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June 25, 2020

Tonia Grannum
Clerk – Standing Committee on Social Policy
99 Wellesley Street West, Room 1405
Whitney Block, Queen's Park
Toronto, Ontario M7A 1A2

Dear Ms. Grannum,

RE: Bill 184, *Protecting Tenants and Strengthening Community Housing Act*

For Distribution to the Members of the Standing Committee on Social Policy

I am writing you about Bill 184, the *Protecting Tenants and Strengthening Community Housing Act*. The Association of Municipalities of Ontario (AMO) represents Ontario's municipal governments on behalf of the public interests they serve. AMO has an interest in the outcome of Bill 184 given that housing pressures are most keenly felt locally and the unique municipal role for housing in the province. Ontario is the only Canadian province or territory where municipal governments are responsible for the funding of community housing. Municipal government taxpayers contribute about \$1.8 billion towards it annually.

Municipal governments are responsible for local planning and the implementation of the Ontario Building Code. Municipal governments also pride themselves in being stewards of complete communities that provide a wide range of housing options for residents. While all municipal governments contribute to housing development, 47 of these, including District Social Service Administration Boards (DSSABs) in northern Ontario, are specifically designated as Service System Managers. These play a unique role in Canada to co-fund, plan, manage, and administer community housing. They also develop affordable housing stock and deliver homelessness prevention programs.

Municipalities and DSSABs are key players on the frontlines of a multi-faceted housing crisis. In 2019, AMO published a policy paper titled, "[Fixing the Housing Affordability Crisis: Municipal Recommendations for Housing in Ontario](#)". The paper outlined actions by all orders of government to move forward with an 'all of government' approach to solving the housing situation. Some of our key recommendations are addressed in Bill 184, but there is more work to do. COVID-19 has highlighted issues in the housing and homelessness sector. The successful integration of people into housing supports is crucial to community success amid and in the recovery of COVID-19. There is a stronger need for municipal, provincial, and federal governments to work together.

AMO is pleased to provide our general support and technical advice on Bill 184. Our specific comments for the Committee's consideration for each of the schedules are as follow:

The *Building Code Act* (BCA) – Schedule 1 of Bill 184

- **AMO supports the Administrative Authority so long as municipal interests are considered in the design structure of the new body, and its priorities, if the Bill is passed by the legislature. No legislative amendments to the Bill are proposed by AMO concerning Schedule 1.**

Ontario's Building Code governs the construction and renovation of buildings and protects and promotes public safety. The commitment to transform and modernize the delivery of building code services responds to the recommendations highlighted in the Elliot Lake Commission of Inquiry that seeks to enhance public safety.

The proposed changes to the *Building Code Act* will enable the creation of an Administrative Authority (AA) that will provide an opportunity to streamline the delivery of building services and will benefit municipal governments. It is AMO's understanding that the government will consult on the governance and accountability requirements around a future AA, how it would fund its operations, and the suite of services that will be delivered by the AA.

AMO is prepared to provide feedback when that consultation occurs which coincides with our request that the Province continue to engage with AMO through a technical working table. We recognize that the "devil is in the details". This is why it is imperative that municipal governments are consulted, as they have "on the ground" experience with building code services. On November 20, 2019, AMO responded to the Ministry of Municipal Affairs and Housing's Transforming and Modernizing the Delivery of Ontario's Building Code Services Discussion Paper.

Municipal representation is needed on the AA's Board of Directors to ensure accountability, evaluation, and continuous improvement. Eligibility for appointment to the AA's Board of Directors must include municipal staff.

The Province of Ontario continues to suffer from a shortage of building officials. The government will need to address this issue moving forward and establish new tools and resources that will encourage attraction and retention of building officials.

Through this submission, AMO requests that the Province take the following list of actions under future consideration:

- That the Province works with AMO through a technical working group under the AMO-Ontario Memorandum of Understanding (MOU) to consider governance provisions, funding models, and the suite of services that will be provided by the AA.

- That the Province observes the future eligibility criteria for the AA board and allow for municipal representation on the AA's Board of Directors to ensure accountability, evaluation, and continuous improvement.
- That the Province recognizes the need for the AA to operate on a full cost-recovery basis.
- That the Province make sure that municipal governments do not incur any new costs or administrative burdens with the AA. This is especially important for small, rural, and northern municipalities that may not have the capacity due to limited resources and staff.
- That the Province does not strip the autonomy of small, rural, and northern communities as a result of the proposed changes to set and collect fees on behalf of a principal authority.
- That the Province provide further clarification on how the AA Board of Directors will appoint a Chief Building Official/other building inspector and whether they will be appointed from an existing principal authority.

The *Housing Services Act* (HSA) – Schedule 2 of Bill 184

- **AMO is supportive of the proposed changes to the HAS. No legislative amendments to the Bill are proposed by AMO concerning Schedule 2. At this time, AMO is recommending to the government a set of principles to guide future regulation making if the Bill is passed by the legislature.**

An updated, modernized legislative framework is necessary to help sustain, repair, and grow the housing system into the future. This is top of mind for municipal governments in Ontario. Broad, enabling legislation, with details prescribed in regulation, will provide for more flexibility for adaption over time to account for the changing environment and municipal circumstances.

AMO is especially supportive of the change that will allow Service Level Standards (SLS) to be prescribed in regulation, with a broader definition of what will count towards the SLS. It will enable municipal Service System Managers to offer a wider range of suitable housing options in a more flexible manner to meet the diverse needs of low-income people in Ontario.

The full range of regulations under the HAS should be reviewed with revisions guided by the following principles:

- **Flexibility:** Municipal governments and District Social Service Administration Boards are closest to the people and best positioned to plan and manage community housing services in their communities. Provincial legislation, regulations, and policies should afford flexibility to meet local needs rather than prescriptively direct how services are to be delivered.

- Pay for Say: Co-funding the community housing system should continue to be a shared responsibility and accountability of all orders of government. However, as municipal governments are the primary funders of community housing in Ontario and have potential liabilities and financial risks under the *Housing Services Act*, they should be the primary policy makers with input from local communities and housing stakeholders. Municipal governments and District Social Service Administration Boards need a well-considered voice in direct government-to-government conversations with the Province in their capacity as Service System Managers.
- No New Costs and Service Delivery Burden: Municipal governments are doing their part managing service delivery and funding community housing on the property tax base, unlike other provinces and territories in Canada. Housing programs are essentially a means for income redistribution. As such, they should not be funded primarily through property tax revenue. It is unsustainable and at odds with the basic principles of good public and fiscal policy. Provincial government changes cannot mandatorily add new service delivery and cost burden onto the municipal property tax base. Provincial and federal income tax revenues are the most appropriate funding source on a “go forward” basis.

In order to sustain community housing into the future, the government is asked to continue to consider all the recommendations outlined in AMO’s paper, [“Fixing the Housing Affordability Crisis: Municipal Recommendations for Housing in Ontario”](#). There are outstanding asks that require an “all of government” approach and support from ministries other than the Ministry of Municipal Affairs and Housing (MMAH). For example, MMAH and the Ministry of Children, Community and Social Service (MCCSS) should work with municipal service managers to end the unsustainable municipal subsidy of social assistance recipients in community housing by addressing the antiquated rent scales.

As well, AMO’s Board of Directors believes that it needs to be easier for both municipal and government funded community housing providers to be a landlord. Under the HAS General Regulation 367/11, there are only a very limited number of reasonable grounds under which a housing provider can use to refuse to offer a unit to an applicant. This does not include any reasonable grounds such as the likelihood of an applicant to cause property damage or threaten community safety of other tenants and staff. Therefore, it is asked that the government review the regulation with AMO and housing sector associations to determine if the list of reasonable grounds should be expanded in order to protect all tenants.

The Ontario Mortgage and Housing Corporation Repeal Act (OMHCRA) – Schedule 3 of Bill 184

- **AMO supports the dissolution of the Ontario Mortgage Housing Corporation (OMHC) as long as the current functions and assumption of environmental liabilities on properties remain and continue with the Crown and do not adversely impact municipal governments with new costs. AMO proposes one amendment to Schedule 3 as follows:**

The provision in Section 5 (3) providing the Minister of Municipal Affairs and Housing authority to transfer properties to municipalities without notice or consent be removed from Bill 184.

The new Act would permit the Minister to transfer the Corporation's properties to municipal governments without notice or consent. Land is usually welcome for new housing development, however, some property owned by the OMHC may have encumbrances including environmental liabilities and require remediation. Therefore, this may incur a responsibility and a cost to municipalities that they may or may not wish to assume. This provision should be removed from the legislation. Transfer of land should be a mutual agreement between two willing parties.

The Residential Tenancies Act (RTA) – Schedule 4 of Bill 184

- **No amendments are proposed to Schedule 4 by AMO. However, the Committee is encouraged to carefully consider feedback from the public to secure the appropriate balance between landlord and tenant rights and obligations in the legislation. Making it easier to be a landlord can serve to increase rental housing supply in Ontario. Due consideration and effort should be given to passing the new legislative provisions that will increase a landlord's ability to pursue lawful evictions with cause, in an effective and timely manner.**

Protecting tenants from unlawful actions by landlords is of paramount importance. The housing market is tight in most communities and unlawful evictions can potentially result in homelessness. Municipal service managers see this firsthand and respond with appropriate homelessness prevention and housing support services.

At the same time, AMO believes that there needs to be appropriate assurance, through the legislation, to provide adequate landlord rights. It will become easier to be a landlord if Bill 184 is passed by the legislature, and as a result it can increase housing supply by encouraging new rental units and preserve existing ones in the market. AMO supports the new provisions that will enhance a landlord's ability to evict a tenant for non-payment of rent with support from a streamlined Landlord and Tenant Board (LTB) process.

AMO notes that much has changed given the COVID-19 emergency situation. Adjustments could be made to respond accordingly to the situation. The federal and provincial governments have established programs to provide relief to commercial renters. At the same time, many tenants are accumulating rent arrears due to the inability to pay rent as a result of job losses and reduced employment income. This situation of reduced rental revenue is affecting private landlords, but also municipal public corporations and municipally funded housing providers, putting the entire rental market on a less than sustainable footing.

AMO supports the policy option for the government to provide relief to residential renters. This concept has been put forth by the Federation of Rental Housing Providers of Ontario (FRPO), an association representing private landlords. It is supported by non-profit and

co-operative housing providers including the Ontario Non-Profit Housing Association (ONPHA) and the Co-operative Housing Federation-Ontario (CHF-ON). The proposal should be given due consideration by the government.

To aid the implementation of the new changes with the RTA, AMO also recommends that the government consider the following:

- The provincial government should explore ways to resume and speed up the LTB process, including addressing the adjudicator shortage, especially in light of the backlog as a result of the COVID-19 temporary closure.
- To provide balance and ensure efficient processes at the LTB, the government should consider the adequacy of Legal Aid and education resources available to low-income tenants including for the mediation stream.
- After passage of the legislation, the provincial government should provide public education to both landlords and tenants on their respective rights and obligations, so all are educated and informed.
- The provincial government should provide investments and incentives for the creation of purpose-built rental housing, and advocate to the federal government for the same to increase rental housing supply.

These are the key points that we wish to raise to the Committee as it reviews Bill 184. We sincerely hope that this proposed legislation will enable better landlord and tenant relations, improve and streamline efficiencies, and create enhanced supply and support for housing across Ontario's municipalities.

Sincerely,



Jamie McGarvey
AMO President and Mayor of Parry Sound