



MORE NEIGHBOURS
TORONTO

Dear Members of City Council,

RE: MM43.24 - Exploring Municipal Solutions to the Housing Crisis in Toronto

About More Neighbours Toronto

[More Neighbours Toronto](#) is a volunteer-only organization of housing advocates that believe in building more multi-family homes of all kinds for those who dream of building their lives in Toronto. We advocate for reforms to increase our city's ability to build more homes in every neighbourhood. We are a big-tent organization with members across the political spectrum who are committed to counterbalancing the anti-housing agenda that has dominated Toronto's politics, created an affordability crisis, has cost burdened a new generation of aspiring residents. We are firmly committed to the principle that housing is a human right and believe Toronto should be inclusive and welcoming to all.

Position

More Neighbours Toronto supports Councillor Matlow's motion to explore municipal solutions to the housing crisis. We ask that you **vote in favour**.

It is indisputable that there is a housing crisis in Toronto, driven primarily by a lack of supply of homes at every price level. Provincially, while the parties have different preferred policies, they have come to the consensus that we need to build 1.5 million homes in the next 10 years. This will require an intense ramping up on homebuilding, with support from all levels of government.

As Ontario's largest city, Toronto will have a large role in determining whether that goal is met or not, and whether the housing crisis gets better or gets worse. Municipal regulations, from zoning to taxation, are the primary barrier to building more homes. They need to change if there is any hope of tackling the housing crisis.

We need to gather more detailed data on the development pipeline. How many projects in the pipeline are stale, and would not be developed unless they go through another zoning amendment? What are the barriers to building new housing along the Bloor-Danforth subway, which remains relatively undeveloped along many of its stretches to this day? These are questions that need to be answered.

When it comes to taxation, the City should consider innovative ways to reform taxation that incentivize growth, and penalize land hoarding. The current property tax system has been around for a long time, but can be improved upon. There is no reason in 2022 to tax renters more by having a higher multi-residential tax rate. Land value taxes or parking lot taxes on unused land can discourage hoarding, speculation, and flipping, as well as incentivize building faster and efficiently.

While other tools like land transfer taxes have been explored for the purpose of capturing land values, these taxes do not necessarily encourage productive use and cause a decline in sales¹. A land value tax fixes this. Revenue neutral implementation can lower other taxes and DCs which would further promote more housing supply.

Sincerely,

Jacob Dawang and Saeid Hashemi
More Neighbours Toronto

¹ Dachis, Ben, Gilles Duranton, and Matthew A. Turner. "The effects of land transfer taxes on real estate markets: evidence from a natural experiment in Toronto." *Journal of economic Geography* 12, no. 2 (2012): 327-354.