



Via Email: MFPB@ontario.ca

October 16, 2024

RE: Environmental Registry of Ontario Posting 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”

Thank you for the opportunity to provide comments on the above noted proposal. Middlesex Centre is one of the fastest growing municipalities in Southwestern Ontario for a population of its size and consists of four rapidly growing settlement areas: Arva, Delaware, Komoka-Kilworth and Ilderton. We are actively working to find efficiencies and innovations to support our shared goals of addressing the housing crisis and bring more housing to the market.

With the respect to the proposed Regulation enabling the use of Pay-on-Demand Surety Bonds, we understand that the development community may view the use of pay-on-demand surety bonds as being more flexible and y freeing up capital to contribute to building more homes. Middlesex Centre does want to highlight the added risks and administrative burden for municipalities arising if required to receive these forms of security.

Municipalities are continuing to face financial pressures now more than ever, particularly with respect to funding the infrastructure required to support both new and existing residents. The use of these securities has the potential to place an additional financial burden on taxpayers which should be avoided.

Of the utmost importance is for municipalities to maintain their discretion in determining when there is a default in performance guaranteed under the performance bond.

We have attached the submission from the Municipal Finance Officers' Association of Ontario, of which we are members, which contains several practical considerations. We urge the Province to consider these recommendations should it move forward with the proposal, including appropriate regulations, guidelines, and education surrounding the use of these forms of securities.

Thank you again for the opportunity to provide input.

Sincerely,
Michael Di Lullo, Chief Administrative Officer,
Municipality of Middlesex Centre

Encl. MFOA ERO 019-9198 Submission dated October 15, 2024