Local HBA / Company Logo

March 30, 2020

#### John Ballantine

Municipal Finance Policy Branch

College Park 13th fl, 777 Bay St
Toronto, ONM7A 2J3

**Local HBA / Company Name: submission on proposed regulations under the*More Homes, More Choice Act, 2019* (Bill 108):**

# **ERO 019-1406** - Proposed regulatory matters pertaining to community benefits authority under the Planning Act, the Development Charges Act, and the Building Code Act

The\_\_\_\_\_\_\_ Home Builders’ Association / Company name is supportive of the *More Homes, More Choice Act, 2019* (Bill 108) and the *Housing Supply Action Plan*. The\_\_\_\_\_\_\_ Home Builders’ Association / Company name is a proud member / local association of both the Ontario Home Builders’ Association (OHBA) and the Canadian Home Builders’ Association (CHBA). [Include short bio of company and/or local HBA – the location, number of homes you build annually or over last decade, product type (singles, towns, midrise etc), number of employees, members etc]. The\_\_\_\_\_\_\_ Home Builders’ Association / Company name is responding to the regulatory consultation as the proposed Community Benefits Charges framework will have a profound financial impact for our company/members and ultimately home purchasers or renters in city/town/region.

While the\_\_\_\_\_\_\_ Home Builders’ Association / Company name is supportive of the *Housing Supply Action Plan* we have significant concerns regarding the February 28th environmental registry posting on the proposed community benefits authority under the *Planning Act* and *Development Charges Act* which may ultimately result in significant increases in fees and charges for new housing in city/town/region. This would make new housing and new rental units in our community much more expensive unless significant changes are made.

[OHBA Note: The local examples are most critical component of the letter]

For example: [please provide any local examples from your local HBA members or from your company. It is very important that the Ministry of Municipal Affairs and Housing receive actual numbers and scenarios from different jurisdictions and product types from across Ontario.]

We are recommending the provincial government address a number of specific issues to ensure a fair, balanced and transparent approach for the new Community Benefits Charges authority in support of housing supply and job creation are as follows:[feel free to customize the wording in the previous sentence]

* The CBC regulation must include a detailed ineligible services list for CBCs;
* The proposed cap (15% single tier and a combined 15% between upper and lower tier municipalities] represents a potential significant increase in government-imposed charges for new ownership and rental housing. Currently low-rise and greenfield housing in our community contributes a 5% land dedication towards parkland and contributes to growth related infrastructure through development charges[local HBAs or members may have to adjust this comment based on local policy and may want to include current DC figures for single family homes]. The proposed regulation moves a number of services initially proposed in the CBC back to hard development charges with 100% cost recoveryand there are few if any additional services that should be captured in the new CBC regime that would account for the other 10% of potential additional charges that could dramatically reduce housing affordability.
* There should be NO CBC for low-rise greenfield development. Growth should pay for growth and municipal revenue streams should be protected via Development Charges and[city/town/region]can require parkland dedication in accordance with section 51.1 of the Planning Act (A maximum 5% parkland dedication) for low-rise housing. This would ensure [local HBA members / company name]can work with our municipal partners to ensure we are building complete communities and providing physical parkland in our communities. The CBC framework should only apply to high density development.
* The proposed appraisal / land valuation date for low-rise housing at the building permit stage is flawed and must be amended. As currently proposed the appraisal and valuation would occur when the land value is the highest after the development proponent has built and paid for significant infrastructure into the ground. In essence, the CBC as proposed would tax the capital invested by the developer. Furthermore, as currently proposed the appraisal and valuation would occur AFTER the homes have already been sold, thus there is no certainty or predictability for either businesses or consumers potentially resulting in significant adjustments on closing for purchasers over and above what they paid for the home.The CBC payment should be calculated as the value on thedayprior to approval of a development application(site plan control, zoning bylaw amendment, and consent to sever applications or draft plan of subdivision application wherethereis no siteplan application).
* Lastly service standards must be applied for municipal implementation of CBC by-laws and strategies. There must be a robust framework in place to ensure fairness, accountability and transparency for the new CBC framework

\_\_\_\_\_\_\_ Home Builders’ Association / Company namehas been supportive of this provincial governments initiatives to address [name the city/town/region] housing supply challenges that are making both home ownership and rental housing unaffordable. However we are very concerned that the regulatory posting as proposed will result in *significant* increases in government imposed charges for low-rise housing.\_\_\_\_\_\_\_ Home Builders’ Association / Company name looks forward to working with the Ministry and all stakeholders to establish a fair CBC framework.

Sincerely,