



PROPOSED OFFICIAL AMENDMENT ARISING FROM THE MULTIPLEX STUDY **Planning for Directing Growth and Increasing Housing Choices**

Report to the City of Toronto, November 2022

The *Federation of North Toronto Residents' Associations* (“FoNTRA”) is an umbrella organization representing over 30 residents’ associations in central Toronto engaged in public policy debates on planning and development issues that directly affect our member organizations.

Toronto faces many major challenges, including accommodating significant growth, improving public transportation, fighting climate change, creating affordable housing, and maintaining a rundown infrastructure. These matters are interrelated and require integrated public planning processes. All too often, we observe City Hall working in silos and overlooking the complexity of issues – resulting sometimes in counterproductive policies. We discuss below the ongoing debate regarding the proposed Official Plan Amendment arising from the Multiplex Study (see **Attachment 1**) and offer suggestions on how to approach this important initiative in a more deliberate and synoptic manner.

Proposition 1: An OPA to permit multiplex housing units needs to address the different constraints and opportunities affecting *Neighbourhoods* across the city.

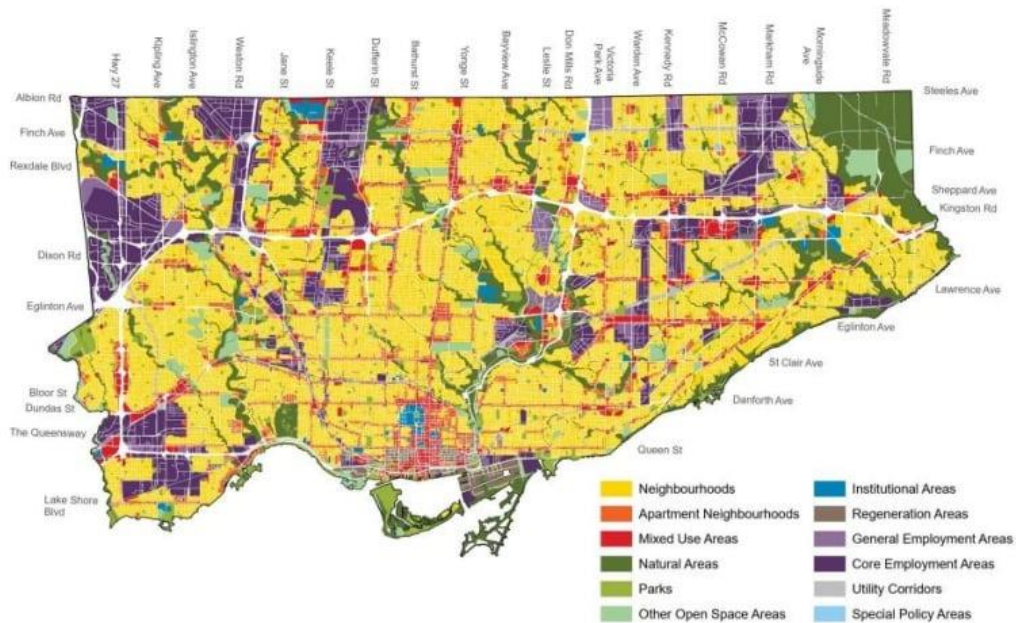
Proposition 2: Population growth needs to be directed with area-specific density targets and measurable indicators.

Proposition 3: Population growth needs to be accommodated in Complete Communities that must fit into the local context.

Proposition 4: Fighting climate change requires a better integration of land use and transportation planning so that any densification of *Neighbourhoods* supports regional public transit corridors.

Proposition 5: Simply allowing multiplexes that relate to household characteristics and structural dwelling types will not result in affordable housing and, to achieve this, requires the financial support of senior levels of government.

The current proposal is to ‘open up’ 70% of Toronto’s 630 km² land area designated in the Official Plan as *Neighbourhoods*, dubbed the ‘Yellow Belt’, to multiplex housing forms based only on a cursory underlying planning analysis.



1. The Provincial Interests

The *Planning Act* requires that Council, in carrying out its responsibilities, has regard to the Provincial Interests, including: the adequate provision and distribution of educational, health, social, cultural and recreational facilities; the adequate provision of a full range of housing, including affordable housing; the adequate provision of employment opportunities; the protection of public health and safety; the appropriate location of growth and development; the promotion of development that is designed to be sustainable, to support public transit and to be oriented to pedestrians; the promotion of built form that is well-designed, encourages a sense of place, and provides for public spaces that are of high quality, safe, accessible, attractive and vibrant; and, the mitigation of greenhouse gas emissions and adaptation to a changing climate.

The *Planning Act* considers a Secondary Plan as “a part of an official plan, added by way of an amendment, that contains policies and land use designations that apply to multiple contiguous parcels of land, but not an entire municipality, and that provides more detailed land use policy direction in respect of those parcels than was provided before the amendment.”

2. The current Draft Official Plan Amendment

The current Draft Official Plan Amendment falls far short of these statutory requirements, as follows:

- It fails to identify appropriate locations for growth and development but applies indiscriminately to any land designated *Neighbourhoods*;
- it fails to direct and control growth in the absence of area-specific density targets and the proposed elimination of FSI density controls;
- it fails to mitigate greenhouse gas emissions in the absence of protections for private tree removals and the proposed elimination of lot coverage controls;
- It fails to promote sustainable development by supporting transit expansion since it applies equally to *Neighbourhoods* regardless of the planned level of service;
- It fails to promote a built form that is well-designed and encourages a sense of place since it fails to consider the extensive variety of existing built forms;
- It fails to consider the adaptation to a changing climate by ignoring the needed improvements to making the supporting infrastructure more resilient; and
- It fails to respect the role of Secondary Plans with more detailed land use policy directions by having Site and Area Specific Policies override Secondary Plans.

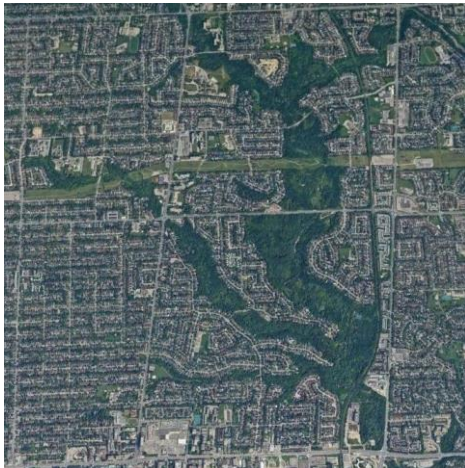
3. Creating Complete Communities

The Growth Plan for the Greater Golden Horseshoe calls for growth to be accommodated in the form of Complete Communities, defined as follows:

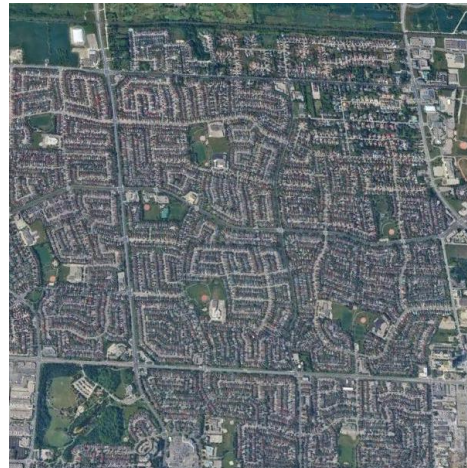
Complete Communities: Places such as mixed-use neighbourhoods or other areas within cities, towns, and settlement areas that offer and support opportunities for people of all ages and abilities to conveniently access most of the necessities for daily living, including an appropriate mix of jobs, local stores, and services, a full range of housing, transportation options and public service facilities. Complete communities are age-friendly and may take different shapes and forms appropriate to their contexts.

Complete Communities must be appropriate to their local context and need to be assessed individually by considering some key factors, including: Density - Population Density and Floor Area Ratios, both community-wide and block-specific; Urban Design - Built Form diversity by housing types and architectural character; Public Transit - access to Frequent Rapid Transit to reduce car dependency; Open Space - amount and diversity of Open and Green Spaces; Amenities - access to Social Services and Retail Facilities; Employment Opportunities - appropriate mix of local jobs; and, Walkability - Pedestrian Networks to access amenities, transit, and open spaces. A more comprehensive Complete Community Assessment Tool is included in *Jeff Evenson and Ariana Cancelli, Visualizing Density & The Drivers of Complete Communities, Canadian Urban Institute, 2017* (see **Attachment 2**).

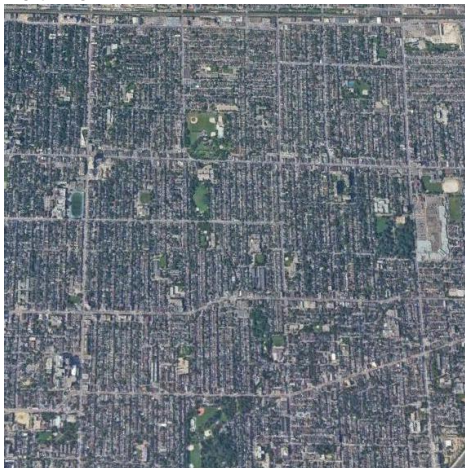
Six case studies, evidently, have been performed but the outcomes not made public. Many more are needed to test density assumptions on typical existing urban fabrics that vary greatly across the city, as illustrated below by some random aerial photos:



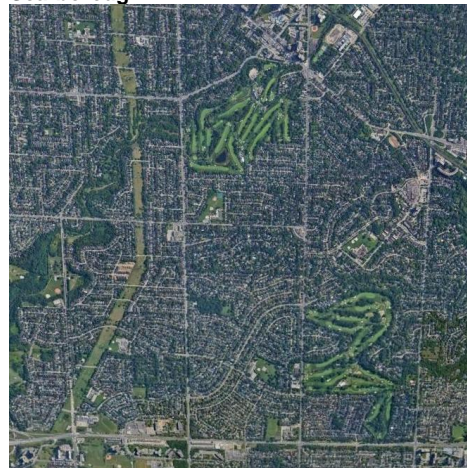
North York



Scarborough



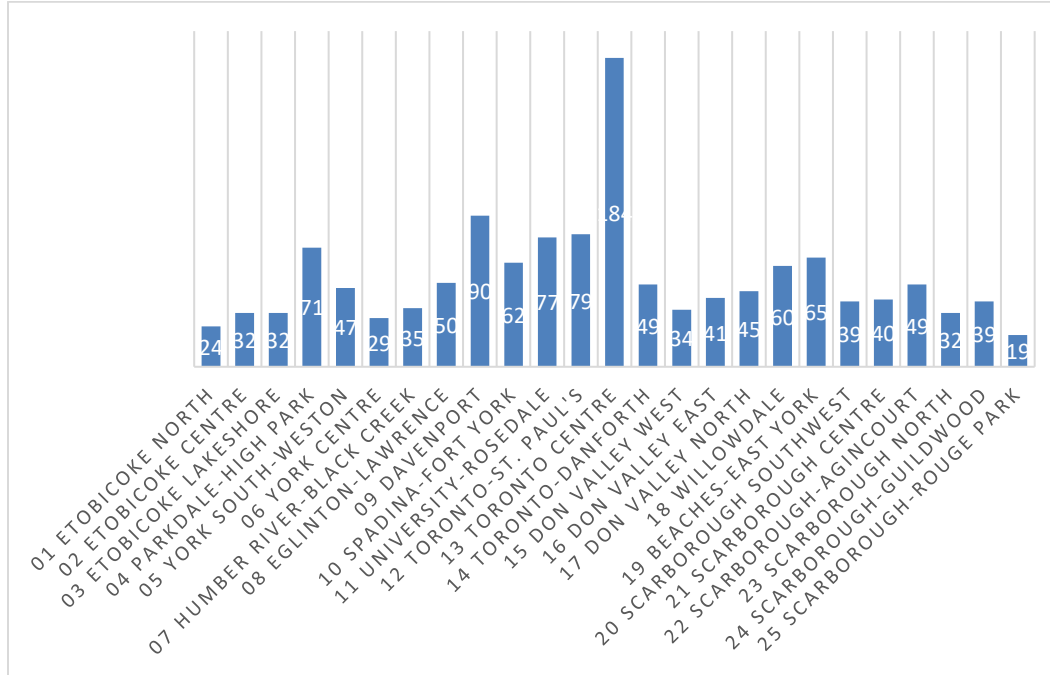
Toronto



Etobicoke

4. Densification of Neighbourhoods and Area-Specific Density Targets

Except for the recent minimum density targets for Major Transit Station Areas, the City's Official Plan lacks area-specific allocations of population figures or development densities to areas suitable for growth. Accordingly, no minimum density targets that reflect the objective of supporting transit, growth rates, and local market demands for housing exist to direct growth. The existing population densities across the city's 25 Wards vary greatly, as shown in the chart below which lists the people per hectare.



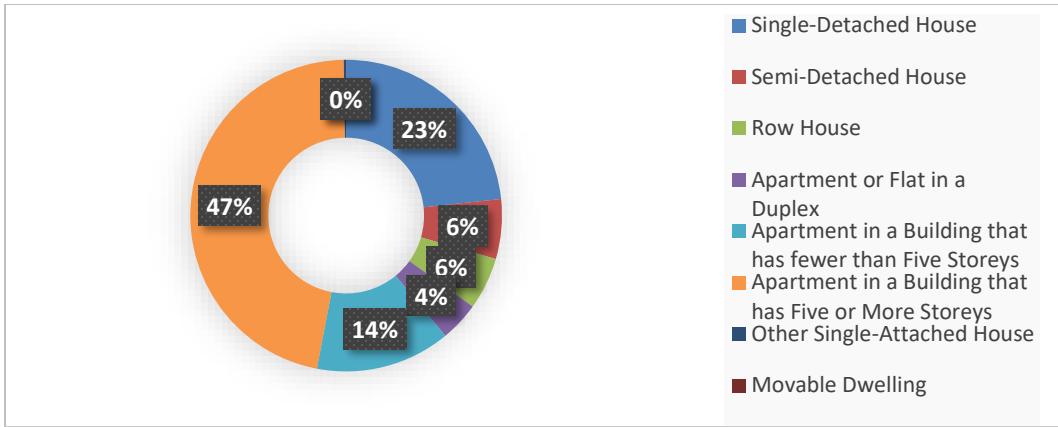
Source: City of Toronto, Ward Profiles – 2016 Census

The four lowest population densities 19 PPHA (Scarborough-Rouge Park), 24 PPHA (Etobicoke North), 29 PPHA (York Centre), and 32 PPHA (Etobicoke Centre, Etobicoke Lakeshore, and Scarborough Centre) translate into extremely low gross units per acre development densities of 3.5 UPA, 4.4 UPA, 5.3 UPA, and 5.8 UPA respectively. This is in stark contrast to the four highest population densities of 184 PPHA (Toronto Centre), 90 PPHA (Davenport), 79 PPHA (Toronto-St. Paul's), and 77 PPHA (University-Rosedale). These high population densities translate into gross development densities of 33.5 UPA, 16.4 UPA, 14.4 UPA, and 14.0 UPA, respectively.

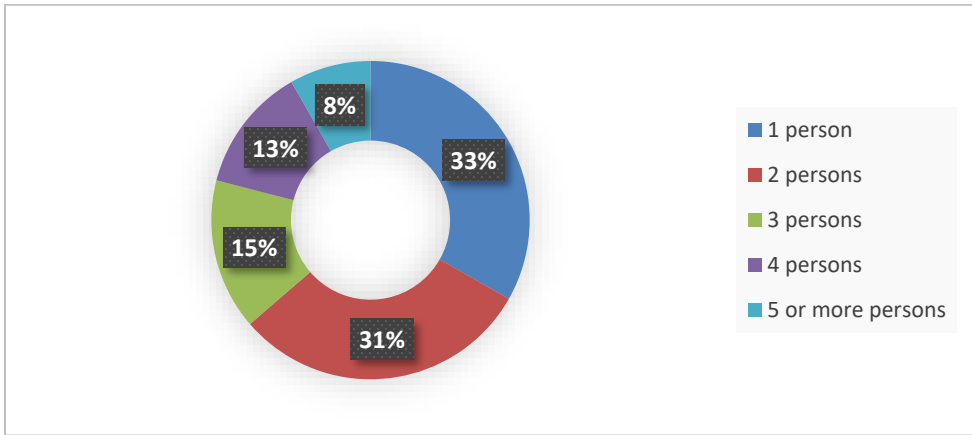
5. Relating Dwelling Types, Household Characteristics, and Affordability

Area-specific density targets and indicators, as required by OP Policy 5.4.1, are needed to relate dwelling types and household characteristics to affordability and local contexts. Figures from the 2021 Census show that over the last 15 years, the growth of private dwellings outpaced the growth of the population and that the 2021 population figure, in fact, is 240,000 persons or 8% below the figure estimated by the 2020 Hemson population projections underlying the Growth Plan.

The 752,680 Apartments represent 65% of the 1,160,892 occupied Private Dwellings in the 2021 Census. There are 1,253,238 Private Dwellings but only 1,160,892 occupied by usual residents – leaving a difference of 92,346 Dwellings not occupied by usual residents of which some are temporarily occupied, occupied by foreigners, or vacant. The 739,180 1- and 2-Person Households represent 64% of all Private Households in the 2021 Census.

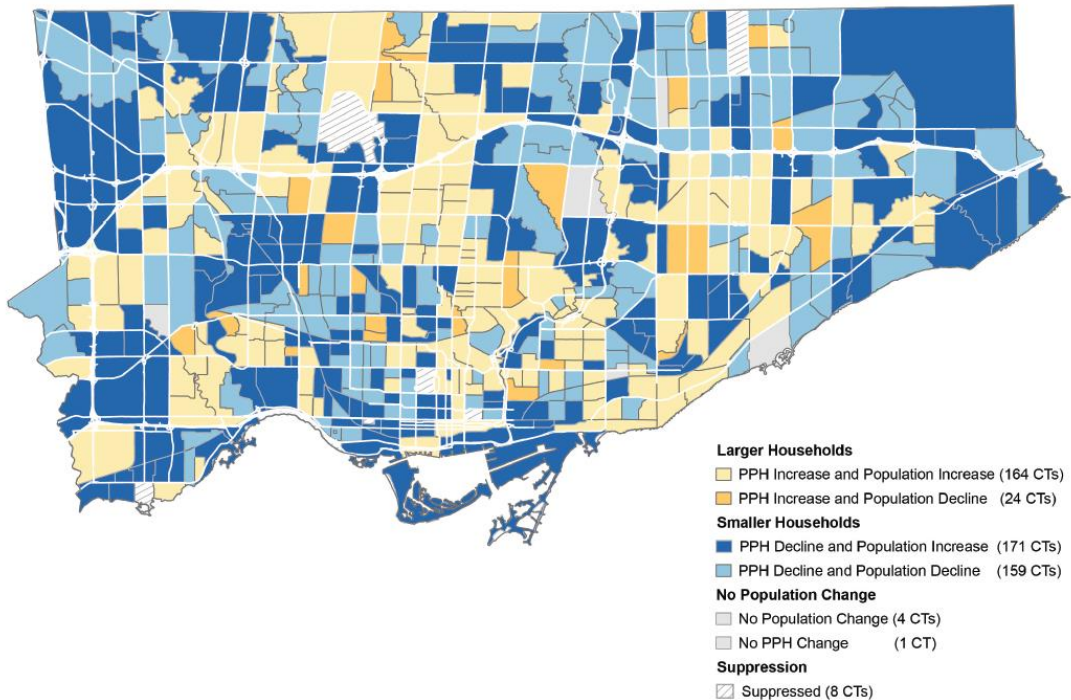


Source: Statistics Canada – Census 2021



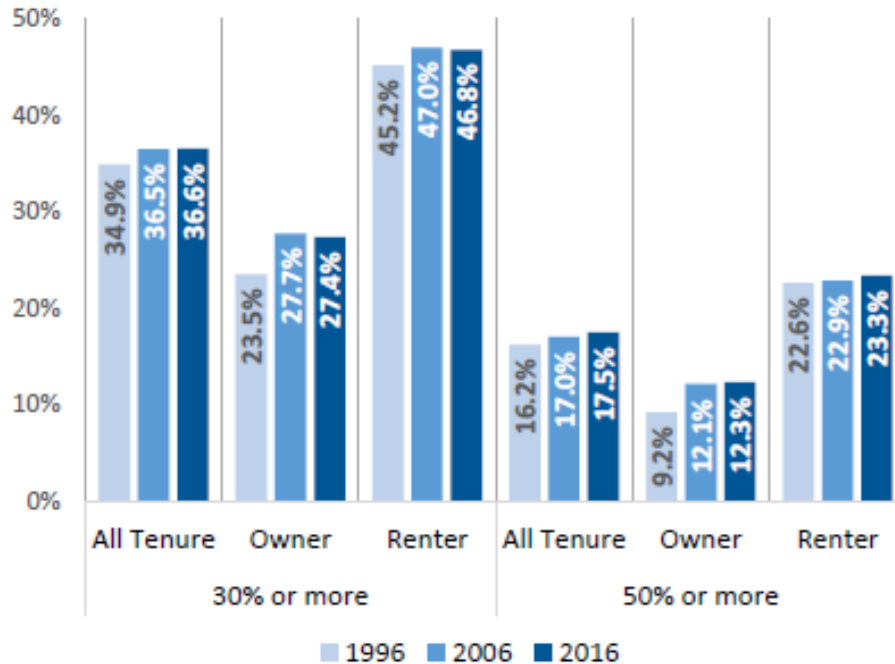
Source: Statistics Canada – Census 2021

The map below shows the variety across the city of population per household change versus population change from 2006 to 2016. In particular, it shows smaller households in many more peripheral areas with the lowest existing population densities and, therefore, the greatest opportunities for densification of *Neighbourhoods*.



Source: City of Toronto - Housing Occupancy Trends 1996-2016

Housing affordability is normally defined as shelter costs below 30% of income. The chart below shows percentages of owners and renters that spend more than 30% and even more than 50% of their income on shelter costs in 1996, 2006, and 2016. The magnitude of this problem suggests that multiplexes in *Neighbourhoods* will have only a marginal impact on solving the housing affordability problem. About one hundred years ago, when the shortage of affordable housing in New York City became acute, some of the founders of the *Regional Planning Association of America* recommended the establishment of a central state agency and local housing boards to acquire land and engage in 'housing operations'. While this proposal was too radical for the state legislature at that time, experience in many jurisdictions since then, including in Canada, show that this is often a necessary approach.



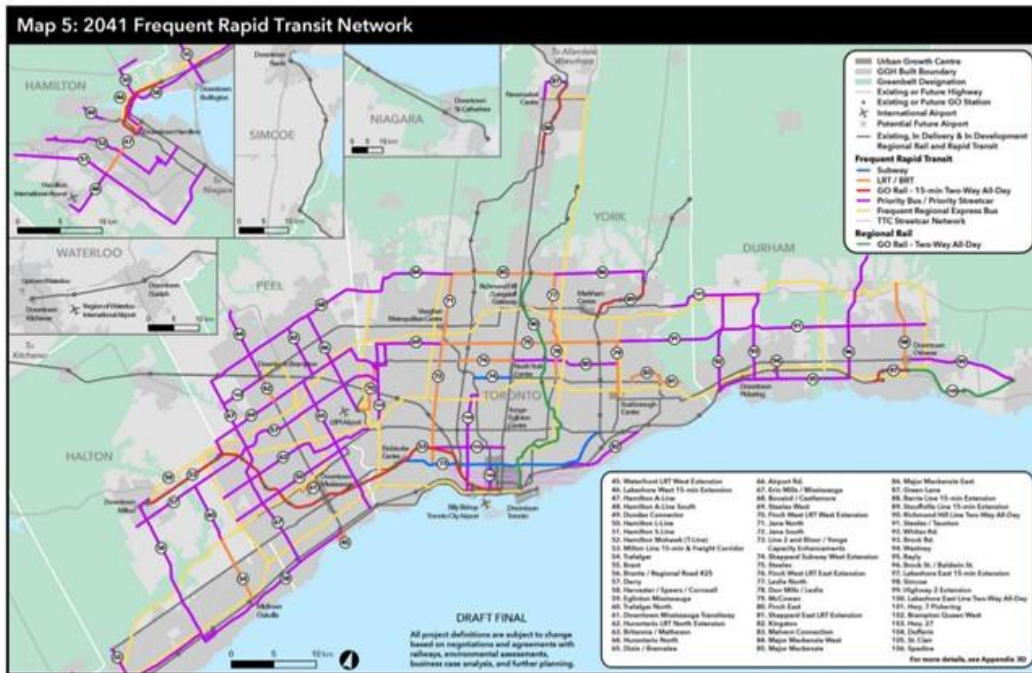
Source: City of Toronto – Housing Occupancy Trends 1996-2016

6. Integrated Land Use and Transportation Planning

The integration of land use and transportation planning is not only good planning practice but also a requirement under OP Policy 2.2.1. The current Draft Official Plan Amendment to implement the Multiplex Study is devoid of any consideration of such crucial transportation planning issues.

At the 2021 United Nations Climate Conference in Glasgow, the C40 Cities organization called for a doubling of public transportation in global cities by 2030 to meet the 1.5°C target. Closer to home, Toronto's own *TransformTO climate change* initiative calls for dedicated bus lanes on all arterial roads to meet the net zero target.

Toronto's current population figure of about 3.0 M represents 83% of the population of 3.6 M projected by *The Growth Plan* for 2051. Put another way: there is a very limited add-on-growth available to adjust the existing imbalance in the density distribution across the city to effectively support regional public transportation corridors. Accordingly, the priority for densifying *Neighbourhoods* should be in areas where the intensification of adjacent transportation corridors assists in, simultaneously, creating Complete Communities with improved transit access and supporting new Frequent Rapid Transit corridors needed to implement the Metrolinx 2041 Regional Transportation Plan and the City's climate change policies.



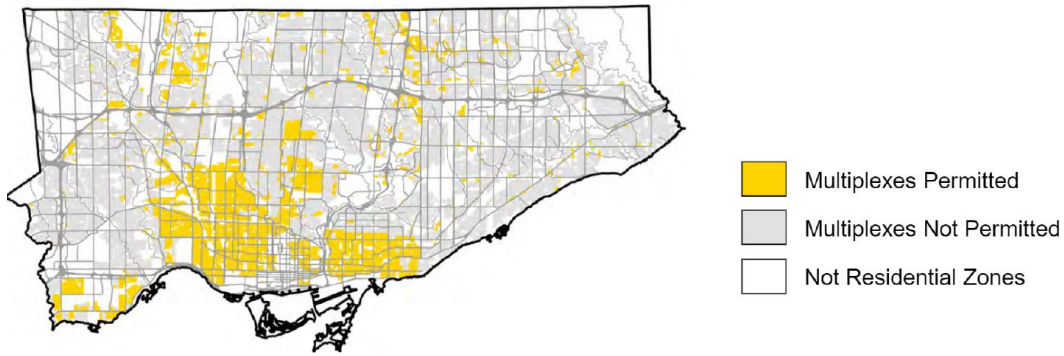
Source: Metrolinx, 2041 Regional Transportation Plan

7. Conclusions and Key Questions

In summary, it is FoNTRA’s respectful submission that the densification of *Neighbourhoods* across the city requires area-specific planning processes that reflect and consider the large variety of existing conditions, including: population density and floor area ratios; age of development; road configuration and lot patterns; lot sizes and residential dwelling types; current mode-shares among private car, public transit, and active transportation; access to bus, LRT, subway, or rail public transportation; on-street parking availability; existing tree cover; access to social services and retail facilities; existing zoning regulations; access to green and open space; urban design, built form, and architectural characteristics; and, an analysis of Committee of Adjustment applications and decisions for minor variances. A one-size-fits-all OPA is bound to create chaos across the city. These planning processes need to establish area-specific targets and indicators to direct, monitor, and control densification, the creation of Complete Communities, the generation of affordable housing, and the support of transit networks. The following key questions need to be answered:

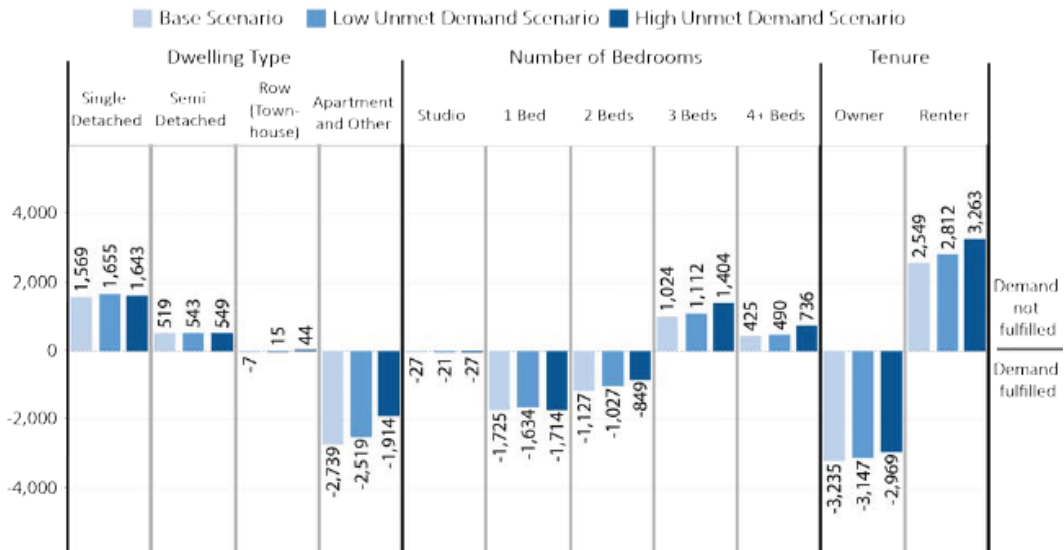
Question 1: Why is an OPA required to permit duplexes when the *Planning Act* itself currently already permits Secondary Suites? They are defined in Zoning By-law 569-2013 as “self-contained living accommodation for an additional person or persons living together as a separate single housekeeping unit, in which both food preparation and sanitary facilities are provided for the exclusive use of the occupants of the suite, located in and subordinate to a dwelling unit.” The latest legislative proposals introduced by the Ministry of Municipal Affairs and Housing (*Build More Homes Faster Act, 2022*) to permit as-of-right three units on every residential land zoned for only one unit would also permit triplexes. The OPA needs to be modified accordingly.

Question 2: Why is an OPA required to permit multiplexes across the city when multiplexes are already permitted in the R and RM zones in many older *Neighbourhoods*? Since these areas already consist of Complete Communities and are better served by public transit, there is no need to extend the Site and Area Specific OP policies to cover these *Neighbourhoods*. What is needed are new zoning categories appropriate for newer development patterns in the 31% of land area zoned exclusively for single family detached units in RD zone and also for RS and RT zones.



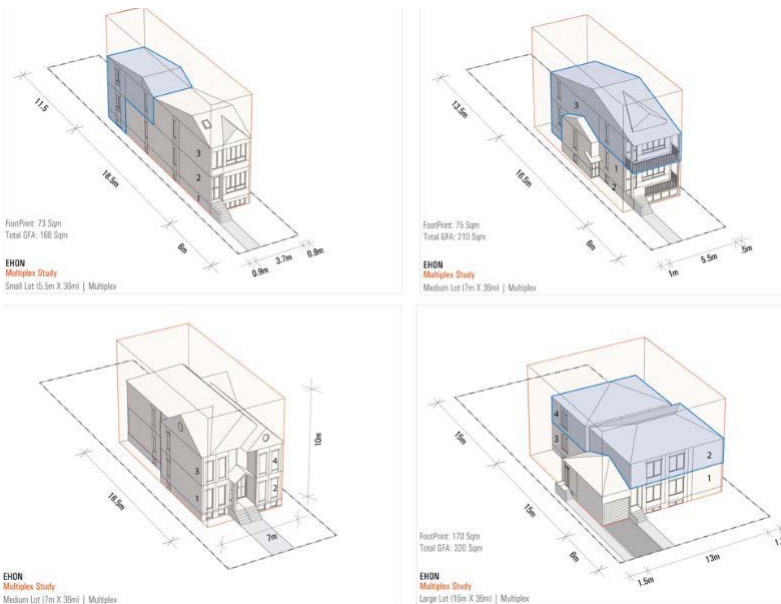
Source: City of Toronto, EHON Power-Point Presentation, April 2022

Question 3: What structural dwelling types are needed to address the housing affordability problem? The City's own analysis, based on 2016 census figures, shows that single-family detached, single family semi-detached and rowhouses are needed but not apartments. It also shows that 3- and 4-bedroom units are needed but not studios or 1- and 2-bedroom units. However, the proposed multiplex conversions of single family detached and semi-detached dwellings will actually reduce the number of single family detached and semi-detached dwellings and create mostly small apartments which, evidently, are not needed.



Source: City of Toronto, Right-Sizing Housing and Generational Turnover, May 2021

Question 4: What is an appropriate density on a typical lot, block, and neighbourhood basis given the need to protect and expand the existing urban tree canopy and accommodate additional parking on the property or on the street? Furthermore, what are realistic growth assumptions and what are the cumulative impacts of these proposed conversions on the supporting physical and social infrastructure? As indicated above, the existing densities in *Neighbourhoods* vary greatly across the city. The older inner-city *Neighbourhoods* with gross population densities of 77 to 184 people per hectare have gross development densities in excess of 15 units per acre. The opposite is true for the newer single family detached *Neighbourhoods* with gross populations of only 19 to 32 people per hectare and much greater opportunities for densification. While multiplexes have been permitted in R zones for many years, few conversions of single family homes have actually occurred due to market conditions. These variances and issues need to be analyzed and typical development patterns and densities tested.



Source: City of Toronto, Expanding Housing Options in Neighbourhoods: Multiplex Study - Proposals Report, June 2022

Question 5: Is a shortage in housing supply the main reason for a lack of affordable housing and what is a realistic growth rate? As George Fallis, professor emeritus of economics and urban studies at York University, cogently argues in a recent *Globe and Mail* op-ed, the data do not support the popular narrative favoured by developers and politicians alike that lack of supply is the cause, and the solution is to build more housing (see **Attachment 3**). The growth target for Toronto of 285,000 units over 10 years announced by the government represents a growth rate of 22.7% when the most recent actual 10-year growth rates were 13.3% (2006-2016) and 13.1% (2011-2021) respectively. Also, the population to be accommodated in these 285,000 units in the first 10 years represents two-thirds of the population growth over 30 years projected by the Growth Plan.

	Population	%	Private Dwellings	%	Persons/Dwelling	Owners	Renters	Notes
2006	2,503,281		1,040,597		2.4	54.4%	45.6%	Census
2011	2,615,060		1,107,851		2.4	54.6%	45.4%	Census
2016	2,731,571		1,179,057		2.3	52.8%	47.2%	Census
2021	2,794,356		1,253,238		2.2	51.9%	48.1%	Census
2051	3,650,000		1,825,000		2.0			Growth Plan Target
2006-2011 Increase	111,779	4.5%	67,254	6.5%				5-Year Growth
2011-2016 Increase	116,511	4.5%	71,206	6.4%				5-Year Growth
2016-2021 Increase	62,785	2.3%	74,181	6.3%				5-Year Growth
2006-2016 Increase	228,290	9.1%	138,460	13.3%				10-Year Growth
2011-2021 Increase	179,296	6.9%	145,387	13.1%				10-Year Growth
2021-2051 Increase	855,644	30.6%	427,822	34.1%	2.0			30-Year Growth
2021-2031 Increase	570,000	20.4%	285,000	22.7%	2.0			MMAH Target

Source: Statistics Canada - Census 2006, 2011, 2016, 2021, Growth Plan, MMAH Target

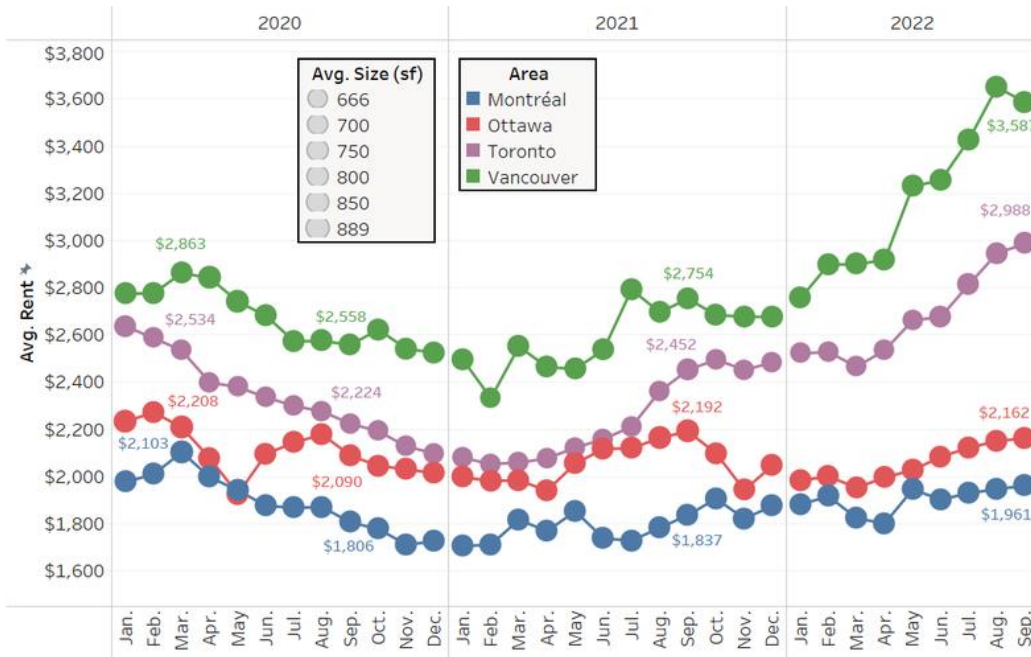
Question 6: Are these proposed multiplex developments – both conversions and new-builds – capable of delivering affordable housing units? The key findings of the City's own ULI Technical Assistance Panel include the recognition that the financial feasibility of multiplex conversions is contingent upon charging market rents and, therefore, will be more attractive in areas with higher rental rates. As its table below shows - even without considering the current higher financing costs – the Internal Rate of Return (IRR) is too low to provide a financial incentive with monthly rental rates lower than \$4.00 PSF (or \$4,000 per month for a small 3-Bedroom multiplex unit of 1,000 SF)

given the current high hard costs in excess of \$400 PSF. Simply changing zoning permissions, perhaps, may not unleash a 'renovation revolution'.. Accordingly, one of the Technical Assistance Panel's recommendations is to encourage an ownership model. But as the City's Right-Sizing Housing and Generational Turnover Profile shows, rental, not ownership units, are needed (see illustration under Question 3).

		Monthly Rental Rate (\$/SF)					
		4.5	4.25	4.00	3.75	3.5	
Hard Costs (\$/SF)	300	13.2%	11.2%	9.0%	6.8%	4.3%	With Development Charges (DC's) and fees for approvals & permits
	350	11.0%	8.9%	6.6%	4.2%	1.6%	
	400	8.7%	6.5%	4.1%	1.6%	-1.2%	
	450	6.4%	4.0%	1.5%	-1.2%	-4.2%	
		Monthly Rental Rate (\$/SF)					
		4.5	4.25	4.00	3.75	3.5	
Hard Costs (\$/SF)	300	16.9%	14.8%	12.6%	10.2%	7.7%	Without Development Charges (DC's) and fees for approvals & permits
	350	14.5%	12.3%	10.0%	7.5%	4.8%	
	400	12.1%	9.8%	7.3%	4.7%	1.8%	
	450	9.6%	7.2%	4.6%	1.7%	-1.4%	

Source: Urban Land Institute, Technical Assistance Panel Report for City of Toronto: Multiplex Study – Financial Feasibility Exercise, April 2022

Affordability remains the central issue of Toronto's housing crisis when close to 50% of renters already pay more than 30% of their income for shelter costs (see bar chart at the end of Section 5). If market rental rates are required for multiplexes, they will be unaffordable for households with below-median incomes. As the chart below shows, rental rates for small condos in Toronto rose in one year, from September 2021 to September 2022, by 22% from \$2,452 to \$2,988. Moreover, the provincial governments new plan to eliminate Toronto's rental replacement requirements and to loosen the inclusionary zoning provisions are bound to further exacerbate - not solve - the affordability crisis. There is a critical need for substantial provincial and federal subsidized housing programs to provide housing that is affordable for below-median income households.



Source: Rentals.ca October 2022 Rent Report

Attachment 1



MULTIPLEX STUDY – DRAFT OFFICIAL PLAN AMENDMENT

Released for Consultation – May 2022

This document provides an annotated reader's guide to the draft Official Plan Amendment developed through the EHON Multiplex Study, to explain the intent and purpose of the proposed policy changes. Draft policies are shown in unshaded text, and shaded text provides an explanation for the proposed changes that follow. The City's Official Plan can be found here:

<https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/official-plan/>

The Official Plan Amendment is proposed to be structured as a Site and Area-Specific Policy (SASP), located in Chapter 7 of the Official Plan. The SASP would apply to all lands within the city that have a *Neighbourhoods* land use designation, as shown in yellow on Official Plan Maps 13-23.

We anticipate that ongoing work through EHON and the Municipal Comprehensive Review may result in future changes to Official Plan policies pertaining to *Neighbourhoods*. The changes below are being introduced now to facilitate the creation of multiplexes in the near term.

The Official Plan of the City of Toronto is amended as follows:

1. Chapter 7, Site and Area Specific Policies, is amended by adding Site and Area Specific Policy No. XXX for all lands designated *Neighbourhoods*, as follows:

"XXX. Multiplexes in *Neighbourhoods*.

Section 4.1.5 of the Official Plan outlines the criteria for development in *Neighbourhoods*. This statement is intended to clarify that multiplexes are a permitted building type in all *Neighbourhoods*, subject to the criteria that follow in subsection b) below.

Despite section 4.1.5, multiplexes are permitted in *Neighbourhoods*, subject to the following policies:

This text provides a definition for the term "multiplex", consistent with the City-wide Zoning By-law.

- a) For the purposes of this Site and Area Specific Policy, a "multiplex" refers to a duplex, triplex, or fourplex, as defined by zoning by-law 569-2013.
- b) Development of multiplexes:

The following policies are similar to those found in Section 4.1.5 of the Official Plan, which are intended to guide the development or redevelopment of buildings in *Neighbourhoods*. Certain changes are proposed to facilitate the creation of multiplexes in *Neighbourhoods*:

(see next page)

- Development will respect and reinforce the planned physical character of geographic neighbourhoods, as well as the existing character. Generally speaking, the existing character of any given area refers to



what is there now, while the planned character refers to what is intended in the future. In *Neighbourhoods*, it is intended that multiplexes will continue to be built to the same general scale and zoning standards for low-rise buildings.

- The development criteria for multiplexes (listed as a) through f) below) does not include “prevailing building types” as an element to consider in the existing context of a neighbourhood. Multiplexes do not currently exist in many neighbourhoods because they have historically not been permitted, and therefore cannot be shown to be a “prevailing building type”. Deleting this criterion removes a policy barrier that stands in the way of multiplexes.

- i. will respect and reinforce the existing and planned physical character of each geographic neighbourhood, including in particular:
 - a) patterns of streets, blocks and lanes, parks and public building sites;
 - b) prevailing size and configuration of lots;
 - c) prevailing setbacks of buildings from the street or streets;
 - d) prevailing patterns of rear and side yard setbacks and landscaped open space;
 - e) continuation of special landscape or built-form features that contribute to the unique physical character of the geographic neighbourhood; and
 - f) conservation of heritage buildings, structures and landscapes.

Our research shows that some families are already living in dwelling units with not enough bedrooms for all household members, and that there are not enough multiple-bedroom units being provided to meet future demand. So, it is important that multiplexes are designed to provide housing options for all types of households, including families with children or other multi-member households. This policy encourages, but does not require, the inclusion of at least one unit in a multiplex that can accommodate larger households. See the proposed sidebar below for clarification on what is meant by “large units”.

- ii. is encouraged to include large units, and should include at least one unit that contains multiple bedrooms;

This policy is intended to support the creation of units that provide physical accessibility to accommodate a range of needs.

- iii. is encouraged to provide universal physical access for units on the ground floor;

The entrance to a unit in a multiplex should be safe, with visible and easy pedestrian access from the street. This policy would allow for more than one entrance to the building, whether at the front, side or rear.

- iv. must provide entrances that are safely accessible from the street, which may be located at the front, side or rear of the building;

The development of multiplexes should not result in a significant reduction of green spaces on a property. The front and back yards on a lot should consist of mainly soft landscaping (planting such as



grass, trees, shrubs, but not hard surfaces), with minimum percentages to be specified in the zoning by-law.

- v. will maximize contiguous soft landscaping within front and rear yard setbacks that is supportive of expanding the urban tree canopy through tree planting;

This policy is intended to support the protection of existing healthy trees in neighbourhoods and reinforces the City's tree by-law.

- vi. should not result in the injury or removal of a healthy tree protected under Municipal Code Chapters 608, 658, and 813 on the subject property and adjacent properties;

All new development should strive to be built with environmentally-friendly practices and technologies. This policy extends that goal to multiplexes up to four units, which are not otherwise subject to the Toronto Green Standard.

- vii. is encouraged to include sustainable building practices such as green roof areas, solar panels, fossil fuel-free heating systems, and low carbon building materials;

Any residential building, including multiplexes, can reduce its carbon footprint by reusing materials in construction. This policy encourages the retention of buildings, including heritage buildings, to promote sustainable building practices.

- viii. is encouraged to salvage and reuse existing building materials and/or foundations and minimize below-grade floor area in new construction to reduce material carbon emissions associated with new development;

Multiplex units should be livable, with appropriate relationships between units both on the property itself and to neighbouring lots.

- ix. will limit privacy impacts between adjacent dwelling units;

This policy is proposed to provide an incentive for multiplexes to be created. It would allow for more building area where there will be additional units within the permitted zoning envelope, than what would be permitted for a single-unit house with secondary suite. This is meant to ensure that additional floor area is directed to the provision of more housing opportunities.

- c) Zoning by-laws may permit additional density for multiplexes which include more than two dwelling units.



There may be some existing Secondary Plans or Site and Area Specific Policies that currently would not permit multiplexes in *Neighbourhoods*. This policy is to clarify that this SASP will prevail over other policies so that multiplexes may be permitted in all *Neighbourhoods*.

- d) Where there is a conflict between this Site and Area Specific Policy xxx and either a Secondary Plan or another Site and Area Specific Policy in Chapter 7, this Site and Area Specific Policy will prevail.

The Official Plan includes sidebars that provide further explanation for terms or ideas referred to in policy. Sidebars are not policy, but offer more details and/or clarification on what is intended by the policy text.

SIDEBAR - Large units

The term “large units” refers to two and three bedroom units. These units are designed, to meet the needs of household compositions such as families with children, multi-generational families, seniors with home care or groups of unrelated students and/or adults who choose to live together. The provision of large units will ultimately benefit a diversity of household compositions.

This action adds a note to the Maps in the Official Plan that indicate where existing Site and Area Specific Policies apply across the city. The note will direct readers to this SASP to indicate that these policies will also apply to *Neighbourhoods*.

- 2. Maps 24 to 34 inclusive, Site and Area Specific Policies (Key Maps) are amended by adding the following Note:

"See Site and Area Specific Policy xxx regarding multiplex permissions for lots designated as *Neighbourhoods*."

The sidebar found on Page 4-5 of the Official Plan speaks about prevailing building types and lot patterns in *Neighbourhoods*. The text of that sidebar currently says that if an existing zoning by-law permits only single detached dwellings, then the Plan’s policies are to be interpreted to allow only single detached dwellings. However, approximately two-thirds of the city’s *Neighbourhoods* currently have this zoning, which would not allow multiplexes to be built. Until the City is able to amend the zoning to permit multiplexes in all Residential zones, in order to meet the goal of expanding housing options, that text is proposed to be deleted.

- 3. The sidebar in Chapter 4 on Page 4-5 is amended to read:

Prevailing Lot Patterns

Policies 4.1.9 and 4.1.10 are not to be interpreted so as to encourage, facilitate or justify the assembly of lots within a geographic neighbourhood that adhere to the prevailing lot pattern in that neighbourhood for the purpose of intensification.

Attachment 2

COMPLETE COMMUNITY ASSESSMENT TOOL

As part of Visualizing Density, CUI developed six “Drivers of Complete Communities.” These are the factors that we understand to work with density to create vibrant, inclusive, desirable places for people to live and work.

For each Driver, we selected several Measures for understanding its presence in a community. Drone photography, Google Earth, Google Street View, and other easily accessible data sources were used to assess the presence of each Measure.

DRIVERS	DESCRIPTION	MEASURES
Walkability	<p>Good design of streets, such as the use of a grid network and pedestrian pathways (as opposed to cul-de-sacs), can optimize pedestrian movement. Connectivity between places and having destinations to walk to (parks, shopping, schools) are also key. Many sources refer to 400m as a “reasonable” distance for people to walk to a local transit stop (Ministry of Transportation, 2012). This was used as a general measure for walkability to destinations within each case study.</p>	<ul style="list-style-type: none"> • Walking distance to destinations • Street connectivity and block size • Sidewalks
Built Form Diversity	<p>A variety of building types can help to ensure a neighbourhood accommodates diverse residents and supports residents over the course of their lifespan. Having policy and zoning that support infill means a neighbourhood can utilize development potential and evolve over time.</p>	<ul style="list-style-type: none"> • Diverse range of building types • Supportive policy and zoning for growth • Area of parking lots (hectares)
Green and Open Space	<p>Access to green and open space (i.e., parks, playgrounds, or trails) is strongly connected to neighbourhood livability, health, and quality of life. The average green space provision rate in Canadian cities is 9.2 hectares/1,000 people (Evergreen, 2004).</p>	<ul style="list-style-type: none"> • Park space (hectares)
Amenities	<p>Retail and services, recreational and community centres, schools, and child care are all types of amenities. Access to good amenities is one of the most important things people look for when choosing a place to live.</p>	<ul style="list-style-type: none"> • Retail and services • Community facilities • Number of jobs
Transit	<p>Access to transit is critical for creating sustainable and healthy communities; it reduces reliance on cars, lowers greenhouse gases, and increases walkability. Some sources suggest that 50 people and jobs per hectare is a “transit-supportive” density, while others suggest this ratio is much higher (Allen and Campsie, 2013).</p>	<ul style="list-style-type: none"> • Transit stops • Accessibility of transit hubs and regional transit
Design	<p>The look and feel of a community, the scale and character of the buildings, and the design of the public realm all make a big impact on the livability of a place. How the built form is organized—and whether it primarily supports the circulation and storage of cars or people—makes an impact on livability.</p>	<ul style="list-style-type: none"> • Scale, height, and character of buildings • Attractive and vibrant public realm

Attachment 3

A shortage of homes isn't the main reason house prices keep rising

GEORGE FALLIS

CONTRIBUTED TO THE GLOBE AND MAIL

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This article was published more than 6 months ago. Some information may no longer be current.



New homes are built in a housing construction development in the west-end of Ottawa on May 6, 2021. Ontario needs to quickly and aggressively build more housing supply - with a goal of 1.5 million homes in 10 years - to address the province's housing crisis, by increasing density, and limiting consultations and appeals, expert advisers said Tuesday.

SEAN KILPATRICK/THE CANADIAN PRESS

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Ontario faces a crisis in home ownership affordability. At the end of 2021, the average price for a home in Ontario was \$923,000. Ten years ago, the average price was \$329,000. Average house prices have climbed 180 per cent while average incomes have only risen 38 per cent.

In response, the Ontario Housing Affordability Task Force recently released its report with a bold recommendation: Ontario should set a target to build 1.5 million homes over the next decade, more than twice the number built over the previous decade.

The task force had a very short timeline and could not do any original analysis. It accepted the dominant narrative that these huge price increases were because Ontario has not built enough houses to accommodate its growing population. Lack of supply is the cause, and the solution is to build more houses. This analysis is consistent with our economic intuition: Demand is growing and prices are rising, so the explanation must be that supply is not keeping up.

Unfortunately, the data do not support this narrative. The 2021 Census reported that from 2011 to 2021, Ontario's population grew by 10.7 per cent and the number of occupied dwellings grew by 12.5 per cent. The same has been true for the past 30 years. From the late 1960s to the early 1980s, dwellings grew much faster than population, but the fact remains that new construction is still outpacing population growth. Many of the new units are high-rise condos, whereas many buyers want ground-oriented units. The problem is not so much the number of units being built as the type of unit.

Because the excess of new building over population growth has declined, it is true that an increase in supply would moderate the price increases. But lack of supply is not the sole explanation of price increases. As cities grow, as in Ontario, the price of housing rises – even with no constraints on supply. This is because dwelling units nearer the centre become relatively more attractive as the city spreads out. This is why housing is more expensive in larger cities.

We must also look at the demand side, though the report offers no analysis of demand. Demand for home-buying increases if mortgage interest rates fall. This past decade, interest rates began at historical lows, drifted downward slightly until 2017, rose slightly until 2020 and then dropped sharply. They have never been so low. House price increases are part of the worldwide problem of asset price inflation caused by ultralow interest rates.

However, the data on population growth, income growth and falling interest rates cannot explain why demand has remained so strong in the face of such high prices. This is because demand is also influenced by expectations about future prices – if you expect prices to keep increasing, you are willing to pay more today. Suppose you bought an \$800,000 house with an \$80,000 down payment. If prices went up 10 per cent in the next year, your home equity would have doubled. When demand is driven by expectations of future price increases, and the increases cannot be explained by market fundamentals, there is said to be irrational exuberance or a bubble.

This has been a concern of the Bank of Canada for several years and governors Tiff Macklem and Stephen Poloz have often raised it as a risk to the national economy. In response, the bank will be gradually raising interest rates, hoping to deflate the bubble, not burst it.

Further, COVID-19 also plays a role in Ontario's rising house prices. More than half of the absolute increase in house prices occurred during the two years of the pandemic. Measures to slow the spread of COVID-19 included working from home and greatly reduced interest rates. Despite the recession, the demand for housing surged, pushing prices up by 54 per cent over two years. Because of the need to work from home, households wanted more space. It is important to note that most of the increase in demand was for larger dwelling units, not for an increased number of dwelling units.

The task force's report has many well-justified criticisms of delays in building approvals and of NIMBYISM, and highlights the need for modest multi-unit buildings in neighbourhoods zoned for single-family dwellings. Reform of local land use control is needed but not the wholesale deregulation recommended by the report. But the real challenge is to reduce the well-entrenched expectations of continuing price increases that are driving demand.

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