

August 11, 2017

Ministry of Municipal Affairs
777 Bay Street , 17th Floor
Toronto, Ontario, M5G 2E5

Minister Mauro,

Members of the Ontario Chamber of Commerce (OCC) and its network of 60,000 employers in 135 communities across Ontario have expressed concerns regarding Bill 139, the *Building Better Communities and Conserving Watersheds Act*, which received its first reading on May 30th 2017. The legislation proposes drastic reforms to the Ontario Municipal Board (OMB), which has been responsible for ensuring the implementation of provincial policy through the land-use planning process is fair, transparent and accountable for more than 100 years. While the OCC recognizes that there have been challenges with the OMB, the function of the body has been to uphold provincial policy and land use plans. As OMB rulings are expected to align with provincial policies, the OCC believes that the solution to the challenges identified by government lie with provincial strategy and not the OMB itself. We therefore urge the government to pause and consider our recommendations before undertaking any sweeping reform.

We urge you to consider the strategic costs associated with the proposed reforms. Replacing the OMB with a less powerful Local Planning Appeal Tribunal would mean that the Tribunal might be unable to overturn a municipal council's decision for lower density development, which runs counter to established provincial plans. Given the priority placed by your government on intensification, you are already aware that higher density helps create complete communities while also reducing the average costs of public transit and per capita energy composition.¹ We believe removing the OMB is a counterproductive measure that will hinder execution of provincial land use plans.

At present, the cost of filing a case with the OMB is low, whereas the costs associated with litigation are significantly higher. By the time decisions come to the OMB, for example, all necessary studies from planners, engineers and architects have been completed. Most developers seek to resolve disputes locally by working with the local municipal planning department, community groups and locally elected representatives, however, in some cases it becomes necessary to make an appeal to an independent third party. These decisions are not taken lightly as appeals are costly and time consuming for developers, but the right of appeal to the OMB is an essential component of the land use planning appeals system.

¹ City Lab, "Why Denser Cities Are Smarter and More Productive," December 10, 2012, accessed June 19, 2017, <https://www.citylab.com/life/2012/12/why-denser-cities-are-smarter-and-more-productive/4049/>

A recent survey conducted by Ipsos reveals that 63 percent of Ontarians agree that the provincial government needs to encourage more housing supply by reducing regulation, in order to provide affordable housing options for more Ontarians. In addition, more than eight in 10 Ontarians are concerned about housing affordability and would like to see this issue addressed by the party leaders in 2018 election.²

A letter sent to you by Ontario Real Estate Association (OREA) and Ontario Home Builders' Association (OHBA) on March 6, 2017 pointed out the extent of home affordability challenges for the Ontarians. It raises a valid concern that a weakened OMB will undermine the important economic development role of the land use planning appeals system by favouring local political decisions. This will also leave the Growth Plan vulnerable to “not-in-my-backyard” (NIMBY) tendencies in communities, and make it much more difficult to get development projects built.³

Ontario's housing market is currently struggling to keep up with demand. If the market is unable to meet the demands for housing, the cost of all housing – including rental – will continue to rise. This is particularly concerning given the stagnant nature of income growth.⁴ A strategic growth plan must consider housing affordability, which is not possible with a fixed housing stock.

Building more commercial buildings is also essential for creating employment opportunities and continued economic development. According to a report published by Dr. Thomas F. Phillips⁵ of Trent University, the construction of 100 homes would generate \$80 million in economic activity, create 680 job equivalents, and generate about \$36 million in worker incomes.⁶

There are inherent trade-offs between retaining elements of neighbourhood character and accommodating newcomers, which our network of 135 regions across the province understands acutely. Ontario has been, and will continue to be, one of the fastest growing jurisdictions in North America. By 2041, the population is projected to grow by 50 percent, to 13.5 million, in the Greater Golden

² Housing Summit News Release, “Ontarians want to see home affordability in party platforms in 2018 election,” June 12, 2017, accessed June 19, 2017, <https://www.orea.com/About/News-and-Press-Releases/Press-Releases/June-12-2017>

³ CBC News, “Province to replace Ontario Municipal Board with less powerful tribunal,” May 16, 2017, accessed May 18, 2017, <http://www.cbc.ca/news/canada/toronto/omb-changes-1.4117063>

⁴ Thomas F. Phillips, “The Economic and Social Costs of Property Development Delays in Peterborough,” May 16, 2017.

⁵ Dr. Thomas F. Phillips is an economist and Sustainability Director for the Greater Peterborough Innovation Cluster at Trent University.

⁶ Thomas F. Phillips, “The Economic and Social Costs of Property Development Delays in Peterborough.”

Horseshoe region alone.⁷ In order to provide opportunities to newcomers and to allow our existing communities to thrive, we need to plan for strategic but consistent growth in Ontario.

Fundamentally, it is beneficial to all to have a third party adjudicate conflicts between the interests of existing and potential residents, as well as developers and municipalities. OMB decisions are expected to adhere to provincial plans and be consistent with the Provincial Policy Statement, and with Provincial Plans including the Greenbelt and the Growth Plan for the Greater Golden Horseshoe. The OMB also relies on evidence and oral testimony made by experts in engineering, land planning and fields relevant to the application under appeal. This system needs to be maintained in order for the Province to achieve its objectives for healthier and more prosperous communities.

It is for these reasons that the Ontario Chamber of Commerce urges the Government of Ontario to consider the following recommendations:

- While some reforms may be warranted, the Government should reconsider the decision to replace the OMB with a Local Planning Appeal Tribunal, as planning challenges do not stem from the OMB structure itself.
- As part of this reconsideration, the Government should conduct formal and in-depth consultation on the proposed Local Planning Appeal Tribunal.
- Clarify the role of the OMB and/or the Tribunal vis-à-vis provincial strategy to all participants in planning discussions and land use hearings, including municipalities, community groups, and developers.

Although some informal consultation was undertaken prior to the announced legislation, discussion surrounding dismantling the OMB was minimal. Such broad reforms must go through a comprehensive consultation process to measure the full impact of changes. The OCC and its members would welcome the opportunity to meet with your office to discuss the importance of getting OMB reform right.

Sincerely,



Richard Koroscil
Interim President & CEO
Ontario Chamber of Commerce

⁷ Brad Graham and Tom McCormack, "Improving the Growth Plan: A Commentary," September 2015, accessed June 22, 2017, http://ohba.ca/system/documents/documents/340/original/Improving_the_Growth_Plan_PDF.pdf?1441817423