**DEVELOPMENT CHARGES ACT**

On behalf of the County of Middlesex, I thank you for the opportunity to provide input on the proposed More Homes Built Faster Act and related Provincial changes. This submission relates to the proposed changes to the Development Charges Act.

It is acknowledged that the provision of housing is important and that municipalities play a key role in increasing the supply of housing while building complete and sustainable communities. Even a few years ago the question of housing affordability would have been a low priority for our community as this challenge was largely an issue for our large urban neighbour. This is no longer the case as our rural and small urban County has significant housing affordability and attainability challenges that in many respects have outpaced our urban neighbour.

Within the context of Middlesex County, it must be stated that rural and small urban municipalities struggle to fund the infrastructure necessary to support growth. Part of the answer might be the continued and focused provincial infrastructure funding for rural and small urban municipalities that are accommodating growth and thereby providing housing choices to Ontarians that want to live in the diverse communities found within rural Ontario.

Rural and small urban municipalities often rely on Development Charges (DCs) for the funding of infrastructure and any changes to the Development Charges Act should be considered through a rural and small urban lens so as not to be lost in changes proposed to address GTA challenges. The loss of local DCs may slow the ability of rural Ontario to accommodate growth and support the provision of more housing while at the same time shifting costs to taxpayers.

We would generally support the comments provided by the Association of Municipalities of Ontario (AMO) concerning the impacts on how municipal governments will fund growth as a result of the proposed changes. We generally support AMO’s position on the removal of Schedule 3 from the Bill in the absence of any commitment that the Province offset the costs of growth that would largely be shifted from the development industry to municipalities. Further, we generally support the AMO recommendation that calls upon the province to provide major infrastructure funding to municipalities to support the government’s goal of building 1.5 million homes by 2031.

While the County of Middlesex does not currently collect upper-tier development charges, several proposed changes are likely to affect local municipality’s ability to collect funds associated with the costs of growth. The proposed changes to the development charges act would largely shift costs associated with growth to Middlesex County residents. The proposed DC exemptions, interest rate ceilings, changes to eligible costs and the phasing in of DC rates will result in fairly significant revenue losses. Several proposed changes would also affect how municipalities implement DC by-laws, which may also result in increased administrative costs for municipalities. The proposed removal of housing services as an eligible DC cost, unless offset by Provincial funding, appears to be at odds with the goal of creating homes for people of all abilities to pay.

The proposed definitions for affordable residential units, both rental and ownership, are based on market conditions as opposed to the current framework in the PPS, which is largely based on gross annual household income. The proposed definitions and their thresholds may inadvertently incentivize the development of ownership housing as opposed to rentals and exempt developers from DCs, parkland dedications and CBCs for housing that is not affordable to those with low to moderate incomes. The proposed definition for attainable housing lacks clarity and would appear to enable developers to be exempt from DCs, parkland dedications and CBCs based on a vague set of criteria. Further, the proposed legislation would essentially include a sunset clause that would only require affordable residential units to remain as such for a 25-year period.

Yours truly,



Bill Rayburn

 Chief Administrative Officer