August 21, 2019

# The Honourable Steve Clark, M.P.P., Minister of Municipal Affairs and Housing

Ministry of Municipal Affairs and Housing

777 Bay Street

Toronto, Ontario

M5G 2E5

# Re: ERO 019-0184

Dear Minister:

This submission represents the City of Burlington’s comments in response the proposed changes to O. Reg 82/98 under the Development Charges Act related to Schedule 3 of *Bill 108 – the More Homes, More Choice Act, 2019.*

**1.** Transition

The Minister proposes that the specified date for municipalities to transition to community benefits is January 1, 2021.

From this date to beyond:

•Municipalities would generally no longer be able to collect development charges for discounted services

**City of Burlington Comments**

The transition period for soft services is clearly defined as of January 1, 2021. It is unclear if this date is applicable to all other DCA provisions of Bill 108 and further clarity is required to determine if DC by law amendments for collections and statutory exemptions can take effect at the same time.

DC background study update should not be required to amend the DC by law to exclude soft services and meet new legislative requirements. As well but should not be subject to a background study, with no public meeting should be required and no right to appeal.

**2.** The Minister proposes that the types of developments proposed for development charge deferrals be defined as follows:

• “Rental housing development” means construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for residential purposes with four or more self-contained units that are intended for use as rented residential premises

• “Non-profit housing development” means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for residential purposes by a non-profit corporation.

• “Institutional development” means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for:

•long-term care homes;

•retirement homes;

•universities and colleges;

•memorial homes; clubhouses; or athletic grounds of the Royal Canadian Legion; and

•hospices

• “Industrial development” means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for:

•manufacturing, producing or processing anything,

•research or development in connection with manufacturing, producing or processing anything,

•storage, by a manufacturer, producer or processor, of anything used or produced in such manufacturing, production or processing if the storage is at the site where the manufacturing, production or processing takes place, or

•retail sales by a manufacturer, producer or processor of anything produced in manufacturing, production or processing, if the retail sales are at the site where the manufacturing, production or processing takes place.

• “Commercial development” means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for:

•office buildings as defined under subsection 11(3) in Ontario Regulation 282/98 under the Assessment Act; and

•shopping centres as defined under subsection 12(3) in Ontario Regulation 282/98 under the Assessment Act.

**City of Burlington Comments**

Clarification is required regarding whether there will be provincial support to a municipality that is required to undertake significant infrastructure upgrades at the time of development approval of a development of the defined types, for which development charges may not be collected for several years.

The Bill proposes that the deferral of DC’s over a term of 5- or 20-years dependant on the type of development. The likelihood of the landowner changing during the deferral term is high; therefore, an instrument for the municipality to track the changes in ownership to ensure continued payment is required. Furthermore, there is the possibility for a change in use during the payment term that will have an impact. In two-tier municipalities the city, region and education should be treating these situations the same to ensure consistency. The province should provide detail on how this will be ensured.

The province should clarify the definitions on the types of development (rental, non-profit, industrial, and commercial development).

The City of Burlington operates in a two-tier structure and administers the charge for education and Halton Region. There should be consistency on collection, default terms, interest rates, securities etc.

Rental & Non-Profit Housing: mechanisms should be put in place to ensure that the development stays as originally intended over the payment term. The city currently does not have any mechanisms to impose such requirements. The province should clearly define what constitutes a non-profit.

Institutional Development: The province should clearly define what constitutes an institutional development. Long term care and retirement homes can be both non-profit or private (profit) developments, clarity should be provided to determine if the deferral is extended to both.

In the case of universities and colleges does the exemption only relate to academic space? Housing space should not be exempt as it relates to the institution. Clarification from the province is required.

Commercial Development: Based on the regulation the deferral is only applicable to certain types of commercial development, need confirmation that all other types of commercial development will continue to be charged at time of building permit and deferral is not applicable. Clearly define commercial development.

**3.** In order to encourage development to move to the building permit stage so that housing can get to market faster and provide greater certainty of costs, the Minister is proposing that the development charge would be frozen until two years from the date the site plan application is approved, or in the absence of the site plan application, two years from the date the zoning application was approved.

**City of Burlington Comments**

After the two-year period has passed, there should be no further opportunity for another two-year period on the proposed development. The DC should be re-calculated at building permit with the rate in effect at that time.

**4.** The Minister is not proposing to prescribe a maximum interest rate that may be charged on development charge amounts that are deferred or on development charges that are frozen.

**City of Burlington Comments**

The city supports no prescribed maximum interest rate. However, consistency between the City of Burlington, Halton Region and education, needs to be established.

**5.** The existing O. Reg. 82/98 prescribes existing single detached dwellings, semi-detached/row dwellings and other residential buildings as buildings in which additional residential units can be created without triggering a development charge and rules related to the maximum number of additional units and other restrictions. It is

proposed that this regulation be amended so that units could also be created within ancillary structures to these existing dwellings without triggering a development charge (subject to the same rules/restrictions).

It is also proposed that one additional unit in a new single detached dwelling; semi-detached dwelling; and row dwelling, including in a structure ancillary to one of these dwellings, would be exempt from development charges.

It is also proposed that within other existing residential buildings, the creation of additional units comprising 1% of existing units would be exempt from development charges.

**City of Burlington Comments**

The province should clearly define dwelling type terms: row dwellings, ancillary structures and “other residential buildings”.

The province should also clarify if the 1 per cent of existing units relates to the existing GFA footprint, and whether it applies to structures that are separate from the existing building.

Thank you for providing the opportunity for the City of Burlington to comment on these regulations.

Respectfully submitted,

Helen Walihura

Government Relations Specialist