

The Land Economist

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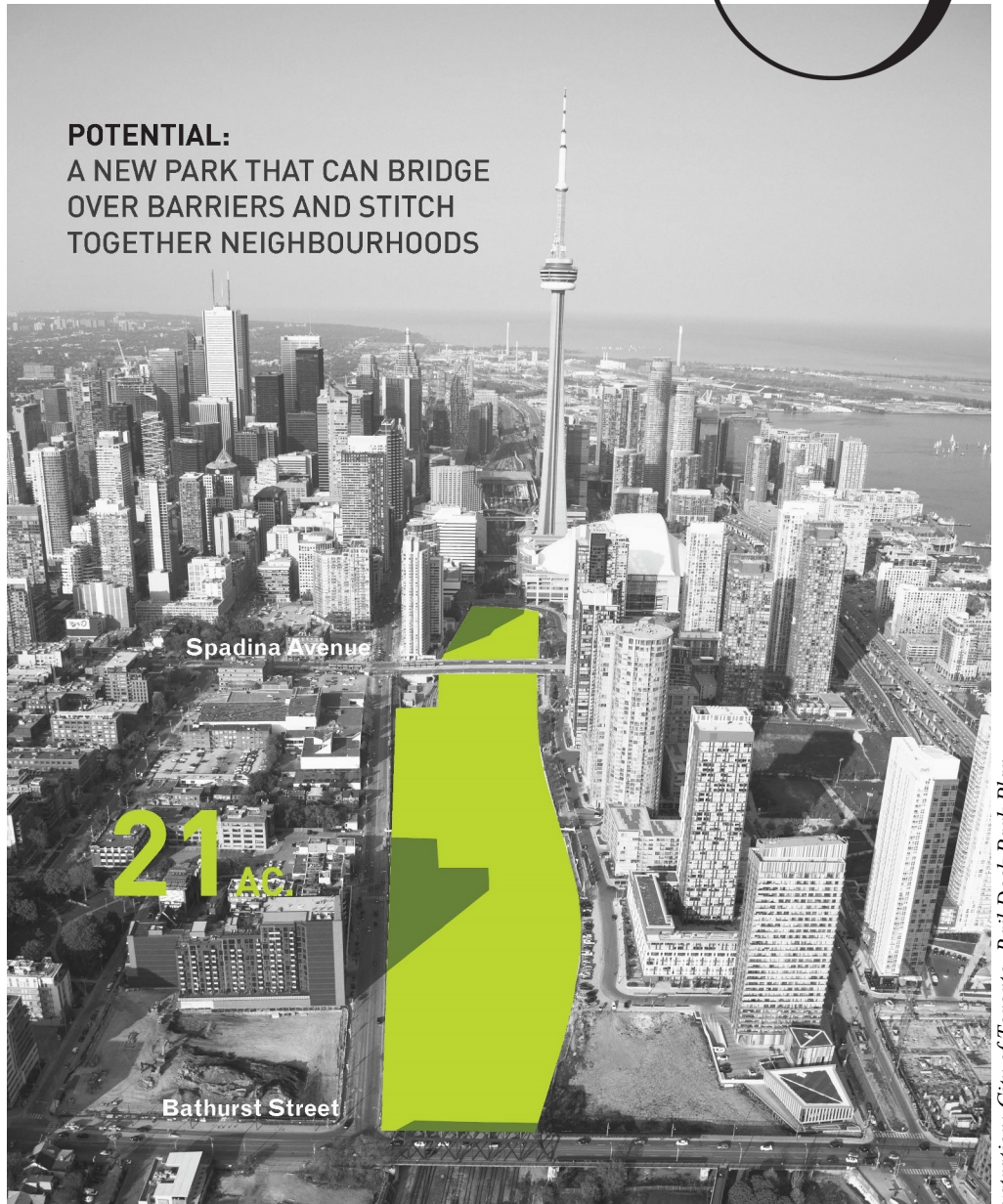


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POTENTIAL:
A NEW PARK THAT CAN BRIDGE
OVER BARRIERS AND STITCH
TOGETHER NEIGHBOURHOODS



Looks like a great idea ... but Most news reports about Toronto's recent Rail Deck Park announcement include words like "If it gets built ..." That's not too surprising, given it wasn't accompanied by a cost estimate or schedule, there are multiple owners, and decking large spans can be prohibitive. Supports also pose challenges for future maintenance or expansion plans, especially a second track below. Plus, similar projects in Chicago and New York didn't have the engineering challenge of venting fumes from diesel trains – their trains are electric.

Illustration: City of Toronto, Rail Deck Park Plan

NEWS BRIEFS

City still looking for cause of Rideau Street sinkhole

JON WILLING
More from Jon Willing

Published on August 9, 2016 | Last Updated: August 9, 2016 7:07 PM EDT



The city still doesn't know what caused the giant sinkhole on Rideau Street on June 8. *JEAN LAVIG / OTTAWA CITIZEN*

The city says it needs more time to determine why the road collapsed on Rideau Street in June.

The sinkhole swallowed a massive chunk of the roadway east of Sussex Drive the morning of June 8.

No one was hurt when the road suddenly crumbled, but a parked van, construction lift and crane dropped into the hole. A broken pipe gushing water resulted in water infiltrating the LRT tunnel. At the deepest point, the void was 7.5 metres high in the tunnel, about half the tunnel's diameter.

IMAGE: OttawaCitizen.com

INVESTIGATION ONGOING

Back in June, when a huge sinkhole swallowed three lanes of pavement and a parked van on Rideau Street, Ottawa estimated it would take two months to determine the cause. But the Ottawa Citizen reported on August 9 that the city still wasn't in a position to say what happened. Click [here](#) for this and related Ottawa Citizen articles.

The June 8 sinkhole involved a broken gas line and watermain, and flooded a part of the LRT tunnel under construction to about 2.5 m. Rideau Street was reopened to pedestrians in time for Canada Day celebrations, but traffic restrictions on the street remain in effect.

VANCOUVER TARGETS ZERO EMISSIONS BY 2020

In July, Vancouver became the first major city in North America to establish specific targets and actions to achieve near zero emissions in all new buildings by 2030. The goal is to reduce emissions from newly permitted buildings by 70% by 2020 and 90% by 2025. Base year is 2007. Plans include:

- incorporate steps to achieve the 2020 target in the City's bylaws, policies and guidelines next year
- build all new City facilities including public rental housing Certified to the Passive House standard or alternate zero emission building standard, and use only low carbon fuel sources
- develop a three year, \$1.625 million Zero Emissions Home Program for detached and row houses to catalyze leading builders to demonstrate cost effective approaches to building zero emissions homes
- create a Zero Emissions Building Centre of Excellence to share information and build capacity

Click [here](#) for the report.

TORONTO OFFICE AND INDUSTRIAL STRONG: CBRE

Toronto's office and industrial markets continue to strengthen and the city has emerged as one of the best commercial real estate markets in North America,

according to the results of CBRE's National Office and Industrial Second Quarter 2016 Statistical Summary. It says vacancy in the Toronto office market has dipped below 5%, falling 40 basis points (bps) from Q1 2016 to 4.9%. "As a result, Toronto has the lowest downtown vacancy rate in a major North American market. In addition, its industrial market has the third lowest availability rate in North America," the firm says. "Vancouver has the second lowest, reflecting the wider growing momentum in Canada's overall industrial market." Click [here](#) for more.

RENT INCREASE GUIDELINE

Ontario's 2017 maximum rent increase has been set at 1.5%.

INCLUSIONARY ZONING IN US JURISDICTIONS

An article in the Torontoist this spring provides an interesting overview of inclusionary zoning, including how it works in other jurisdictions.

Author Catherine McIntyre says programs have been in place in the United States since the early 1970s and now more than 400 communities have some form of inclusionary zoning. She gives details of the programs in Chicago and Burlington, Vermont. 'Fees in lieu' in both municipalities are \$100,000 per unit, and in Burlington no exceptions are allowed on the waterfront. Click [here](#) to view the article.

BUILD TORONTO EXPECTS 350 AFFORDABLE UNITS

Build Toronto anticipates confirming approximately 350 affordable housing units across its portfolio in 2016, representing 14 times the number of units confirmed in 2015.

Thirty-two of those affordable units will come in a 68-unit, stacked townhouse ownership project at Keele Street and Rogers Road.

Build Toronto just announced the sale of the 1.2 acre infill site to Van Mar Constructors and Trillium Housing Corporation. Currently used for a warehouse, open storage and an old TTC bus/streetcar loop, the redevelopment will address historical contamination and complete a well-established residential



Affordable ownership plans at 2 Bicknell Ave. feature 68 stacked townhouses.

block in the City's west end. The City of Toronto, Build Toronto and Trillium Housing will provide \$2.6 million towards downpayment assistance for 32 of the units.

Since 2010, the agency established by the City to create financial and social value from underutilized lands has sold 17 projects for development by the private sector.

IMAGE courtesy Build Toronto

Inclusionary Zoning:

More unaffordable housing for (almost) all?

In May 2016, the Province of Ontario released its proposed Promoting Affordable Housing Act, which would permit municipalities to enact inclusionary zoning by-laws, requiring developments that contain residential uses to include affordable housing units within them.

The Province is seeking input from stakeholders by Tuesday, August 16 regarding possible regulations for the proposed Act. The [Inclusionary Zoning Discussion Guide](#) sets out key issues, including, among other things:

- What share of units should be set aside in a development?
- How long should the units be maintained as affordable?
- Should there be provincial direction on:
 - what minimum or maximum project sizes trigger the requirements?
 - municipal standards – type of unit, tenure, number of bedrooms, unit sizes, etc.?
 - inclusionary zoning agreements between municipalities and developers?
 - under what circumstances municipalities should be allowed to override the proposed exemption of inclusionary zoning projects from Section 37 requirements?
- Should supporting measures and incentives be required on a province-wide basis, or should this be left up to municipalities?

While all of these will be important, the last one – supporting measures and incentives – is crucial.

Average home is out of reach for 80-90% of GTHA households

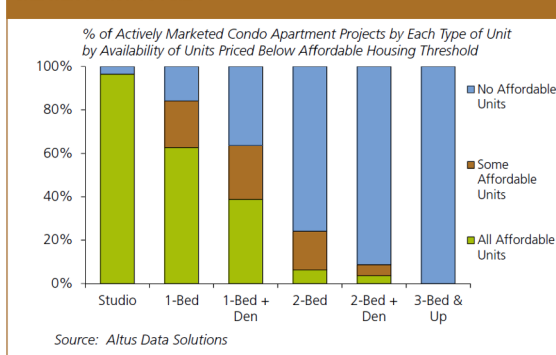
The current provincial definition of “affordable” can be found in the 2014 Provincial Policy Statement. Affordable housing is that where households at the 60th income percentile and below are able to pay 30% or less of their gross income on annual accommodation costs.

In the Greater Toronto Area (GTA), this equates to homes priced at or below \$367,900. Including Hamilton (GTHA) it is \$363,500. There are few options for housing that are priced below this affordability threshold in either of those areas’

by Daryl Keleher -- MCIP, RPP

new or resale housing markets. According to data from TREB, the average resale housing price in the GTA in June 2016 was \$746,500. According to Altus Data Solutions, the average price for new high rise homes in the GTA in that same month was \$469,500; for new low rise homes the average price was \$869,500.

AVAILABILITY OF UNITS BELOW AFFORDABLE PRICE THRESHOLDS
GREATER TORONTO AREA



The only housing unit type that consistently is provided at or below the affordability threshold is small (bachelor or one-bedroom) condominium apartment units. The chart on new condo apartment offerings above is based on incomes and prices by unit types across the GTA.

The average priced single, semi or townhouse is not just unaffordable for households with low incomes, but is out of reach for 80-90% of all households across the whole GTHA.

So while the province’s proposed solution to address the need for affordable housing may provide more housing options for persons with low incomes, it ignores the scale of the affordability issue, and may further erode the ability of persons throughout the housing market to afford a home.

Significant extra costs ...

The implementation of inclusionary zoning, on its own, would add significant costs for developers which will be passed on to home buyers through even higher prices. This would add to the suite of government charges imposed on developers and home buyers. A 2013 Altus Group study found that these government charges already comprised between 16% and 24% of the cost of a new home.

... will produce more shortages

Without offsetting subsidies or incentives, inclusionary zoning would act as a deterrent to building more housing in the GTHA. Given Growth Plan intensification targets and greenfield density requirements, the number of ground-related units being built is getting squeezed, and where there are lands that could help relieve the ground-related supply issues, the slow approvals process means they get approved in dribs and drabs, never enough to satisfy demand.

Over the 2001-2005 period, a total of 34,800 ground-related units (single-detached, semi-detached and townhouses) were completed per year in the GTHA. Just 10 years later, over the 2011-2015 period, that had been cut almost in half -- to an average of 18,100 units completed per year.

... and price increases

From an economic perspective, it is highly unlikely that the escalation of housing prices in the GTHA is unrelated to the sharp decrease in the number of new ground related homes being built. Further reduction in housing supply due to inclusionary zoning is going to contribute to additional price escalation.

Focus on supportive tools

While the overarching objectives of the inclusionary zoning policies are laudable, they are likely to create offsetting negative consequences for the rest of the housing market.

The focus of any affordable housing strategy should be less on a “stick” that makes it more expensive and difficult to develop new housing and sees less housing produced. Rather, it should support developers to build more housing, including affordable housing (in partnership with municipalities), expanding supply and alleviating pressure on housing prices for all households.

An ideal inclusionary zoning policy should ensure that supportive planning and offsetting financial incentives are provided to ensure that the program does not place additional costs on developers, and ultimately, home buyers.

Daryl Keleher is Director, Research, Valuation and Advisory, at Altus Group Economic Consulting.

Ontario Greenspending

POINT/ COUNTER POINT

A key goal of this Association is to increase members' understanding of issues by sharing insights from different specialties. So, in some issues of The Land Economist Journal we publish a Point / Counter Point feature. It starts with a description or digest of an interesting new report — and then presents commentary from experts in different fields.

Ontario's Climate Change Action Plan

Released June 18, 2016, the Climate Change Action Plan outlines how Ontario will use the proceeds of its recently finalized Cap and Trade Program.

These two are the key elements of the province's strategy to cut greenhouse gas (GHG) emissions, as compared to 1990 levels, by 15% by 2020, 37% by 2030 and 80% by 2050.

The Action Plan is expected to spend \$6-8.3 billion in its first five years, with an estimated reduction in GHGs in 2020 (much of which will be ongoing) of 9.8 million tonnes.

Members can read the full Action Plan report, found online at ontario.ca/page/climate-change-action-plan. (good charts on pp 60-85). Details of the Cap and Trade Program can be found at ontario.ca/page/cap-and-trade-program-overview and ontario.ca/page/how-cap-and-trade-works

As mentioned in the Legislative Beat on page 10, initial reaction to Ontario's Climate Change Action Plan (CCAP) was mixed.

It was welcomed as a bold, ambitious and far-reaching strategy that addresses the issues and provides needed support to businesses and consumers. It was criticized as a set of goals with no cost-benefit analysis, trying to buy Ontarians' support with their own money.

It will certainly be subjected to a lot of scrutiny to see whether it — and the Cap and Trade program that will bankroll it — will, in fact:

- cut GHG emissions,
- move the province to a prosperous, healthy, low carbon economy,
- encourage choice and practical options,
- boost low-carbon innovation, and
- produce a smooth transition for businesses and residents, including people on low and moderate incomes.

CAP AND TRADE PROGRAM

Under Ontario's new laws, industries, utilities and others with greenhouse gas emissions will be given a 'Cap' setting maximum GHGs they are allowed to emit each year. Allowances will be created and may be auctioned by the government in a system that includes Quebec and California (and soon Manitoba).

A company going over its cap would be able to buy allowance credits from a company that brought its emissions below its cap.

Auction proceeds will go into the government's Greenhouse Gas Reduction Account, the basis of its new Green Bank. All of those monies must be spent on green projects that cut GHGs and help people and companies make the transition.

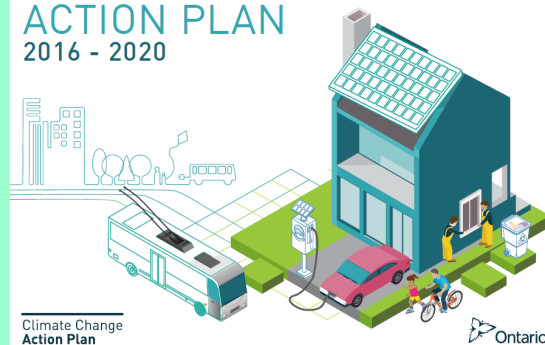
The CCAP identifies eight Action Areas for investing them. Here are a few highlights:

Transportation

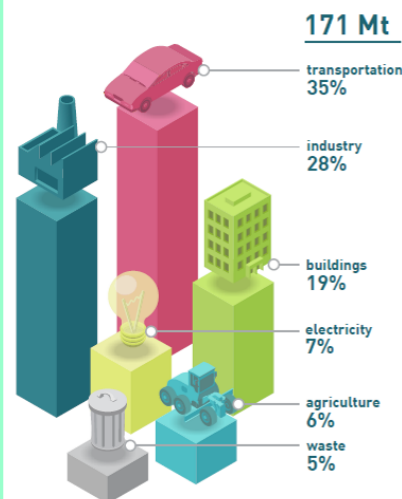
This sector is the largest single contributor to Ontario's GHG emissions — 35% of the total. Plans to help cut that include:

- set a province-wide target for 5% of all passenger vehicle sales (about 14,000 a year) to be electric and hydrogen fueled in 2020
- extend the rebate program for electric and hybrid cars to 2020 (currently up to \$14,000), require infrastructure (e.g. electric-vehicle-ready new homes and workplaces) and invest in a network of charging stations
- promote lower-carbon gasoline and alternative fuels
- increase the use of lower-carbon trucks and buses, and build a network of natural gas and low- or zero-carbon fuelling stations
- accelerate Regional Express Rail plans

ONTARIO'S FIVE YEAR CLIMATE CHANGE ACTION PLAN 2016 - 2020



Emissions by Sector, 2013



Buildings and Homes

Despite significant drops in emissions per square metre, this sector represents 19% of the total. Overall emissions from buildings continue to rise, due to population, economic and floor space growth.

- retrofit energy efficiency in social housing
- protect tenants from carbon price increases while still allowing private building owners to take advantage of retrofit programs
- improve energy efficiency of schools and hospitals
- showcase low carbon energy systems and high efficiency materials in heritage buildings
- help homeowners purchase and install low-carbon energy technologies, such as geothermal heat pumps, air-source heat pumps, solar thermal, and solar energy generation systems, that reduce reliance on fossil fuels for space and water heating; give increased benefits to low-income households and vulnerable communities.
- give rebates for near net zero carbon emission homes (energy performance exceeds building code by a set amount)
- consult on and update the Building Code with long-term energy efficiency targets for new net zero carbon emission small buildings that will come into effect by 2030 at the latest, with initial changes that will be effective by 2020.
- promote low-carbon energy supply and products including natural gas with renewable content such as methane
- require and pay for energy audits for all new and resale homes, to be included in the listing, by 2019; support

training for home energy auditors

- expand or provide information tools so Ontarians can assess their own energy use and options
- grow the workforce for a low-carbon buildings sector (education, training and innovation)

Land-Use Planning

- expand on current policies for compact communities
- empower municipalities to require things like electric charging stations in surface parking lots and non-building green elements like sustainable transportation
- make climate change planning a provincial interest, make it mandatory in municipal official plans, and provide guidance
- eliminate minimum parking requirements for municipal zoning over the next five years
- establish a program giving matching funds to municipal projects demonstrating best cost-per-tonne reductions
- support community energy planning, mapping and platforms
- help manage congestion and reduce single-passenger vehicle trips

Industry and Business

Industrial activity in Ontario produces 28% of the GHG emissions. "It is crucial for the long-term success of Ontario's low-carbon economy," the CCAP says, "that industrial emissions reduction is balanced with continuing economic competitiveness." Here are some of the plans:

- deliver programs and services to help large and small industry increase energy efficiency and modernize to thrive in the low-carbon economy

- modernize the approvals process, and help industry players structure and find funding for projects
- support retrofits for agri-business and help food and beverage processors expand innovative technologies

Collaboration with Indigenous Communities

Items could include determining transition support to minimize impacts, connecting remote communities to the electricity grid, working towards biomass, solar and/or waterpower micro-grids, community planning, jobs training, and forums for sharing traditional knowledge.

Research and Development

The Plan will help support innovation and commercialization, explore R&D tax credits and accelerated capital cost allowances, update regulatory requirements, and develop a Global Centre for Low-Carbon Mobility, i.e., fuels, automation and other technologies for cars and trucks.

Government

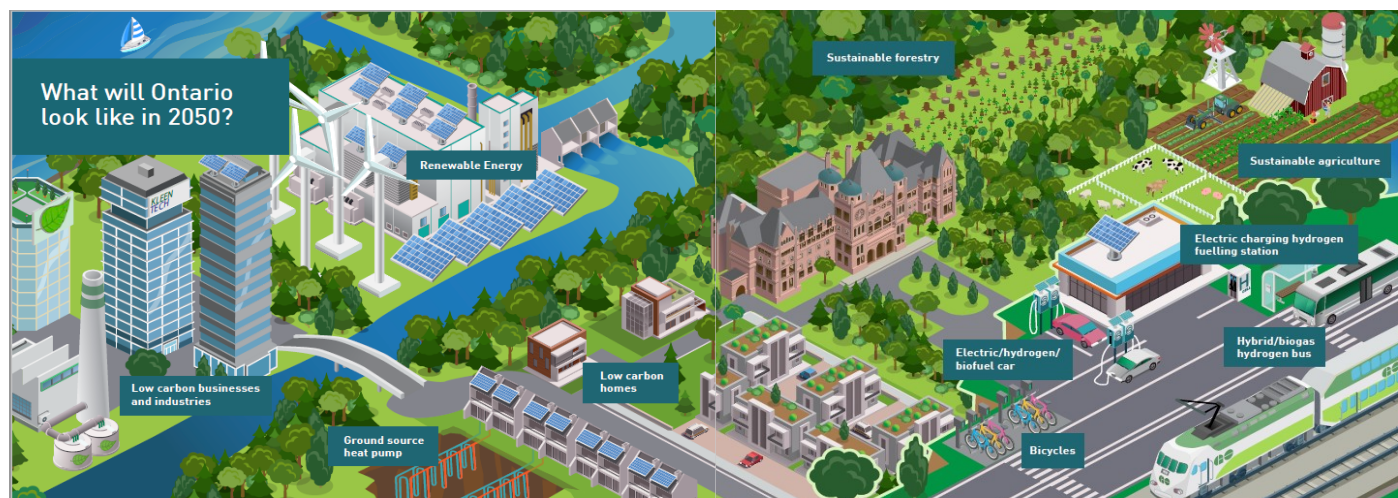
These are steps to reduce GHGs in the government's own buildings and operations, including a new target of 50% below 2006 levels by 2050.

Agriculture, Forests and Lands

Due to their ability to remove carbon from the atmosphere, Ontario's agriculture, forestry, lands, and waste/resource recovery sectors will be able to supply carbon offsets to the cap and trade market, the CCAP says. Actions will include:

- developing a land-use carbon inventory, assessing agriculture, forestry, wetlands and grasslands, and policy options
- increase understanding of the circular economy and roles played within it.

RM



Source: Ontario's Climate Change Action Plan 2016-2020, pages 58-9

OHBA support for key CCAP elements



Michael Collins-Williams, RPP, MCIP
Director of Policy
Ontario Home Builders' Association

In June the provincial government released Ontario's Climate Change Action Plan (CCAP) which commits to lowering greenhouse gas emissions by 15 per cent by 2020, 37 per cent by 2030 and 80 per cent by 2050.

The Ontario Home Builders' Association (OHBA) was heavily involved in the consultation process for both the CCAP itself and the *Climate Change Mitigation and Low-Carbon Economy Act, 2016*. These complementary pieces acknowledge that all Ontarians have a role to play in addressing climate change and adjusting their behaviour to reduce those greenhouse gas emissions.

OHBA supports the government's goal to reduce greenhouse gas emissions and to spur low-carbon innovation. This is where the new housing, land development and professional renovation industry can provide leadership to implement complementary actions to support the transition to a low-carbon economy.

Here are some key specific actions in the CCAP that impact housing, professional renovation and land-use planning:

Home energy rating and disclosure (HERD)

New homes are already bound by requirements in the Ontario Building Code for minimum insulation levels and resource conservation, so new home buyers can be assured they are purchasing a high-performance home. However, there are over 4.8 million homes in the province's existing housing stock. The new energy audits will improve consumer

disclosure and encourage energy-efficient home improvements.

HERD on the resale of a home is a positive step forward to ensure that home buyers are fully informed about the energy use of the home they are considering purchasing.

"The Building Code primarily deals with new construction, which comprises only one per cent of the overall building stock on an annual basis. That's why it is essential to improve the existing 4.8 million homes in Ontario."

These audits are intended to be provided free of charge under the CCAP with implementation targeted for 2019.

Upgrading existing homes requires qualified professionals, like those registered with RenoMark, and with every dollar provided through CCAP thousands of new jobs could be created to improve the overall economic health of the province.

Retrofitting existing private apartments

The CCAP includes incentives to install energy-efficient technologies, like boiler replacements, adaptive thermostats and lighting retrofits.

Rebate for high-performance homes

Leading up to the announcement for the CCAP, OHBA had proposed that, similar to electric vehicle incentives, the province implement a High-Performance Home-Buyer Rebate (HPPHR) Program.

We believe that a program funded through proceeds generated from the cap and trade program would deliver thousands of low carbon homes/condo units and support a shift to a low carbon economy.

Rebates will go to individuals who purchase near net zero carbon emission homes, with energy performance that sufficiently exceeds the requirements of Ontario's Building Code. Details regarding what performance level would qualify have not yet been scoped out.

Funding for new technologies

The CCAP would provide assistance to homeowners to purchase and install low-carbon energy technologies such as geothermal heat pumps and air-source heat pumps, solar thermal and solar energy generation systems without limiting future use of natural gas.

Building Code changes

The CCAP will update Ontario's Building Code with long-term energy efficiency targets for new net zero carbon emission small buildings by 2030. OHBA notes that these are targets, not specific amendments and looks forward to further consultation.

"With over 30 per cent of Ontario's new homes being Energy Star qualified, OHBA members are already leaders in building high-performance homes. We need to ensure that any upgrades we make to the Building Code are worth it to the consumer."

Electric-vehicle-ready homes

The CCAP would amend the Building Code to require all new homes with garages to be constructed with a 50-amp, 240-volt receptacle. OHBA is supportive of this new requirement.

Elimination of minimum parking requirements

Minimum parking requirements would be eliminated over the next five years for municipal Zoning By-Laws, especially in transit corridors and other high-density communities. OHBA has been strongly advocating for and supports the elimination of costly minimum parking requirements.

Overall

Our association has been a long-time supporter of a home energy rating system for existing homes as well as a consumer rebate for newly-constructed homes that exceed the Ontario Building Code. We are encouraged that a number of our recommendations to address Ontario's nearly five million existing homes and to improve the performance of new housing have been included in the Action Plan.

Plan aligns with trucking's goals



*David Bradley
President
Canadian Trucking Alliance*

The trucking industry welcomes the measures in Ontario's Climate Change Action Plan (CCAP) aimed at expediting progressive greenhouse gas reduction technologies and offsetting economic barriers that have historically impeded industry adoption.

It is an unescapable fact that the mostly-diesel-fuelled trucking sector has been a growing contributor to greenhouse gas (GHG) emissions as it has continued to increase its share of the freight market.

There have been a number of improvements – this industry is the only regulated freight mode already using a bevy of diverse carbon-cutting technologies.

But much more needs to be done.

While fuel prices have been lower over the last couple of years, they still represent the second largest component of carrier operating costs. In a competitive industry like ours, we all want to become more fuel efficient.

So, as an industry, our economic goals are closely aligned with society's desire to reduce the emissions from the burning of carbon fuels in order to combat climate change.

Ontario's new Action Plan sets out how the government intends to use proceeds from its new Cap and Trade program.

The bulk of the initiatives for trucking are included in a new Green Commercial Vehicle Program, expected to launch in 2017-2018. It provides up to \$170 million for electric and natural gas-powered commercial vehicles, infrastructure and temperature controlled trailer technology – as well fuel efficiency devices.

It is accompanied by \$75-100 million dedicated to building a province-wide natural gas fueling network. The CCAP specifically mentions the Ontario Trucking Association as its key partner in helping to establish this project.

While electric engines may work well for smaller trucks, they are not practical for long-haul, heavy trucks. But natural gas looks very promising.

Most natural gas (NG) engines are spark-ignited, and inject uniformly pre-mixed fuel and air into the combustion chamber, which results in more complete combustion. This produces fewer emissions per kilometre travelled than a diesel engine.

These two programs will directly address two main barriers to increasing fuel efficiency: the huge infrastructure investment required to create natural gas fuelling stations, and the huge capital investment for the new trucks.

The CCAP also pinpoints other fuel-efficient technologies, such as tractor-trailer aerodynamic devices (like hoods and skirts designed to reduce drag) and anti-idling devices. (It's been estimated that 12 per cent of the fuel consumed in one day by a long haul truck is used inefficiently for idling the engine and powering the "hotelling" loads, such as electric appliances and climate controls for resting drivers.)

The Government of Ontario has created a watershed opportunity for the commercial natural gas vehicle industry to market innovative environmental products and technology to our sector. What we have now is a partner in government that will work with us to bring about GHG reductions even more quickly. One that recognizes that the Canadian supply chain must still compete continentally and globally.

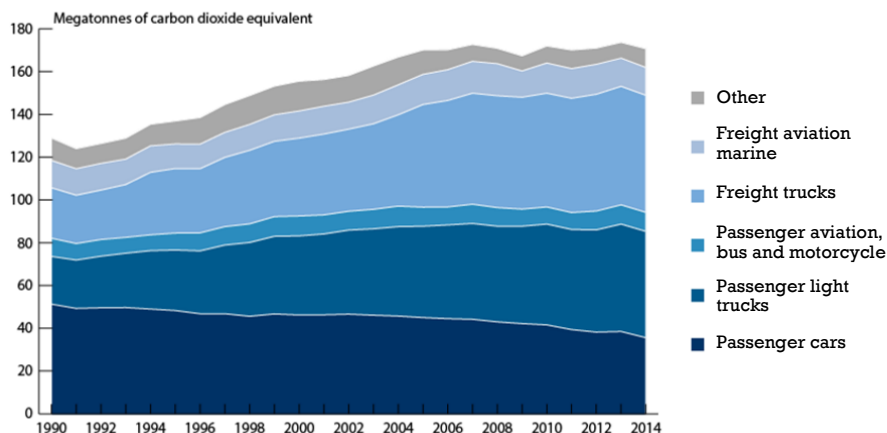
Program details are not yet available regarding specific funding levels per vehicle, trailer and add-on device, or fuelling network and locations, but we are looking forward to working with the Government of Ontario, fuel suppliers and equipment manufacturers to ensure that this opportunity is maximized to its fullest potential.

It's time for the private sector to maximize this opportunity through leadership and cooperation.

We will also continue to call on governments across the country to do their part by removing regulatory and other barriers that don't support – or actively stand in the way of – the industry's efforts to become more fuel efficient.

The reticence of provincial governments (except for Quebec, Ontario and Manitoba) towards harmonizing the allowable axle weights for vehicles using low-rolling-resistance wide-base single tires v less fuel efficient conventional dual tires is a glaring example.

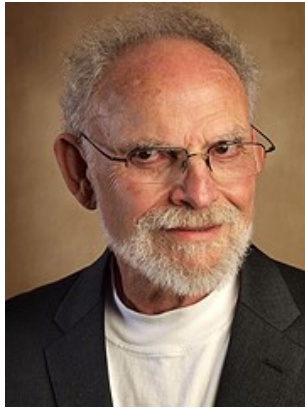
Transportation sector GHG emissions, Canada, 1990-2014



The broad transportation sector is the second largest producer of GHG in Canada, after the oil and gas industry. Transportation produces twice as much GHG emissions as buildings (171.3 megatonnes of carbon dioxide equivalent in 2014, v 87.2 megatonnes from buildings).

SOURCE: Environment and Climate Change Canada (2016), Canadian Environmental Sustainability Indicators, Greenhouse Gas Emissions. Click [here](#) to access.

Housing affordability CCAP's first victim



Michael Steele BTECH (CM)
Director of Technical Standards
RESCON

The residential construction industry must change its approach to the design and construction of new homes to ensure it can meet the objectives of the province's Climate Change Action Plan (CCAP) to produce homes that are environmentally responsible, sustainable and resilient.

Who can argue with this lofty goal? Unfortunately, it cannot be achieved unless the province fills in the blanks in that Action Plan.

Let me provide some perspective. While watching TV recently, a provincial government ad popped up (paid for by guess who) using children to shame us all into supporting the recently announced plan.

My immediate reaction was wonderment at why this type of motivational advertising would be necessary if the CCAP was a policy based on hard verifiable facts.

So I read the CCAP to get the hard facts. There weren't any. Instead, there were a set of aspirational goals, including requirements for net-zero construction for

new small buildings built in 2030. Leading up to that goal, the government has already implemented revisions to supplementary standard SB-12 (energy efficiency for housing) of the Ontario Building Code, paving the way to net-zero.

Now I understand why the advertising campaign is necessary.

This view is not mine alone. Lou Bada – an executive with builder Starlane Homes, columnist in *Better Builder* magazine, and one of our respected industry commentators – is also concerned by the lack of detail in the document.

So we're presented with new initiatives and an aspirational vision; but we don't have hard facts, a detailed timetable for implementation or cost-benefit analyses.

It's difficult to know where to start in order to determine the full impact the plan will have on housing affordability.

It's difficult for the public to challenge the vision without the facts, but the absence of facts does lead to questions – particularly when the influence of Ontario's new construction on the global effort to reduce greenhouse gases is virtually zero, according to Michael de Lint, RESCON's new director of building regulatory reform.

Prior to joining RESCON, de Lint served as senior policy advisor for the Ministry of Municipal Affairs and Housing for more than two decades. He offered up the following statistics:

- New construction accounts for approximately 1% of the building stock in Ontario (a number commonly heard in de Lint's time with the ministry).
- The building sector (existing and new buildings) contributes about 19% of Ontario's emissions, according to the

[MOECC climate change strategy paper.](#)

- Ontario contributes about 0.4% of global greenhouse gas emissions. [By comparison China's contribution is 28%; U.S., 16%; Canada, 1.7%. \(Ontario generates about 23% of Canada's GHGs.\)](#)

Let's do the math: 1% of 19% of 0.4% = 0.00076% (rounded) of global emissions from new construction in a given year.

That means the proposed new initiatives, regulations and revisions to the building code affecting new construction would have virtually no impact on reducing global emissions.

All of this leads to a few questions for our partners in provincial government:

- What is the cost of the hard-sell TV advertising campaign and why is it necessary? Was that broadcasted to soften us up for the unintended cost consequences that will occur if the CCAP is implemented without a sober second thought?
- After changing from electricity to natural gas as a cheaper, cleaner source of energy, why does the document focus on a return to electricity, the most expensive form of energy, in new housing? Is this the result of ensuring the new shareholders of Hydro One receive a profit in the future?
- Why require the installation of a hard-wired receptacle in every new home for charging electric vehicles when the technology of electric vehicles could become obsolete?

To become active partners of this initiative, the industry needs answers and an open and transparent dialogue based on facts, not aspirational statements.

Oversimplification of policy goals does not always translate into successful outcomes.

Action Area	Set lower-carbon standards for new buildings	Intended GGRA Funding	Est GHG Reduction in 2020	Est Cost Per Tonne	Timetable: Action Start
5	Update the Building Code: The government will update the Building Code with long-term energy efficiency targets for new net zero carbon emission small buildings that will come into effect by 2030 at the latest, and consult on initial changes that will be effective by 2020.	–			2017/18
	Intended GGRA Funding (Total)	–	TBD; Enables Reductions post-2020	N/A	

* GGRA stands for Greenhouse Gas Reduction Account

Source: Ontario's Climate Change Action Plan 2016-2020, page 68



Stefan Krzeczunowicz appointed to OMB

On August 8, AOLE's Treasurer started his new position as a Member of the Ontario Municipal Board.

Over his past 12 years as a senior consultant at Hemson Consulting Ltd., Stefan has worked across the country, honing his expertise in core land use planning and municipal finance issues adjudicated at the OMB. They include development charges, other municipal fees and charges, long-range financial planning, municipal government/management, demographics and development of regional land-use plans.

He says the OMB is looking to use its mediation process increasingly. "I hope that will be a growing part of my work, narrowing issues and finding consensus between parties. Good mediations can avoid some adjudications completely, and help make others shorter and more effective."

Congratulations, Stefan!

There's a lot of 'History' in Mike Filey's Toronto

The morning before local historian and author Mike Filey spoke at AOLE's July dinner meeting, he had been watching Toronto's new tug come into service.

The latest in a long series of Harbour boats, the school-kids-named 'Iron Guppy' was welcomed by the City's 51-year-old fireboat (the William Lyon MacKenzie, or 'Fiery Scott'), Filey told AOLE members and guests. Now that the newcomer is on the job, Ports Toronto can retire the 55-year-old William Reed.

All of this is a good example of how history moves on, and how important it is to remember.

Filey has been the Toronto Sun's 'The Way We Were' columnist for the past 43 years, dishing out stories of the people, places and things in Toronto's history, and sometimes fighting to preserve them.

There is a beautiful old 1910 paddleboat that can thank him for reversing its fate – the old Trillium ferry. He was a huge part in convincing Toronto's mayor and council in 1973 to spend almost \$1 million to restore it.

"The Mayor back then was Paul Godfrey," Filey said. "I bugged and bugged and bugged him, until one day he said 'Go away. You've got your money'."

Unfortunately, the Trillium is only used as backup now, he said. Instead, it should be a big attraction: "Let's offer people a \$30 tour of the harbour in the only authentic sidewheel paddler on the continent."

Filey showed images and told stories of the city from its founding to today. At one point, he switched to aerial images



PHOTO Courtesy Dundurn Publishing

from a book he co-authored back in 2000 called 'Toronto, Then and Now'.

"That 'Now' isn't now any more," he said. "All of the green space and most of the parking lots west of the ferry terminal are gone."

Do you know who started the Clown Riot? why Ontario's third provincial parliament building was designed by an American architect? whose heads Edward James Lennox had carved into the stonework of Old City Hall, and how much he sued the city for after completing the building? why it isn't really about to be the 100th anniversary of the Toronto Maple Leafs? what Union Station was missing when it opened? and a lot of other interesting tidbits?

Well, if you don't, you should have been at the National Club on July 21.

For more about Filey, see the [Toronto Sun](#), [Dundurn Publishing](#), or your favourite bookstore.

RM

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The Legislative Update

By Andy Manahan, PLE

CABINET SHUFFLE

As reported in the previous issue (Vol. 46 No. 1), a cabinet shuffle was expected in June as it would be the midpoint of the government's four-year mandate. On June 13th Premier Wynne announced a larger cabinet of 30 ministers (up from 27); representing more than half of elected Liberals.

At least partially taking a lead from Prime Minister Trudeau's gender equal cabinet, 40% of the Queen's Park ministers are now women.

While key posts such as Finance, Health, Environment and Climate Change and Transportation remain unchanged, a number of departures were announced by "old timers" in order to make way for new blood.

Seven MPPs are first-time ministers who primarily hail from ridings that will be pivotal during the 2018 election campaign.

NDP leader Andrea Horwath called the shuffle "a public relations exercise", while PC leader Patrick Brown was harder hitting: "After 13 years of Liberal scandal, mismanagement, and waste, this remains a stale, tired, and self-interested Government."

Sudbury MPP Glenn Thibeault, a former federal NDP member, was awarded the Energy portfolio.

Former energy minister Bob Chiarelli takes responsibility for a standalone Infrastructure ministry, a post he held previously when Dalton McGuinty was premier.

While Brad Duguid no longer has charge of infrastructure, he was given a re-named Ministry of Economic Development and Growth.

The Ministry of Municipal Affairs and Housing has been split in two with Bill Mauro looking after Municipal Affairs and newcomer Chris Ballard taking the lead in Housing along with the Poverty Reduction Strategy.

FAO REPORT

Are Ontario's budget forecasts accurate? According to Financial Accountability Officer Stephen LeClair, it is difficult to tell. As reported by the Globe and Mail, LeClair stated the Liberals have not provided key information: "the government doesn't reveal its underlying assumptions and forecasts used in the projections."

These specific examples were provided in the story:

- No cost or economic impact analysis was provided for individual infrastructure projects which are part of the 10-year plan.
- The province did not spell out how it arrived at its estimate of the value of the Hydro One partial sale.
- There was no access to detailed program-by-program spending to assess Health ministry cost forecasts.

Opposition party finance critics have asserted that:

"The government is using one-time money from asset sales, contingency funds and tax increases to artificially balance the budget in an election year" (Vic Fedeli, PC, as reported in the Globe and Mail, July 27, 2016)

"This government seems to have a problem with transparency and accountability and openness." (Catherine Fife, NDP, as reported in the Toronto Star, March 31, 2016)

As of March 31, 2016, Ontario's debt stood at \$296.1 billion. In another report, LeClair projected that the debt would

increase by \$50 billion in the next four years and that an interest rate hike could put the province's credit and "fiscal flexibility" at risk.

CLIMATE CHANGE ACTION PLAN

In early June, Premier Wynne, flanked by four of her key ministers announced the province's five-year Climate Change Action Plan at the Evergreen Brickworks in the Don Valley.

Early media coverage was mixed. Thomas Walkom of the Toronto Star called the plan "bold and, in places, vague" and pointed out that some measures such as electric vehicles are "relatively marginal." Click [here](#).

The headline of Jeffrey Simpson's column for the Globe and Mail summed it up humorously: "Ontario's green plan is policy on speed". Almost half the story outlined a "partial list" of the subsidies and regulations contained in the plan. He calls the cap-and-trade system "extraordinarily complicated" and "very expensive." Click [here](#).

Based on previous announcements and a leak of the plan in May, McGill University economics professor Chris Ragan wrote an op-ed in the Globe that a better way to proceed would have been to "put a serious price on GHG emissions" and then let the market participants figure out who will reduce emissions and by how much. Instead, Ragan points out, the government through its subsidy programs ends up picking winners and losers, which historically has not been a cost effective approach. A major "pick" is electric vehicles, with up to a \$14,000 subsidy per EV, along with a request to the federal government for full HST relief to purchasers of new battery EVs. Click [here](#).

It is estimated that Ontario's plan will result in proceeds of \$1.9 billion per year which will be used for various programs.

The federal government has also announced that it wants to set a national price on carbon by the end of 2016.

Andy Manahan is Executive Director of the Residential and Civil Construction Alliance of Ontario. He is also a member of AOLE's Board of Directors, and its Legislative Chair.