation of average daily flow rates per capita and understanding actual system usage by the current population and households.

Beyond use of estimating the extent of conventional development that can be supported by the uncommitted reserve hydraulic capacity, municipalities in Rural Ontario have significant potential to add housing units through secondary suites, which would effectively lower the average daily flow rates per capita while providing a practical way to respond to the need for purpose-built rentals.

Further, municipalities anticipate assurance from the Ministry that by improving the accuracy of the algorithm, the uncommitted reserve capacity estimates so generated will be accepted for the purposes of Environmental Compliance Approval (ECA) licensing.

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7. Introduce Explicit Encouragement and Regulatory Clarity for Tiny Homes

What's the Issue?

- With lifestyle and demographic shifts now driving interest in smaller homes including in more communal residential clusters, “tiny homes” are an attractive affordable housing option for householders looking to downsize, control energy costs and other shelter costs, or find short-term employment-related housing (ex. in tourism or agriculture).
- Tiny homes could make a significant contribution to the provision of attainable housing and purpose-built rentals that are much needed in Rural Ontario.
- Existing policies, regulations and legislations were developed primarily with the single family, owner-occupied model in mind. They did not contemplate the emergence of demand for smaller homes that are more affordable and typically have a smaller environmental footprint.

What's the Solution?

- A. Expand the existing reference in the Provincial Policy Statement to Tiny Homes (Definitions 6.0), to incorporate the formal definition of a Tiny Home as set out in the Ontario Building Code.**
- B. Include a provision in the Planning Act that prohibits appeals on Tiny Homes policies contained in an Official Plan (as 36.1 does for Additional Residential Units and 36.1.2 does for Inclusionary Zoning policies).**
- C. Amend the Provincial Policy Statement to a clause that reads as follows: “Notwithstanding the use of the phrase “rural character” in legislation or Official Plans, this term shall not be used in a way that is inconsistent with the Human Rights Code (Section 2) by interfering with an individual’s right to equal treatment with respect to the occupancy of accommodation”**

Additional Measures:

- D. That the Province of Ontario work with the [Standards Council of Canada](#) to develop a CSA designation to be used for Tiny Homes.** This would be separate from CSA designation CSA Z240 “Structural Requirements for Manufactured Homes” which is for mobile homes that are typically zoned in a different manner. CZA A277 “Procedures for Factory Certification of Buildings” applies to buildings wider than 4.88 metres. A specific CSA designation for Tiny Homes would set out design, structural and installation requirements for smaller home that are not mobile but are manufactured off-site.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Explicit Encouragement and Regulatory Clarity for Tiny Homes... (Continued)

What's The Issue?

With lifestyle and demographic shifts now driving interest in smaller homes including in more communal residential clusters, “tiny homes” are an attractive affordable housing option for householders looking to downsize, control energy costs and other shelter costs, or find short-term employment-related housing (ex. in tourism or agriculture).

- Tiny homes could make a significant contribution to the provision of attainable housing and purpose-built rentals that are much needed in Rural Ontario.
- Existing policies, regulations and legislations were developed primarily with the single family, owner-occupied model in mind. They did not contemplate the emergence of demand for smaller homes that are more affordable and typically have a smaller environmental footprint.

What's the Solution?

E. That the Ministry of Municipal Affairs and Housing lead a review of planning and development requirements to ensure that resource use and environmental benefits of Tiny Homes are recognized in assessment processes. This review would include but not be limited to:

- Ensuring that calculations under the Building Code^{xi} for estimating septic system capacity requirements (individual or communal systems) are based on the smaller number of (and typically more efficient) fixtures and appliances in a Tiny Home.
- Calculating densities of Tiny Homes on a specific parcel of land based on total footprint or lot coverage rather than the typical “homes per hectare” approach used for conventional subdivisions.

F. Amend the Planning Act PART VI SUBDIVISION OF LAND Subdivision Control (b.1) to include attainable and purpose-built rental housing (in addition to affordable housing already permitted). This provision allows land to be leased “for a period of not less than 21 years and not more than 99 years, for the purpose of constructing or erecting a building or project that will contain attainable and affordable housing units and/or purpose-built rentals.”



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8. Streamline Processes for Rural Subdivisions and Consents

What's the Issue?

- Rural Ontario has seen a dramatic upsurge in interest in rural living through the COVID-19 pandemic.
- A targeted effort on attainable housing and purpose-built rentals --- especially in rural subdivisions --- is an opportunity for meet Rural Ontario's housing needs as well as contributing to a province-wide approach to Ontario's housing challenges.
- While consents in rural areas tend to be focused on single family dwellings (and an important part of the market mix), rural subdivisions hold more potential for incorporating units that are more affordable to those with limited means.
- Rural Ontario's ability to address its housing needs requires a collaborative approach between provincial and municipal authorities to streamline processes, identify lands best suited to these purposes, and retain important protections for agricultural land uses and other natural resources.

What's the Solution?

- A. Amend the Planning Act Inclusionary Zoning policies (4)** to permit the adoption of inclusionary zoning policies without requiring a) the implementation of a development permit system as a replacement of their zoning bylaw and b) amendment of their official plan. If they chose to do so, municipalities in Rural Ontario would be able to introduce Inclusionary Zoning by completing an Assessment Report and including policies in their official plan to require a specified amount of new housing units to be affordable.
- B. Establish a provincial fund** to which municipalities in Rural Ontario could apply to undertake required studies related to parcels of land with development potential for subdivisions. Parcels considered for this support would be those most suitable for attainable housing and purpose-built rentals. The studies would focus on hydrogeological conditions, Phase One environmental site assessment, species at risk, and archeological resource potential. In addition to identifying parcels with minimum disturbance potential, the studies would provide the basis for development of the optimal servicing plan.



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Streamline Processes for Rural Subdivisions and Consents... (Continued)

What's the Issue?

- Rural Ontario has seen a dramatic upsurge in interest in rural living through the COVID-19 pandemic.
- A targeted effort on attainable housing and purpose-built rentals --- especially in rural subdivisions --- is an opportunity for meet Rural Ontario's housing needs as well as contributing to a province-wide approach to Ontario's housing challenges.
- While consents in rural areas tend to be focused on single family dwellings (and an important part of the market mix), rural subdivisions hold more potential for incorporating units that are more affordable to those with limited means.
- Rural Ontario's ability to address its housing needs requires a collaborative approach between provincial and municipal authorities to streamline processes, identify lands best suited to these purposes, and retain important protections for agricultural land uses and other natural resources.

Additional Measures

- C. **Continue to permit residential consents on parcels outside prime agricultural *areas* as defined by the Provincial Policy Statement 2.3 Agriculture** provided that the parcel itself is not considered prime agricultural land, and further that

The Ministry of Agriculture, Food and Rural Affairs work with municipalities in Rural Ontario to develop criteria with which to assess the agricultural value of land parcels with soil Classes 4 through 7. The intent of the criteria is to enable municipalities to bring clarity to consent approvals for parcels of these classes by considering other factors such as the potential for the parcel to be viable as a stand-alone or part of a larger farm operation.

A parcel for which consent to division is granted would be required to meet municipal criteria set out in an Official Plan or Zoning bylaw (examples: lot size for a residential the lot, the size of the remaining parcel, ability to be serviced) and meets other applicable policies in the municipal Official Plan (ex. setbacks from sensitive areas, water bodies, agricultural uses).

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9. Rethink Requirements for Development-Related Studies

What's the Issue?

- For rural municipalities, requirements for certain types of studies (ex. Archaeological Assessments^{xii} required for known or potential archaeological sites) are costly and time-consuming.
- While sharing the commitment to preserve archaeological resources, rural municipalities are finding it increasingly difficult to meet the requirements for these studies. Demand for these assessments is high but there is a relatively small cadre of qualified archaeological professionals.
- It is also not clear that Indigenous Peoples are being engaged in these assessments to the degree they could or should, given the provincial government's constitutional obligations related to Duty to Consult.
- A revamped approach to undertaking these assessments could generate greater value while still meeting expectations for preservation of archaeological resources.

What's the Solution?

- Amend the Provincial Policy Statement 1.1.2 c)** to read: managing natural heritage, water, agricultural, mineral and cultural heritage and archaeological resources, including assessments of archaeological potential, and further to
- Amend the Provincial Policy Statement 1.2.2 to read:** Planning authorities shall engage with Indigenous communities and coordinate on land use planning matters within their constitutional/statutory capacity, including assessments of archaeological potential.
- That the Ministry of Municipal Affairs and Housing include in its review of Official Plans the approach that a municipality takes to carrying out Archaeological Assessments** in their community, if possible, aligning with the framework described below.

Additional Measures:

- The Province of Ontario could create a targeted funding program**, to support municipalities in developing municipality-specific Archaeological Master Plans.

An alternative approach is to create a **targeted funding program** that focuses on completion of the Ministry of Tourism and Sports' checklist for non-specialists for those land parcels deemed by the municipality to have the most potential for attainable housing and purpose-built rentals.

Throughout this report, underlining refers to new or modified text.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Rethink Requirements for Development-Related Studies... (Continued)

What's the Issue?

- For rural municipalities, requirements for certain types of studies (ex. Archaeological Assessments^{xiii} required for known or potential archaeological sites) are costly and time-consuming.
- While sharing the commitment to preserve archaeological resources, rural municipalities are finding it increasingly difficult to meet the requirements for these studies. Demand for these assessments is high but there is a relatively small cadre of qualified archaeological professionals.
- It is also not clear that Indigenous Peoples are being engaged in these assessments to the degree they could or should, given the provincial government's constitutional obligations related to Duty to Consult.
- A revamped approach to undertaking these assessments could generate greater value while still meeting expectations for preservation of archaeological resources.

Additional Measures:

Either of these approaches provide guidance to municipalities, developers and other housing stakeholders about the probability that a full Archaeological Assessment would be required for development of a specific parcel. Advance knowledge could avoid unexpected impacts on project timelines and costs.

E. Convene a multi-lateral team (provincial-municipal-archaeological professionals-Indigenous Peoples) to develop best practices for producing Archaeological Master Plans, including but not limited to ways to truly engage Indigenous Peoples in the planning process and site-specific Archaeological Assessments that might follow.

F. Create a joint provincial-municipal archaeological assessment panel that would develop a framework through which municipalities could triage assessment requirements as a prelude to a formal Archeological Assessment. Representatives of Indigenous Peoples must be directly engaged in this work as well. The objective would be to focus investments of time and human resources in archaeological studies to a degree commensurate with the extent of the resources likely to be found at a particular site.

In addition to seeing direct use by municipal government, the framework could be added to municipal Official Plans as well as to the Provincial Policy Statement, for greater clarity and transparency.

The framework could include a checklist of characteristics that would assist municipalities in assessing the likely value of a full Archeological Study^{xiv}. Municipalities might draw upon some elements of the *Criteria for Evaluating*



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Rethink Requirements for Development-Related Studies... (Continued)

What's the Issue?

- For rural municipalities, requirements for certain types of studies (ex. Archaeological Assessments^{xv} required for known or potential archaeological sites) are costly and time-consuming.
- While sharing the commitment to preserve archaeological resources, rural municipalities are finding it increasingly difficult to meet the requirements for these studies. Demand for these assessments is high but there is a relatively small cadre of qualified archaeological professionals.
- It is also not clear that Indigenous Peoples are being engaged in these assessments to the degree they could or should, given the provincial government's constitutional obligations related to Duty to Consult.
- A revamped approach to undertaking these assessments could generate greater value while still meeting expectations for preservation of archaeological resources.

Additional Measures:

Archaeological Potential – A Checklist for the Non-Specialist and use it directly in their planning and development work to classify implications of probable archaeological assessment requirements for municipal processes:

- Minor – for example in the case of individual consents, some site plan control processes (tied to overall size of development, presence of prior or existing development)
- Major – for example for plans of subdivision

This classification could be used in site plan control processes.

Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

10. Provide Clarity on Minimum Distance Separation Guidelines in Rural Areas

What's The Issue?

- There is a lack of alignment with respect to complying with minimum distance separation formulae, between the Minimum Distance Separation in the *MDS Document* published by the Ministry of Agriculture, Food and Rural Affairs and the Provincial Policy Statement.
- The *OMAFRA MDS document* refers to “being consistent with the goals of complying...” (8.2 Reducing MDS setbacks). The *Provincial Policy Statement* says “shall comply with the minimum distance separation formulae”.
- Differences in MDS policies pose challenges for municipalities when reviewing development proposals in proximity to agricultural operations.
- Clarity on MDS guidelines interpretation would help municipalities balance compliance between the Provincial Policy Statement and the MDS document.

What's the Solution?

A. That the Ontario Ministry of Agriculture, Food and Rural Affairs work with the planning authorities in Rural Ontario to clarify how to balance Minimum Distance Separation compliance expectations between the Provincial Policy Statement, the OMAFRA MDS Document (8.2) and Guideline 43 which is focused on considerations that would support a reduction to MDS.

Where appropriate, it is expected that OMAFRA will engage the Ministry of Environment, Conservation and Parks on matters of land use compatibility and Minimum Distance Separation.

Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

11. Creating New Ways of Ensuring Timely Comment on Development Proposals and Approval of Official Plans

What's the Issue?

- Bringing more housing supply --- especially attainable housing and purpose-built rentals --- into Rural Ontario requires multiple parties to work together in an efficient, professional manner.
- Bill 109 includes some provisions to assist on this front; it also includes penalties for municipalities that do not meet provincially-stipulated timelines for such processes as Zoning Bylaw Amendments, Official Plan Approvals and Site Plan Control agreements.
- Many municipalities have strong and effective working relationships with external organizations (ex. conservation authorities, provincial ministries, federal departments) whose input is valued and required.
- Sometimes, these organizations do not or cannot respond in a timely way, making municipalities non-compliant with the new legislation, and slowing down much-needed housing developments.

What's the Solution?

- A. That the Ministry of Municipal Affairs and Housing immediately implement an integrated One Window approach** involving all provincial line ministries to streamline provincial approvals and support required by municipalities for housing development.
- B. Until the One Window approach is in place, The Ministry of Municipal Affairs and Housing convene an inter-ministerial team to ensure that provincial ministries^{xvi}** that have responsibilities related to participation in municipal planning and development processes understand the significance of their work in addressing Ontario's housing challenges and provide comment and/or approvals in a sufficiently prompt manner so as to enable municipalities to meet their legislated timelines. *(pursuant to Planning Act PART I PROVINCIAL ADMINISTRATION, Consultation 6 (2), and further that*

If for any individual development proposal, a municipality is able to demonstrate that stipulated timelines were missed due to a lack of feedback from a provincial ministry, any penalties that might otherwise be refunded to proponents will be null and void.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Creating New Ways of Ensuring Timely Comment on Development Proposals and Approval of Official Plans... (Continued)

What's the Issue?

- Bringing more housing supply --- especially attainable housing and purpose-built rentals --- into Rural Ontario requires multiple parties to work together in an efficient, professional manner.
- Bill 109 includes some provisions to assist on this front; it also includes penalties for municipalities that do not meet provincially-stipulated timelines for such processes as Zoning Bylaw Amendments, Official Plan Approvals and Site Plan Control agreements.
- Many municipalities have strong and effective working relationships with external organizations (ex. conservation authorities, provincial ministries, federal departments) whose input is valued and required.
- Sometimes, these organizations do not or cannot respond in a timely way, making municipalities non-compliant with the new legislation, and slowing down much-needed housing developments.

Additional Measures:

- A. That municipalities consider multiple ways to more quickly assess environmental impact, natural heritage and conservation-related analysis and comment.** Municipalities can work with conservation authorities, utilize their own (qualified) staff or contract with third party hydrologists, conservation biologists or other consultants.

These approaches would typically be used where the relevant conservation authority does not have the internal capacity to meet the municipality's needs in a timely fashion as set out in the *Planning Act, Criteria, 51 (4), (5), (6) and (7)*.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

12. Introducing a New Approach to Appeals

What's the Issue?

- The Ontario Land Tribunal, and its predecessor entities (LPAT and OMB) have sought to provide a forum in which legitimate planning issues not deemed to have been addressed locally can be considered, as an alternative to court proceedings.
- While challenging, the desire for a balance between developers' rights and those individual citizens, property owners or community groups is now compelling municipalities to invest significant time and financial resources in tribunal processes that delay and increase the cost of legitimate, well-considered development proposals.
- As a result, housing development proposals of the types most needed in Rural Ontario are being subjected to costly delays.

What's The Solution?

- A. That through the Ministry of Municipal Affairs and Housing, the Province of Ontario disallow appeals on any municipally approved development proposal that is determined by the municipality to be *attainable housing* or *purpose-built rental housing* as defined in the Planning Act or the Provincial Policy Statement, or by the municipality's definition, if the Province should decline to include a definition in its legislation and/or regulation. Proponents' commitment to these types of housing would be ensured through references in a zoning bylaw.**
- B. That through the Ministry of Municipal Affairs and Housing, the Province of Ontario disallow appeals on municipal decisions on development proposals where the appellant does not cite a *bona fide planning consideration* related to the development proposal itself or the municipality's review, processing and decision-making with respect to the development proposal.**
- C. That through the Ministry of Municipal Affairs and Housing, the Province of Ontario provide a provincial interpretation related to Bill 109 indicating that a developer is not permitted to appeal a non-decision by a municipal council within the prescribed 120 day period if the municipality can establish that its review process is proceeding and/or if the municipality's inability to meet the prescribed 120 day period is a result of waiting for legislatively required feedback from an external body (ex. Conservation Authority, provincial ministry, federal department). This could include time-sensitive or seasonal fieldwork (example: Species at Risk)**



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introducing a New Approach to Appeals...(Continued)

What's the Issue?

- The Ontario Land Tribunal, and its predecessor entities (LPAT and OMB) have sought to provide a forum in which legitimate planning issues not deemed to have been addressed locally can be considered, as an alternative to court proceedings.
- While challenging, the desire for a balance between developers' rights and those individual citizens, property owners or community groups is now compelling municipalities to invest significant time and financial resources in tribunal processes that delay and increase the cost of legitimate, well-considered development proposals.
- As a result, housing development proposals of the types most needed in
- Rural Ontario are being subjected to costly delays.

What's the Solution?

- D. That through the Ministry of Municipal Affairs and Housing, the Province of Ontario establish guidance for the Ontario Land Tribunal (OLT) that appeals of municipally-approved Zoning Bylaw Amendments are not permitted in circumstances where the ZBA is required to implement an (approved) Plan of Subdivision, which is itself not subject to appeal. Proponents' commitment to these types of housing would be ensured through references in a zoning bylaw.**
- E. That the Ontario Land Tribunal be directed to establish fees to be paid by (non-municipal) appellants at levels that are proportionate to the impact the appeal process will have on the development proposal that is the focus of the appeal.** In addition, for appeals of proposals that will make a significant contribution to addressing the need for attainable housing and purpose-built rentals in Rural Ontario, there would be an expectation of significant engagement and expert comment from the appellant.
- F. That through the Ministry of Municipal Affairs and Housing, the Province of Ontario disallow any appeal on a development matter that is part of an *approved Official Plan* unless the appellant can demonstrate participation in public consultation on said Official Plan and demonstrate that concerns they raised during that consultation process were not adequately addressed.**



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Solutions and additional measures in the following section of this report are related to foundational work that can be carried out in support of all municipalities in Rural Ontario, targeted funding to address the most acute barriers to attainable housing and purpose-built rentals, and processes that can be expedited, saving time and money.

Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

13. Establish A Housing Market ‘Baseline’ for Rural Ontario

What’s The Issue?

- Municipalities and other stakeholders with interests in housing in Rural Ontario need a more up-to-date understanding of housing supply/availability, housing demand, and the gaps between the two. These may have changed markedly in the past two years.
- Typically, housing proposals seem to require costly, time-consuming “one off” analyses and studies to establish a demand-supply baseline/where we are today.
- An easily accessible database, including non-traditional sites and partner organizations, would help stakeholders respond to “low-hanging fruit” (short-term opportunities) as well as create the foundation for assessment of longer-term analyses.
- A shareable baseline analysis must reflect the variability within and across counties/single tier municipalities.

What’s The Solution?

A. The Ministry of Municipal Affairs and Housing work with planning authorities in Rural Ontario to review and update land inventory municipalities are required to maintain. The objective of this collaboration is to ensure that land inventories maintained under the Planning Act reflect any development constraints and/or mitigation measures if applicable, and further to

Provide upper-tier municipalities with flexibility to work with lower-tier municipalities on how 15 year plans for land and unit supply (required in the Provincial Policy Statement 1.4.1) are reflected across lower-tier municipalities within a regional market area. It is expected that lower-tier municipalities will be actively engaged in the formulation of new approaches to ensuring sufficient lands for a mix of housing options and densities. It is also expected that these discussions will include ways in which municipal plans would use either primary or secondary settlement areas to address local housing needs.

B. The Ministry of Municipal Affairs and Housing work with planning authorities to identify and analyze non-traditional data sources to better understand/ “triangulate” the current housing situation in rural areas and get a sense of dynamics/direction of change in drivers affecting the housing market in Rural Ontario (examples: recent population shifts, population and employment forecasts^{xvii}, school closures, hospital closures, capital investment in education and healthcare services, changing use of food banks, wait lists for social housing). The objective of this collaboration is to develop a shared understanding of the growth potential and related housing implications for Rural Ontario.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

14. Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects

What's The Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
- This means that the risk profile for projects focused on housing for lower-income citizens is more challenging as is achieving an attractive Return On Investment (ROI).
- With its smaller populations and lower densities, the scale and approach to housing project development that works in urban areas is often not the best answer in Rural Ontario.
- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

What's The Solution?

In general, the recommended approach is that the Province work with municipalities to help proponents reduce or share capital costs for housing projects that are deemed by the municipality to have high potential for attainable housing and purpose-built rentals. One strategy is to capitalize on underutilized assets and provide incentives for housing projects targeted to attainable housing and purpose-built rentals.

A. That the Province of Ontario prioritize the identification of surplus lands and/or Crown land, along with associated structures in Rural Ontario that have potential for attainable housing and purpose-built rentals, and further to

work with municipalities in Rural Ontario to transfer these lands to municipalities at less than market rates. Any such transfers would require full disclosure of any constraints on development of these lands including but not limited to brownfield status, and further to waive provincial land transfer taxes for municipalities in Rural Ontario acquiring surplus properties.

The understanding associated with the transfers is that the sites would be used for attainable housing and purpose-built rentals,

B. That the Province of Ontario expand the [Brownfields Financial Tax Incentive Program](#) by cancelling 100 per cent of the education portion of the property tax if a municipality cancels 50 per cent of municipal property taxes. This would recognize the extra costs that municipalities will incur to develop and implement a Community Improvement Plan and work with a proponent on cleaning up a brownfield property.

Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects... (Continued)

What's The Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
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- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

What's the Solution?

C. Amend the Planning Act (Section 50) to permit land leases beyond 21 years less a day where such a lease would permit the construction and/or operation of attainable and/or affordable housing units as well as purpose-built rentals. This would provide a more cost-effective alternative to having to acquire a property in a traditional ownership model.

D. Amend the Planning Act (Part IV Community Improvement) 28 (1.1) to read: "Without limiting the generality of the definition of community improvement" in subsection (1), for greater certainty, it encourages the development and provision of attainable housing and purpose-built rental housing, and affordable housing.

Although there are relatively few evaluations of the effectiveness of the CIP program, some case studies suggest that this funding mechanism can incent the development of additional housing units^{xviii}.

E. That the Ministry of Municipal Affairs and Housing amend the Ontario Building Code to provide latitude for planning authorities to modify parking requirements for housing projects that are designated as affordable housing and/or Rent Geared to Income units. The modified requirements would take into account the availability of public transportation services, the proportion of residents that would be likely to own a vehicle, and the opportunity for shared use of parking services in close proximity to the structure.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects... (Continued)

What's The Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
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- With its smaller populations and lower densities, the scale and approach to housing project development that works in urban areas is often not the best answer in Rural Ontario.
- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

What's the Solution?

F. That planning authorities in Rural Ontario work with the Federation of Canadian Municipalities (FCM) to ensure funding eligibility for projects such as:

- Underwriting the costs associated with **updating land inventories** and assessing them for potential for attainable housing and purpose-built rentals, including but not limited to sites that have potential for green building and technologies.
- Assisting with development of a **methodology** that would help municipalities and other stakeholders with housing interests evaluate the impact of green building features and technologies on the long-term success, environmental impact and financial sustainability of projects in specific geographic locations.
- Estimating the costs of **servicing high-potential sites** in Rural Ontario and sharing in the costs for servicing such sites with green technologies
- Showcasing **best practices** related to attainable housing and purpose-built rentals, to focus on green building methods and technologies for long-term financial sustainability, especially operating costs.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects... (Continued)

What's The Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
- This means that the risk profile for projects focused on housing for lower-income citizens is more challenging as is achieving an attractive Return On Investment (ROI).
- With its smaller populations and lower densities, the scale and approach to housing project development that works in urban areas is often not the best answer in Rural Ontario.
- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

What's the Solution?

- G. That planning authorities work with the Government of Canada to include provisions in the design of the federal [Housing Accelerator Fund](#) (that aims to “remove barriers and help municipalities build housing more quickly in an ambitious and innovative manner”), the following criteria for eligible projects:**
- Underwriting the costs associated with updating **land inventories** and assessing them for potential for attainable housing and purpose-built rentals
 - Assisting with development of a **methodology** that would help municipalities and other stakeholders with housing interests evaluate the long-term success of projects in specific geographic locations
 - Estimating the costs of **servicing high-potential sites** in Rural Ontario and sharing in the costs for servicing such sites
 - Funding targeted programs to assess high potential development lands for probable **archaeological resources** (this could be cost-shared with the provincial government)
 - Showcasing **best practices** related to attainable housing and purpose-built rentals, to focus on innovative approaches to long-term financial sustainability.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects... (Continued)

What's The Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
- This means that the risk profile for projects focused on housing for lower-income citizens is more challenging as is achieving an attractive Return On Investment (ROI).
- With its smaller populations and lower densities, the scale and approach to housing project development that works in urban areas is often not the best answer in Rural Ontario.
- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

Additional Measures:

- H. That the Province of Ontario provide financial assistance** to municipalities in Rural Ontario that are undertaking directly or working with proponents to increase the supply of attainable housing and purpose-built rentals. The financial assistance to municipalities would be focused on:
 - Underwriting the costs of expanding existing municipal services in support of these projects
 - Targeted programs to assessing high potential development lands for probable archaeological resources (this could be cost-shared with the federal government).
- I. That planning authorities in Rural Ontario work with the Ministry of Municipal Affairs and Housing to develop and share project development templates for housing projects that could work in many different municipalities.** This would require a different approach to procurement (ex. license to use designs and plans for multiple projects in different locations) and would enable municipalities and other community stakeholder to reduce the cost and timelines associated with being “shovel ready”.
- J. That planning authorities in Rural Ontario work with the Ministry of Municipal Affairs and Housing and local organizations that have built financial models** for assessment of optimal scale, mix, and development approaches to attainable housing and purpose-built rental projects.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects... (Continued)

What's The Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
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- With its smaller populations and lower densities, the scale and approach to housing project development that works in urban areas is often not the best answer in Rural Ontario.
- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

Additional Measures:

- K. Work with the [Community Housing Transformation Centre](#)** to connect community housing providers, service providers and other community organizations to innovative business models, management tools and funding opportunities for attainable housing and purpose-built rentals serving low-income residents in Rural Ontario.
- L. That municipal governments in Rural Ontario identify partners that own underutilized parcels of land and or structures** that will soon need significant maintenance, and further to
 - **Encourage donations of land parcels** with potential for attainable housing and purposes-built rentals, and waiving any property taxes and/or land transfer taxes if the transfer is to a municipal government for the purposes of attainable housing and/or purpose-built rentals.
 - **Develop partnerships with organizations that are seeking extra revenue and/or long-term value from land they already own.** These organizations may have mandates that coincide with ROMA's aspirations for attainable housing in Rural Ontario (ex. faith communities, Legions, institutions, municipalities and not-for-profits.)



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Introduce Practical Measures that De-Risk Attainable Housing and Purpose-Built Rental Projects... (Continued)

What's the Issue?

- Especially in markets characterized by high volatility, builders, developers, and bankers will understandably prefer greenfield housing projects that are targeted to middle and upper ends of the market.
- This means that the risk profile for projects focused on housing for lower-income citizens is more challenging as is achieving an attractive Return On Investment (ROI).
- With its smaller populations and lower densities, the scale and approach to housing project development that works in urban areas is often not the best answer in Rural Ontario.
- To achieve its housing goals, Rural Ontario needs to develop and deploy different approaches and modelling tools --- ones that reduce uncertainty across all aspects of the development process, keep capital costs down, share or reduce risk to all parties, and ensure a sustainable operating model for the long term.

Additional Measures:

- M. That municipal governments in Rural Ontario work with the Ministry of Municipal Affairs and Housing to develop a methodology for evaluating the prospects for long-term success of projects in specific geographic areas.** Creating and maintaining housing is a decades-long endeavour. Municipalities as well as proponents, investors, owners and operators --- whether they be public or private sector --- would benefit from development and application of a methodology that examined the importance of specific geographically-based factors to the long-term financial success of projects in areas believed to hold high potential for success. The resulting checklist would provide at least an initial clear-eyed assessment of the long-term prospects for success for any proposed development.
- N. That planning authorities in Rural Ontario work with the Ministry of Municipal Affairs and Housing to aggregate forward-looking planning data from multiple ministries and institutions.** The goal of this measure is to better understand the economic and social development potential of Rural Ontario and the implications for the housing market, especially attainable housing and purpose-built rentals.

Beyond basic population projections for census divisions or regions, the Province^{xix} and municipalities in Rural Ontario could develop a much deeper understanding of the dynamics^{xx} of rural communities, and how economic and social forces are shaping prospects for successful housing initiatives. This could also tie in lived experience of Community Safety and Well-being Plans.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

15. Capitalize on Existing Building Stock

What's the Issue?

- Beyond the conventional approach to increasing housing supply (greenfield projects, focusing on land inventories maintained by municipalities), there may be significant opportunities to bring additional housing units into the market by focusing near-term attention on existing buildings.

Examples of opportunities with significant potential in Rural Ontario include:

- Additional Residential Units as already provided for in the Planning Act PART III OFFICIAL PLANS (3)
- Secondary Suites in existing homes
- Rejuvenation/renovations of existing vacant or decommissioned buildings
- Conversion of space in non-residential buildings to residential purposes.

Capitalizing on these assets will require using existing planning and procurement tools differently (and perhaps more intensively), as well as additional training for smaller municipalities with limited access to experienced planners.

What's the Solution?

- A. That the Ministry of Municipal Affairs and Housing lead a collaboration with the Ministry of the Environment, Conservation and Parks, and municipal governments to create a guidebook** specifically designed to accelerate attainable housing and purpose-built rental housing projects. Combined with other measures outlined in this report, the guidebook would help municipalities ensure that they have all the required provisions in their Official Plan, Comprehensive Zoning Bylaw, and municipal planning and development processes to expedite these types of housing projects, and provide guidance for navigating complex, time-consuming processes for attainable housing and purpose-built rental projects.

The guidebook would include guidance on non-traditional housing sites (ex. conversions of vacant, decommissioned buildings or space previously devoted to other purposes, such as commercial uses.)

It would also include content on assessing the financial viability and prospects for long-term success of housing projects and would include a pre-designed spreadsheet/modelling tool that would allow municipalities (and proponents) to understand the capital and operating implications of different project characteristics and configurations.

Funding for the preparation of this guidebook is described in Section 16 (E) of this report and at minimum is expected to cover the entire period associated with producing the guidebook and delivering initial training.

The guidebook would be especially useful in municipalities that do not have a full-time planner.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

Capitalize on Existing Building Stock... (Continued)

What's the Issue?

- Beyond the conventional approach to increasing housing supply (greenfield projects, focusing on land inventories maintained by municipalities), there may be significant opportunities to bring additional housing units into the market by focusing near-term attention on existing buildings.

Examples of opportunities with significant potential in Rural Ontario include:

- Additional Residential Units as already provided for in the Planning Act PART III OFFICIAL PLANS (3)
- Secondary Suites in existing homes
- Rejuvenation/renovations of existing vacant or decommissioned buildings
- Conversion of space in non-residential buildings to residential purposes.

Capitalizing on these assets will require using existing planning and procurement tools differently (and perhaps more intensively), as well as additional training for smaller municipalities with limited access to experienced planners.

What's The Solution?

- B. That the Ministry of the Environment, Conservation and Parks accelerate the processing of Record of Site Condition (RSC) applications** associated with the purchase, sale and financing of contaminated land ("brownfields"^{xxi}) and with the processing of Certificates of Property Use (CPUs).

The priority for service acceleration would be lands that are associated with a municipally-approved project to increase attainable housing and/or purpose built rentals in Rural Ontario.

- C. The Ministry of the Environment, Conservation and Parks, and the Ministry of Municipal Affairs and Housing work with municipalities to develop and implement an accelerated environmental review process for commercial properties with no known contamination issues (ie. no reason to consider it a brownfield).**

A Phase One Environmental Site Assessment is one way of assessing possible contamination issues. Alternative approaches that achieve the same end faster or at lower cost for commercial properties with potential for above ground floor level residential units are also acceptable.

Processes designed to accommodate lower-risk commercial properties could accelerate the process of conversion/addition of residential units from above ground floor commercial space^{xxii}.

Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

16. Provide an Expedited Approval Path for Some Types of Residential Developments

What's the Issue?

- While always challenging, the development and approval process for market housing is relatively well understood by the Province, as well as municipalities and proponents.
- Success in attainable housing and purpose-built rentals must contend with additional factors, including keeping both capital and operating costs down (to improve affordability), and the extent and distribution of community infrastructure --
- from servicing to availability of transportation and other community services.
- Creative solutions to attainable housing and purpose-built rental housing challenges often challenge long-standing policies and legislation.
- Delays in project development or implementation can have particularly significant negative effects on the viability of attainable housing and purpose-built rental housing projects.

Additional Measures:

- D. That the Ministry of Municipal Affairs and Housing lead a cross-Ministry effort to increase the number of qualified Chief Building Officials** (inspectors), both by training more and by recruiting retired/experienced CBOs to mentor new ones, and further that **The Province establish a targeted, time-limited funding pool** from which to compensate experienced CBOs, including any costs for maintaining professional licenses, as they provide (part-time) on-the-ground assistance to younger/less experienced peers.
- A focus of the funding and the CBOs' mentoring role be to support CBOs working with their peers and with proponents on non-traditional attainable housing and/or purpose-built rental housing projects, and further that
- E. That the Province establish a targeted, time-limited funding pool that small municipalities in Rural Ontario could access to expand and train their planning staff** to review and process attainable housing and/or purpose-built rental housing projects. This a companion measure to that of creating a guidebook to assist planning authorities with understanding the complexity of these types of housing projects.
- F. That the Province establish a targeted, time-limited funding pool that would help to address the costs for peer reviews of studies** completed for attainable housing and purpose-built rental projects in Rural Ontario. Examples of the required studies are hydrogeological/terrain analyses, potentially comprehensive storm water plans, or servicing options reports.



Addressing Barriers to Attainable Housing and Purpose-Built Rentals in Rural Ontario

17. Appendices

Appendix A: End Notes



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Appendix A: End Notes

ⁱ The Growth Plan (1.2.3) notes that the Provincial Policy Statement to the Greater Golden Horseshoe are “except where this Plan or another provincial plan provides otherwise”. For clarity, it would be advisable to ensure that all plans use the same definition of attainable housing and purpose-built rentals. In the Growth Plan, reference could be made to attainable housing in the Definition section, accompanying the definition of affordable, as well as in Section, 2.2.6. There are many opportunities across multiple pieces of legislation where alignment of terms would be advisable. Rather than reference each and every case separately, ROMA simply notes that any amendment/revision proposed for the Planning Act or the Provincial Policy Statement is taken to apply to the Growth plan as well.

ⁱⁱ Definitions of “affordable” vary from jurisdiction to jurisdiction. The CMHC definition is found [here](#). The Provincial Policy Statement definition is found [here](#). The City of Toronto definition is found [here](#).

ⁱⁱⁱ This is a modified version of the definition used in the Muskoka Housing Task Force report: https://www.engagemuskoka.ca/muskoka-housing-task-force/news_feed/muskoka-housing-task-force-101-affordable-vs-attainable-what-is-the-difference

^v Planning Act – Interpretation: “area of settlement” means an area of land designated in an official plan for urban uses including urban areas, urban policy areas, towns, villages, hamlets, rural clusters, rural settlement areas, urban systems, rural service centres or future urban use areas, or as otherwise prescribed by regulation; (“zone de peuplement”)

^{vi} Any modifications to the Provincial Policy Statement would need to be considered as amendments to A Growth Plan for the Greater Golden Horseshoe (2.2.8), to ensure alignment for the municipalities that are within the Growth Plan area.

^{vi} The MTCS website lists just over 200 professional archaeologists with fewer than half of them listing contact information (July 2022)

^{vii} The definition of “attainable and purpose-built rentals” should also be reflected in an amendment to A Growth Plan for the Greater Golden Horseshoe.

^{viii} Any modifications to the Provincial Policy Statement would need to be considered as amendments to A Growth Plan for the Greater Golden Horseshoe (2.2.8), to ensure alignment for the municipalities that are within the Growth Plan area.

^{viii} The MTCS website lists just over 200 professional archaeologists with fewer than half of them listing contact information (July 2022)

^{ix}

^x includes the maximum development potential of lands as permitted under existing zoning bylaws.

^{xi} Tiny homes are listed as part of “housing options” in the **Provincial Policy Statement** (6.0 Definitions), a definition is included in both the **Provincial Policy Statement** and **A Growth Plan for the Greater Golden Horseshoe** similar (or identical) to that used by the Province [here](#):

“... a “tiny home” is a small, private and self-contained dwelling unit:

- A. With living and dining areas
- B. With kitchen and bathroom facilities
- C. With a sleeping area
- D. Intended for year-round use.

A tiny home can be a primary home or a separate structure on a property that already has a house. Campers, recreational vehicles, cottages or other structures used on a seasonal basis are not considered tiny homes.”

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The October 2021 review of the Ontario Building Code with respect to Tiny Homes used the same definition and added a maximum footprint requirement of 400 square feet (37 m²) or less. The OBC already includes a minimum footprint of 17.5m² for an open concept design.

Permitting regulations for Tiny Homes (whether manufactured off-site or built on-site) were set out in a revision to the Ontario Building Code on December 20, 2021.

^{xii} <https://www.ontario.ca/page/archaeological-assessments>

^{xiii} <https://www.ontario.ca/page/archaeological-assessments>

^{xiv} The framework would be similar to but not as prescriptive as the non-specialist checklist offered the Ministry of Tourism and Culture. [https://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/GetFileAttach/021-0487E~2/\\$File/TXT_0478E.htm](https://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/GetFileAttach/021-0487E~2/$File/TXT_0478E.htm)

^{xv} <https://www.ontario.ca/page/archaeological-assessments>

^{xvi} The provincial ministries most frequently involved in municipal planning and development functions are the Ministry of the Environment, Conservation and Parks (ex. RSCs), the Ministry of Transportation, the Ministry of Culture, Tourism and Sport, and the Ministry of Municipal Affairs and Housing. In the last instance, timely approvals of Official Plans would provide greater clarity for municipalities in moving forward on much-needed housing development projects.

^{xvii} Population forecasting methodologies should be compared and aligned for the municipalities in the Greater Golden Horseshoe and the rest of Rural Ontario.

^{xviii} This evaluation was carried out by the Town of Bradford West Gwillimbury: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://edac.ca/wp-content/uploads/2020/10/CIP-submission.pdf>

^{xix} For example, the Ministry of Municipal Affairs and Housing could convene information-sharing discussions with municipalities that also include the Ministries of Health, Children, Community and Social Services, and Education (as well as local school boards and family health teams). The Ministry of Economic Development, Job Creation and Trade as well as municipal economic development professionals should also be included.

^{xx} This information, as well as other vital data such as plans for schools, sites for healthcare and social assistance services, proximity of grocery stores, parks and recreational services, will be useful to municipalities and proponents assessing prospects for long-term success of housing projects in specific geographic areas and locations.

^{xxi} Brownfields are undeveloped or previously developed properties that may be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant. Greyfields are previously developed properties that are not contaminated. They are usually but not exclusively, former commercial properties that may be underutilized, derelict or vacant. Source: <https://www.ontario.ca/document/built-boundary-growth-plan-greater-golden-horseshoe-2006/definitions>.

^{xxii} Note that the financial and insurance communities should be brought into these discussions since the impact of any environmental issues associated with sites or structures would influence the “bankability” of the project.