



October 8, 2020

Chair Iannicca and Members of Council
Region of Peel
10 Peel Centre Drive
Brampton, ON
L6T 4B9

RECEIVED

October 7, 2020

REGION OF PEEL
OFFICE OF THE REGIONAL CLERK

Dear Chair Iannicca and Members of Council,

Re: Region of Peel Development Charges Review – Public Meeting

On behalf of the members of our Peel Chapter, the Building Industry and Land Development Association ('BILD') would like to take this opportunity to thank your staff and your consultant team, Watson and Associates, GM BluePlan and IBI Group, for meeting with the Development Industry Working Group (DIWG) over the last few months to review the proposed policy and rate changes to the Regions's Development Charges (DC) by-law. As directly affected stakeholders and your community-building partners, we very much value and appreciate the engagement.

We are currently completing our assessment of the *2020 Development Charges Background Study* released on September 18th and additional capital program materials released on October 1st, alongside the DIWG and our consultants from Altus Group, RJ Burnside and Associates, and BA Group.

The DC Background Study proposes an average estimated increase of 16% for residential rates, and 6% to non-residential rates. Of the new proposed changes to the DC rates, the current large apartment charge of \$32,752.38 shows a significant 34% increase (or additional \$11,079). At this time, we would like note that we do not support the proposed DC increases and believe changes of this magnitude undermine government efforts, at all levels, to deliver additional housing choice.

We recognize that we have reached a significant milestone in this review as the materials are now being presented at this Public Meeting. Nevertheless, we underscore our concern with the substantial 34% increase to the large apartment housing category. It is our understanding that the average percentage change for the data underpinning the large apartments is inconsistent with the 34% increase. Large apartments are recognized as forms of housing that provide a more affordable choice for middle-income households, first-time homebuyers and seniors. As such, BILD and its members continuously encourage our regional partners to enable the timely delivery of these types of units. Most importantly, we ask regions to ensure that the charges associated with these units reflect their share of growth-related services and are categorized in a fair and equitable way that supports the region's affordable housing objectives. We look forward to better understanding this item as we look to continue our discussions with your staff and consultants.

Further to our comments above, there are also a number of assumptions in the DC background calculations that we are in a disagreement with and believe warrant further discussions with the Region.

Outlined below are a few of the concerns we have previously shared with staff, and hope to continue to work through: .

- Property is identified as a single \$234.3 million line item in the program, with no benefit to the existing community. Our understanding is that this reflects all of the property acquisition required for the entire roads program - our position remains that the property acquisition costs should be ascribed a BTE reduction.
- Concerns regarding the application of various contingencies and fees in the cost estimating framework - base unit rates for construction may be elevated anywhere from 45.5% to 102%.
- In 2017, the Region presented a wastewater treatment strategy to BILD regarding the expansion of the Booth and Clarkson plants. Based on our review it seems that the cost of the projects has increased since that time, and the calculated OBL and BTE have been reduced in the 2020 Capital Plan.
- Seeking clarification as to why most wastewater main projects are seeing their costs increase from the 2015 DC study by 100-300%.
- Costs for ROPA appeals (with a gross cost of \$4.8 million) are currently being included in the DC study. BILD believes that this item should be removed from the DC Study.

Lastly, in light of COVID-19 we urge Council to also consider the negative ramifications of an increase to the viability of development projects in a state of a recession, and its impact on the local economy. Business plans and operations have been disrupted by this pandemic, along with how individuals and households make future decisions on housing. The development and building industry is no exception. Many of our members have expressed challenges with planning future projects and securing the necessary labour and construction material - both of which have been significantly constrained during this period and are expected to continue to be in the foreseeable future. It is important that this review take into account the effects of the pandemic based on what is known today and request Council to give consideration for this.

We look forward to our continued, open dialogue on this subject. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Jennifer Jaruczek
Planner, Policy and Advocacy BILD

CC: Gavin Bailey, BILD Peel Chapter Co-Chair
Katy Schofield, BILD Peel Chapter Co-Chair
Paula Tenuta, BILD SVP Policy & Advocacy
Peel Chapter Members