
Subject: FW: Response from the Ministry of Municipal Affairs and Housing
Attachments: Bill 138 - Planning to Build Ontario Together Act, 2019.pdf

From: Batres, Raquel (MMA) <Raquel.Batres@ontario.ca> **On Behalf Of** Hall, Caspar (MMA)
Sent: February 19, 2020 10:40 AM
To: Iannicca, Nando <nando.iannicca@peelregion.ca>
Cc: Ballantine, John (MMA) <John.Ballantine@ontario.ca>
Subject: Response from the Ministry of Municipal Affairs and Housing

Hello Chair Iannicca,

Thank you for your letter regarding your concerns about the community benefits charges framework and Bill 138: the Plan to Build Ontario Together Act, 2019.

As you may know, the government has been consulting on proposed changes under Bill 108: the More Homes, More Choice Act through a technical working group and an online consultation through which the ministry sought input from Ontarians. The municipal technical working group included representation from Peel. We heard from our consultations that it is important to ensure there is transparency and accountability in the determination of the costs that form the basis of the community benefits charge.

The Ministry will continue to consult the municipal sector and other stakeholders again through a proposed 2nd posting on the Environmental Registry of Ontario for community benefits charges in the near future and we encourage you to submit any feedback and concerns that may arise.

Our government remains committed to reducing housing costs and overcoming barriers to build more housing, and for this reason we appreciate and thank you for bringing your concerns and feedback to the attention of the government.

Best regards,

Caspar Hall
Director
Municipal Finance Policy Branch
777 Bay Street, 13th Floor
Toronto, ON, M7A 2J3

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

Nando Iannicca
Regional Chair & CEO

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Letter to Minister Clark re: Bill 138

December 02, 2019

Honourable Steve Clark
Minister of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, ON M5G 2E5

**Re: The Community Benefits Charge Technical Working Group and the Bill 138:
Planning to Build Ontario Together Act, 2019.**

Dear Minister Clark:

I am writing to you to comment on *Bill 138: Planning to Build Ontario Together Act, 2019*. Please be aware that this letter is subject to endorsement by Region of Peel Council. A copy of the Council Report and resolution will be forwarded to your Ministry upon Council endorsement, for further consideration.

The Region of Peel supports the Province's goals of increasing housing supply and making housing more affordable for Ontario residents, as outlined in *More Home, More Choice: Ontario's Housing Supply Action Plan*. To this end, the Region has, over the last year, submitted comments to the Province on the Action Plan and the supporting legislation and regulations under *Bill 108: The More Homes, More Choice Act, 2019*, highlighting concerns about how growth will be financed in Ontario and the associated impacts on housing supply.

The Region has worked closely with its partner associations, the Association of Municipalities Ontario (AMO), the Municipal Finance Officers' Association (MFOA) and Ontario Regional and Single Tier Treasurers (ORSTT). It is in this spirit that the Region highlights and supports recommendations advanced by MFOA and ORSTT in a recent letter to Deputy Minister Kate Manson-Smith. They recommend:

- that the community benefits charge (CBC) consultation process be extended to ensure that the CBC capping formula is done right, rather than quickly; and further
- that information on CBC capping policy options and impact analysis results, developed by Provincial consultants, be shared with the wider CBC technical working group.

The Region appreciates the Province's willingness to act on municipal sector recommendations regarding development financing through *Bill 138*. In particular, the Region welcomes the Province's proposal to remove commercial and industrial developments from the development charge deferral. While these proposed changes in *Bill 138* are positive, they fall short of a commitment to municipal revenue neutrality.

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The Region has concerns about proposed changes in *Bill 138* to the *Planning Act* that would permit CBC by-laws and by-law amendments to be appealed to the Local Planning Appeal Tribunal (LPAT). Permitting CBC by-law appeals to the LPAT is likely to increase the overall number of appeals, creating significant revenue risks for municipalities in the form of delays and decreases in amounts payable, and increased administrative costs for municipalities and for LPAT itself. These added costs potentially undermine the goal of revenue neutrality for the new CBC regime.

Further, upon appeal of a CBC by-law, *Bill 138* states that it is not within the powers of the LPAT to increase a CBC amount, but the LPAT may decrease CBCs. This could result in appeals being used as a tool to reduce the amount of CBCs ultimately paid to the Region and local municipalities.

As a result of these concerns, the Region recommends:

- **that the Province comprehensively consider the administrative and financial impacts of introducing an LPAT appeal process for CBC by-laws and by-law amendments on municipalities, including CBC revenue neutrality; and**
- **that the Province review the proposed appeal provisions to allow the LPAT to increase the amount of a CBC if a by-law is appealed.**

Additionally, clarification is required on section 9.1 of the *Development Charges Act, 1997*, as amended. There is a risk of lost revenues for those municipalities who do not have separate DC by-laws for hard services and soft services with existing DC by-law(s) that are expiring between now and the CBC proclamation date.

The Region recommends that section 9.1 be relaxed so that municipalities are afforded the options of:

- **allowing the existing DC by-law to continue to be in effect for both hard service and soft services until ten (10) months after the proclamation of the CBC regulatory framework, or**
- **allowing the existing DC by-law to continue to be in effect for soft services until the proclamation of the CBC regulatory framework and passing a new DC by-law for the hard services.**

The Region remains concerned that without further consultation, future development charge and CBC revenue will not be adequate for municipalities to recover the costs of the infrastructure required to support growth in Peel. This would undermine the Region's principle that 'growth should pay for growth' and threaten the Region's ability to increase housing supply and choice. As you committed in your June 7th letter to the heads of municipal councils, municipalities must be kept whole in order to pay for needed growth infrastructure, and in turn, increase housing supply.

We look forward to continuing to work with the Province to address the issue of housing supply and affordability in Peel Region and across Ontario. Regional staff would be pleased to discuss and provide any clarifications or additional comments as required.

Kindest personal regards,



Nando Iannicca
Regional Chair & Chief Executive Officer

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