



Canadian Union of Public Employees Ontario

Submission to
The Standing Committee on Finance
and
Economic Affairs on Bill 185,
Cutting Red Tape to Build More Homes Act, 2024

May 15, 2024
CUPE Research

Introduction

The Canadian Union of Public Employees (CUPE) Ontario is the largest union in the province with more than 290,000 members in virtually every community and every riding in Ontario. CUPE members provide services that help make Ontario a great place to live. CUPE members are employed in five basic sectors of our economy to deliver public services: health care, including hospitals, long-term care and home care; municipalities; school boards in both the separate and public systems; social services; and post-secondary education.

CUPE Ontario's largest sector is the municipal sector where CUPE represents over 100,000 members who maintain roads, operate water and sewage plants, perform clerical and technical duties, install and repair traffic lights, deliver social services, maintain our parks, collect garbage and recycling, keep the streets clean and do many, many more things that make our towns and cities work. Our membership also includes thousands of residents and constituents in communities across Ontario that are represented by, and rely on services in single, upper, and lower tier municipalities. As such, CUPE Ontario has a vested interest in the proposed changes under Bill 185 and is pleased to provide the following submission for consideration by the Committee.

Background

On April 10, 2024, the provincial government introduced an omnibus piece of legislation in its quest to “cut red tape”, speed up government processes, and meet its goal of building 1.5 million homes by 2031. [Bill 185: the Cutting Red Tape to Build More Homes Act](#) (“Bill 185”), introduces a number of changes to 15 statutes, including key land-use planning legislation. These legislative changes are largely in response to stakeholder feedback and criticism on issues preventing or delaying the development of housing, and restrictions made to municipalities through development charge (DC) changes brought forward under [Bill 23: the More Homes Built Faster Act](#) (“Bill 23”).

CUPE Ontario provided a submission to the Standing Committee on Heritage, Infrastructure and Cultural Policy regarding Bill 23, More Homes Built Faster Act, 2022 in November 2022. CUPE Ontario's submission, along with others (notably the Association of Municipalities in Ontario), expressed concerns with Bill 23 and lack of viable planning to solve the housing affordability crisis for middle and low-income Ontarians.

Bill 185

The [omnibus Bill 185](#) proposes amendments to 15 pieces of legislation, including the Planning Act, Municipal Act, City of Toronto Act, Hazel McCallion Act (Peel Dissolution) and Development Charges Act, with most of the changes intended to come into force and effect upon Bill 185 receiving Royal Assent. The province has stated Bill 185's intent is to streamline approvals and help build more homes and infrastructure faster – CUPE Ontario disagrees with this position.

Bill 185 proposes legislative amendments related to DCs, planning, line fences and more, many of which directly affect municipal fiscal sustainability, service delivery, and staffing. The most concerning aspect of this omnibus bill is the lack of consultation with stakeholders and the public on changes that will affect the sustainability and development of municipalities.

HAZEL MCCALLION ACT (PEEL DISSOLUTION), 2023

In May 2023, Doug Ford announced that Peel Region would be dissolved in January 2025 through Bill 112, Hazel McCallion Act (Peel Dissolution). Bill 112 enabled the province to dissolve the region of Peel, turning the cities of Mississauga, Brampton, and the town of Caledon into independent municipalities. A Transition Board, made up of five people (none from Peel Region), was appointed by the Minister of Municipal Affairs and Housing, to make recommendations to the Ontario Ministry of Municipal Affairs and Housing. The Transition Board has been tasked to make recommendations on how to proceed with dissolving services currently provided by the regional municipality¹.

Due to backlash and concerns raised by CUPE, other labour groups, and community groups, the province was forced to backtrack and limited the scope of the Transition Board to only assess the following services: land use planning, water and wastewater (including stormwater), regional roads and waste management. The unfortunate reality is that the province's announcement of the Peel dissolution and uncertainty of future plans caused panic within Peel Region, and the affected municipal workforces. The plan to dissolve the Region of Peel lacked any detail on the impacts to jobs and services municipal workers deliver. Many workers left their positions within the Region of Peel and affected municipalities due to uncertainty, and we have heard from our locals and members, that the threat of dissolution has resulted in heightened anxiety and interest in finding work elsewhere.

CUPE Ontario is concerned that shared regional services have had no clarity on exactly how they will be managed should they dissolve. CUPE Ontario reiterates that not only is there a possibility of job loss and loss of services – some of these jobs may become privatized and therefore lose public oversight and management². Most importantly, dissolution does not result in more efficiencies or financial benefits. In fact, the cost of reorganizing Peel Region has recently been forecasted to cost taxpayers \$4.4million³. CUPE Ontario calls on the province to repeal this legislation and consult with all stakeholders before announcing any future plans regarding regional governance.

MUNICIPAL ACT, 2001

Currently, municipalities are restricted from offering assistance, either directly or indirectly, to any manufacturing, industrial, or commercial enterprise classified as a for-profit entity. Such assistance encompasses activities like lending money or municipal property, guaranteeing

¹ [Peel Region Transition Board - Public Appointments Secretariat \(gov.on.ca\)](https://www.gov.on.ca/municipal/transition-board/)

² <https://cupe.ca/cupe-966-raises-concerns-about-potential-downloading-services-peel-region>

³ <https://globalnews.ca/news/10485407/peel-region-transition-costs-increase-4-4/>

borrowing, leasing or selling municipal property below fair market value, or providing exemptions from municipal levies, charges, or fees.

Bill 185 proposes a significant shift in this approach by granting the Province authority to enact regulations permitting municipalities to provide assistance to specified for-profit entities during designated periods. The Province may exercise this regulatory power if it deems it necessary or beneficial to attract investment in Ontario, allowing for potential abuse and/or corruption, in addition to encouraging privatization and downloading of services to municipalities. These regulations would specify the types of assistance permissible and could impose restrictions, limits, or conditions on the provision of assistance. Additionally, the Province may stipulate prerequisites that must be fulfilled before such assistance can be granted.

While the Municipal Act currently imposes limitations on municipalities in providing assistance to for-profit entities, Bill 185 seeks to eliminate this constraint. It grants municipalities the ability to assist for-profit entities under circumstances deemed “desirable” by the province. Consequently, Bill 185 raises concerns about potential service downloading from the province to municipalities and creates opportunities for municipalities to offer property or assets to for-profit entities, potentially leading to the privatization of services.

CUPE Ontario does not support any downloading of services from any level of government to municipalities, especially given the current climate of costs and other social issues municipalities are facing such as the housing and affordability crisis, the opioid crisis, and lack of child care spots. The added changes in Bill 23 and 185 to take away revenue streams through DCs would add to the deficit in funds municipalities will begin to see. Municipalities are already in need for additional funding to support important services within public health, long term care, emergency services and child care – they do not need additional unfunded services downloaded.

PLANNING ACT

Bill 185 introduces amendments to the Planning Act, which governs the responsibilities of upper and lower-tier municipalities. Bill 23 introduced the concept of “upper-tier municipalities without planning responsibilities” to the Planning Act. Bill 185 further develops this concept by designating the Regional Municipalities of Peel, York, and Halton as “upper-tier municipalities without planning responsibilities” which would become effective on July 1, 2024. Additionally, the County of Simcoe, and the Regional Municipalities of Durham, Niagara, and Waterloo, will assume this status on dates to be determined by proclamation.

As “upper-tier municipalities without planning responsibilities,” these counties and regions will no longer maintain separate governing upper-tier official plans and will no longer possess approval authority over planning decisions made by their respective lower-tier municipalities.

Consequently, the responsibility for reviewing and approving such decisions will shift to the respective lower-tier municipalities⁴.

CUPE Ontario provided a submission in January 2024 to the Standing Committee on Heritage, Infrastructure and Cultural Policy's Study on Regional Governance on this topic, and expressed that any change to the tiered municipal governance structures that exist throughout the province must be thoroughly and thoughtfully analyzed, and must include long-term costing as well as consideration of the impacts of changes on the residents and workers of the communities in question. Changes to regional governance and the services delivered therein must be fully examined before any decision is made. Regional service delivery has been the norm for decades now, and to separate upper and lower tier municipalities without fulsome, transparent, public, and expert consultation will lead to service disruption, continue to erode public trust in the government, have negative impacts on worker recruitment and retention, and hinder the municipal budgeting process.

CUPE Ontario is concerned that Bill 185 removes the requirement for municipalities to apply the Planning Act to community service facilities such as long-term care homes, hospitals, universities, and schools⁵. There is sometimes challenges over where these facilities are built and the removal of this requirement removes the ability for public input.

Currently, the Planning Act permits all municipalities to enact by-laws establishing a framework for allocating sewage and water services to land under section 51 (draft plan of subdivision) applications. However, Bill 185 proposes to repeal section 70.3 of the Planning Act. Instead, it suggests introducing a new section 86.1 to Part III (Specific Municipal Powers) of the Municipal Act, 2001. This new section proposes that a municipality may, through a by-law, adopt a policy outlining the allocation of water supply and sewage capacity. Such a policy may entail:

- Implementing a system to monitor the available water supply and sewage capacity to support approved developments, defined as development applications that have received Planning Act approval.
- Establishing criteria for allocating water supply and sewage capacity to development applications. The criteria may include guidelines for determining the circumstances under which allocation is granted, revoked, or reallocated, particularly if previously withdrawn for an approved development.
- Specifying whether the municipal allocation policies apply universally throughout the municipality or differ across various geographic areas within the municipality.

CUPE Ontario is concerned with the threat of water and water treatment privatization. Ontario has already dealt with tragedies from water privatization, such as the 2000 Walkerton E. coli

⁴ <https://mcmillan.ca/insights/publications/introducing-bill-185-the-cutting-red-tape-to-build-more-homes-act-and-an-update-on-the-new-provincial-planning-statement/>

⁵ <https://www.airdberlis.com/insights/publications/publication/first-reading-of-bill-185-and-the-draft-2024-provincial-planning-statement>

outbreak which affected over 2000 people and killed 7. CUPE Ontario's position is that the legislation should mandate that expansion of services should be publicly administered.

The proposed amendments to the Planning Act aim to eliminate the mandate for a minimum number of parking spaces for developments situated within Protected Major Transit Station Areas or similar zones surrounding subway, rail, and rapid bus stations designated for increased density (e.g., Major Transit Station Areas). If the changes proposed under this section are meant to encourage transit expansion, and would come with additional funding from the province and federally for transit, CUPE Ontario would be encouraged by this.

DEVELOPMENT CHARGES ACT

The Changes proposed under the Development Charges Act are very concerning to CUPE Ontario. As mentioned above, CUPE Ontario provided detailed submissions outlining our concerns with Bill 23 as the province set to remove the ability for municipalities to generate revenue through DC's while facing funding problems and cuts to services. Bill 23 would have removed millions of dollars of revenue for municipalities.

Municipalities have limited abilities to generate income and are not allowed to run deficits. CUPE Ontario is concerned that Bill 23 and Bill 185's proposals will take away any opportunity municipalities have to generate revenue. Developers should pay their fair share if building in the province – especially given the hugely inflated prices citizens of Ontario pay to live here.

CUPE Ontario is pleased that Bill 185 proposes to reverse some of the changes made under Bill 23 such as the exclusion of study costs in development rate charges but this reversal does not go far enough. To be clear, CUPE Ontario's position is that exemptions to Development Charges should be scrapped unless they are for affordable housing developments with "affordable housing" defined as per the Canada Mortgage and Housing Corporation (CMHC). CMHC defines affordable housing as monthly housing costs (including mortgage principal and interest, taxes and heating expenses (P.I.T.H.)) not exceeding 32% of the households gross monthly income, up to a maximum of 39%⁶.

Developers having to pay DCs are not the cause for lack of housing being built – the housing crisis is far more complex. DCs are the cost of doing business for for-profit developers who can afford to pay, especially with the prices of property Ontarians are seeing. Removing DCs or proving exemptions only creates a revenue shortfall that can be met two ways – increasing taxes and/or service cuts. Ontario's housing problem is much more multifaceted then simply removing development charges.

Bill 185 would make significant steps towards restoring municipalities' ability to fund growth-related infrastructure by:

⁶ <https://www.amo.on.ca/policy/land-use-planning-resources-and-climate-change/bill-185-cutting-red-tape-build-more-homes>

- repealing the five-year phase-in of development charges introduced under Bill 23, and
- restoring studies as eligible development charge costs.

However, Bill 185 does not reinstate housing services or the cost of land as eligible Development Charge costs. Together, these changes are costing municipalities around \$4 billion over a 10-year period and will have a material impact on municipalities' ability to invest in community housing. Bill 185 does not address the any fix to update the provincial-municipal fiscal framework to support sustainability, affordability and economic prosperity. CUPE reiterates our position to repealing Bill 23 in its entirety and reinstating eligible DCs. Furthermore, the province should consult with stakeholders to determine ramifications before removing one of the limited ways municipalities generate revenue.

CITY OF TORONTO ACT, 2006

CUPE Ontario's concerns as expressed above apply to similar changes in Bill 185 made to the City of Toronto Act in regards to:

- The expedited approval process for such community service facilities;
- Granting the Province authority to enact regulations permitting municipalities to provide assistance to specified for-profit entities during designated periods; and,
- Changes that will allow municipalities to, through a by-law, adopt a policy outlining the allocation of water supply and sewage capacity.

Conclusion

CUPE Ontario is concerned with the province's omnibus Bill 185 which seeks to amend several pieces of legislation that govern municipal responsibilities and limited ways of collecting income with little to no consultation from stakeholders, such as municipal governments, labour groups or community perspectives. The provinces decision to introduce changes through an omnibus bill is concerning not only because of favorable actions made towards private, for-profit developers, but also due to difficulty for legislators and the public to fully understand and scrutinize each component. This lack of transparency can lead to hidden or overlooked provisions that may have significant consequences. Bill 185 as it reads provides developers greater latitude which may have unintended future consequences (with financial implications) that the province did not consider due to lack of consultation.

CUPE Ontario cautions against any changes to the system of regional governance or development charges without first:

- hearing from and listening to the public, including municipal workers and residents who rely on municipal services;
- conducting a fulsome cost-benefit analysis of the financial impacts of regional restructuring, and ensuring that any changes would benefit municipal budgets;

- outlining to the public exactly how any changes to regional governance or development charges would benefit municipalities, workers, and residents.

CUPE Ontario calls on the province to first repeal Bill 23 in its entirety and consult with stakeholders prior to making drastic changes to legislation that governs the fiscal sustainability, affordability, and economic prosperity of municipalities.

Summary of Recommendations:

- CUPE Ontario calls on the province to repeal the legislation on the Peel Dissolution and consult with all stakeholders before announcing any future plans regarding regional governance.
- CUPE Ontario does not support the changes that may permit municipalities to provide assistance to for-profit entities as this change may permit potential abuse and/or corruption, in addition to encouraging privatization and downloading of services to municipalities. CUPE Ontario does not support funding for-profit entities with public monies nor downloading of services from any level of government to municipalities.
- Any change to the tiered municipal governance structures that exist throughout the province must be thoroughly and thoughtfully analyzed, and must include long-term costing as well as consideration of the impacts of changes on the residents and workers of the communities in question before implementation. Any expansion of services should be publicly administered.
- Exemptions to Development Charges should be scrapped unless they are for affordable housing developments with “affordable housing” defined as per the Canada Mortgage and Housing Corporation (CMHC).
- CUPE Ontario calls for Bill 23 to be repealed in its entirety and reinstating eligible DCs. Furthermore, the province should consult with stakeholders to determine ramifications before removing one of the limited ways municipalities generate revenue.