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November 21, 2025

RE: MFOA's Submission on Bill 60, Fighting Delays, Building Faster Act, 2025 (25-MMAH018 and 25-MMAH030)

I am writing on behalf of the Municipal Finance Officers' Association of Ontario (MFOA), and the municipalities it serves, to provide comment on the changes to the *Development Charges Act, 1997* (DCA), under Bill 60, *Fighting Delays, Building Faster Act, 2025* (Bill 60).

MFOA was established in 1989 to represent the interests of municipal finance professionals across the province. Our membership includes more than 4,500 individual members who are responsible for handling the financial affairs of municipalities and are key advisors to councils. Throughout our history, MFOA has been a strong advocate for best practices that encourage long-term financial sustainability in the municipal sector.

This letter contains MFOA's commentary on 25-MMAH018 and 25-MMAH030 with respect to changes to the DCA under Bill 60. MFOA acknowledges that many of the proposed changes in Bill 60 stem from Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, and many of the recommendations herein echo MFOA's Bill 17 submission.

As growth-related capital works often entail land acquisition, all growth-related land costs should be fully recoverable by municipalities through development charges

Municipalities often need to acquire land as the first step in building infrastructure to support growth. Subjecting land to historical level-of-service caps is a common concern with respect to development charges (DCs). Greater transparency in how land cost estimates are determined for DC background studies can foster better understanding between developers and municipalities.

The proposal to develop a new class of service for land acquisition for almost all DC-eligible services enables municipalities to continue collecting DCs for land acquisition. MFOA appreciates that the Province has acknowledged, through this proposal, land acquisition cost recovery as essential to municipalities' efforts to facilitate housing development. MFOA maintains the position that to get shovels in the ground,

municipalities need the ability to recover growth-related land acquisition costs through DCs.

However, MFOA is concerned about land acquisition costs remaining a contentious issue respecting DCs. Should the Province propose changes to the new land acquisition costs class in the future, MFOA recommends that the Province consult with all relevant stakeholders to explore approaches that support municipalities and developers equitably. Any limitation to the recovery of growth-related costs through DCs will result in an increased funding gap that will slow the construction of growth-related infrastructure and thus housing development.

MFOA supports the changes to the treasurer's statement, as they enhance transparency and accessibility

As public sector entities accountable to the public, municipalities are responsible for making financial documents such as budgets, auditor reports, and Financial Information Returns readily and publicly accessible. MFOA supports the proposal to expand the treasurer's statement to include additional details on DC reserve funds and debt issued for individual capital projects. Enhancing transparency for these statements will strengthen the DC regime by creating a better understanding of how DC reserve funds are allocated and spent within each municipality.

MFOA accepts the proposed timelines as reasonable for annual submissions of treasurer's statements, namely to council by June 30 and to the Minister by July 15. While this entails added administrative burden for staff, MFOA believes that cost to be outweighed by the benefits of enhanced accessibility and transparency. Recognizing that municipal staff may require time to adjust their processes, MFOA recommends that any enforcement measures for delayed treasurer's statements be broadly communicated by the Province well ahead of the June 30 and July 15 deadlines.

MFOA supports the requirement for local service policies, but seeks clarification on the application of proposed subsection 59(2.2)

Bill 60 proposes to mandate local service policies, which are used by many municipalities to guide their use of the *Planning Act, 1990*, to require developers to install local services as a condition of development. In general, MFOA supports this proposed change, as it will enhance transparency and improve clarity on funding responsibilities between municipalities and developers. While Bill 17 provided the Minister with regulation-making authority to define local services, MFOA is pleased that Bill 60 maintains flexibility for municipalities to define local services and to tailor local

service policies to their particular circumstances. Variation in local service needs across Ontario reflects the diversity of municipalities in terms of structure, geography, size, density, etc. Imposing rigidity on local service policymaking would only impair municipalities' ability to facilitate growth and development.

Consistent with that position, MFOA's interpretation of subsection 59(2.2) in terms of its inapplicability to a service is as follows: (i) if a service is not included in a DC by-law (which includes the case of there being no DC by-law altogether), then a local service policy is not required for the service; and (ii) if a service is included in a DC by-law but no part of the service will be provided as a local service, then no local service policy is required for the service. MFOA asks that the Province concur with this interpretation or otherwise clarify the circumstances under which subsection 59(2.2) does not require a local service policy for a service.

Proposed subsection 59(2.5) should be amended to refer to subsections 59(2.6) instead of subsection 59(2.8)

Bill 60 amends section 59 of the DCA to implement the proposed local service policy mandate. Subsection 59(2.5) provides that municipalities may impose local service requirements only if the work for the provision of a local service is identified in a local service policy. Subsection 59(2.5) currently refers to subsection 59(2.8), which requires a municipality to provide a copy of its local service policy to the Minister of Municipal Affairs and Housing.

However, because the context indicates that the reference is meant to restrict the application of subsection 59(2.5), MFOA is of the view that the reference is a typo and should instead be to subsections 59(2.6), which are designed to restrict the application of subsection 59(2.5). Given the absence of negation terms such as "despite" or "notwithstanding" in subsections 59(2.6), it seems to MFOA that the reference therein to subsection 59(2.8) should instead be to subsections 59(2.6). Otherwise, the Province should clarify how the reference to subsection 59(2.8) in subsection 59(2.5) is necessary and proper.

To support municipalities further, the Province should develop guidance and best practices for benefit-to-existing (BTE) calculations

BTE calculations refer to those made in DC background studies to allocate capital costs between new and existing development, as per paragraph 6 of subsection 5(1) of the DCA. In the Technical Briefing for Bill 17, the Province indicated that it may prescribe a methodology for the determination of BTE. MFOA has previously stated that any

prescription or standardization of BTE calculation methodology must be carefully developed in consultation with municipalities to avoid imposition of one-size-fits-all measures.

MFOA appreciates that the Province is, through proposal 25-MMAH030, maintaining flexibility in BTE calculation methodology under the regulations of the DCA. Instead of prescribing such a methodology, the Province is proposing that DC background studies be required to describe the BTE calculation methodologies employed therein. This approach improves transparency of BTE calculations without prescribing an associated methodology, avoiding the adverse consequences that would invariably arise under a prescriptive approach.

As the Province's intent here is to enhance clarity, MFOA recommends that the Province develop guidance and best practices, informed by real-world examples, on BTE calculation methodologies. Guidance and best practices, as opposed to prescription, are ideal for encouraging municipalities to adopt more robust BTE calculation methodologies while respecting the need for flexibility to account for variation in local circumstances. This approach is similar to that taken by the Government of British Columbia with its *Development Cost Charge Best Practice Guide*.

Any future proposals to merge municipal service categories for DC credit purposes should be preceded by consultation with municipalities

Bill 17 created regulation-making authority for the Lieutenant-Governor in Council to merge municipal services for the purpose of DC credits. Under regulatory posting 25-MMAH030, the Province is proposing to merge water supply services and wastewater services for the purpose of DC credits. MFOA notes that for some municipalities this may entail a significant risk to their cash flow and thus their ability to pay for capital works not directly provided by developers.

For that reason, MFOA stresses that the Province consult municipalities before making any future proposals to merge services for DC credit purposes. Such mergers must be aligned with municipal needs and they should not result in cash flow constraints that could delay growth-related capital projects and thus development.

With respect to future legislative and regulatory changes relating to the DCA, ample notice of proposals and reasonable transition periods should be provided

Beginning with the *More Homes, More Choice Act, 2019*, the DCA underwent extensive change during 2019-2025 with the intention of getting homes built faster. Upon its

passage, Bill 60 will be the eighth time the DCA has been amended over the course of just 6.5 years. From 2019 to mid-2025, the DCA was amended by seven distinct laws:

- 1) More Homes, More Choice Act, 2019
- 2) Plan to Build Ontario Together Act, 2019
- 3) Coronavirus (COVID-19) Support and Protection Act, 2020
- 4) COVID-19 Economic Recovery Act, 2020
- 5) More Homes Built Faster Act, 2022
- 6) Cutting Red Tape to Build More Homes Act, 2024
- 7) Protect Ontario by Building Smarter and Faster Act, 2025

While tackling Ontario's housing crisis may call for decisive action, proceeding with legislative or regulatory reform too aggressively or too quickly risks not only unintended adverse consequences but also failure of reform to align with and achieve intended outcomes.

This is evidenced by the fact that several amendments made to the DCA during 2019-2022 were later reversed in 2024 by Bill 185. It is further evidenced by MFOA's observation that DC-related reform over 2019-2025 forced municipal staff to revise their processes, policies and by-laws relating to the calculation and collection of DCs several times, resulting in confusion among municipalities and developers. Such confusion not only impedes municipalities' ability to deliver growth-enabling capital works in a timely fashion, but also raises uncertainty in the development sector and thus delays housing production.

The changes proposed in Bill 60 and Proposal 25-MMAH030, as they relate to the DCA and its regulations, will oblige municipalities to revise their DC-related processes, policies and by-laws yet again. Even when municipalities are not opposed to such change, they still require reasonable notices of proposed changes as well as reasonable transition periods to properly plan for and implement changes.

An immediate case in point would be implementation of the federal government's recently announced Build Communities Strong Fund, which includes incentives for provinces to reduce DCs. MFOA strongly encourages the Province to engage in meaningful consultation with municipalities before it acts on those incentives or moves to force reductions in DCs. Meaningful consultation requires open dialogue among stakeholders over a reasonable period of time.



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MFOA would be pleased to elaborate on any of the recommendations included in this submission. Should your staff have the need to follow up, please contact MFOA's Executive Director, Donna Herridge, by phone (416-362-9001) or by email (donna@mfoa.on.ca).

Yours truly,

A handwritten signature in blue ink that reads "Adam Found".

Dr. Adam Found, PhD, PLE
President and Chair, MFOA