



September 26, 2024

Municipal Finance Policy Branch
College Park 13th flr, 777 Bay St.
Toronto, ON
L6Y 4R2

Attn: Ruchi Parkash, Director, Municipal Finance Policy Branch

**Re: Kaneff Group Letter of Support (ERO number: 019-9198)
Enabling the Use of Pay-on-Demand Surety Bonds to Secure Land-Use
Planning Obligations under Section 70.3.1 of the Planning Act.**

In response to ERO posting 019-9198, we would like to express our support to implement pay-on-demand surety bonds as an alternative to Letters of Credit (LOC) for home builders.

We commend the advocacy efforts on behalf of the Ontario Home Builders Association and the commitment that has been made by the Ministry of Municipal Affairs and Housing to modernize how new housing approvals are administered.

As a developer and home builder, we are focused on delivering much needed purpose-built rental housing throughout the GTA. We can appreciate the proposed regulatory revision to Sec 70.3.1. of the *Planning Act* to allow for greater flexibility to secure municipal obligations that are conditions of land-use planning approvals. Currently, Letters of Credit tie up a homebuilder's capital and prevent that capital from being invested in new housing projects. The acceptable use of pay-on-demand surety bonds will provide municipalities with the necessary assurances to secure development approvals while providing the home builder with great financial flexibility. The use and acceptance of pay-on-demand surety bonds will support further investment in new home construction and will help to increase the supply of housing in Ontario.

Furthermore, we encourage the Ministry to implement a transition provision that would allow home builders to transition existing Letters of Credit to pay-on-demand surety bonds.

We appreciate the opportunity to provide our comments on this new regulation and we encourage the Minister of Municipal Affairs and Housing to amend the Planning Act accordingly.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Freeman'.

Kevin Freeman, MCIP, RPP

Director of Planning & Development
Kaneff Group
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