



PARKS AND RECREATION ONTARIO

**RESPONSE TO THE PROPOSED BILL 108:
MORE HOMES, MORE CHOICE ACT**

**SCHEDULE 3: AMENDMENTS TO THE DEVELOPMENT CHARGES ACT
(ERO 019-0017)**

SCHEDULE 12: AMENDMENTS TO THE PLANNING ACT (ERO 019-0016)

May 31, 2019
Parks and Recreation Ontario
1 Concorde Gate, Suite 302
Toronto, ON M3C 3N6
www.prontario.org

About Parks and Recreation Ontario

Parks and Recreation Ontario (PRO) is a non-profit association that advances the health, social and environmental benefits of quality recreation and parks through evidence-based practices, resources and collaborative partnerships. We envision a future for Ontario where every person has equitable access to vibrant communities, sustainable environments, and personal health.

PRO represents over 6,500 members in municipalities, as well as non-profit recreation and parks, health promotion, sport, public health, education, and other related sectors. PRO's municipal members provide recreation and park services and facility access to more than 85% of Ontario's population in all parts of the province.

Introduction

Parks and Recreation Ontario supports the government's plan to make housing more attainable for Ontarians through increased housing options, while still protecting the province's cultural heritage assets and environmentally sensitive areas.

However, PRO and its municipal members are concerned that the changes proposed in Bill 108 may not support these objectives. The amendments could have a significant negative impact on people in Ontario.

Bill 108 as proposed by the government fundamentally affects municipalities' ability to plan and build complete, livable communities as outlined in the recently amended Growth Plan and the Provincial Policy Statement (PPS). In particular, the elimination of discounted soft services from the Development Charges Act, along with the changes to sections 37 and 42 of the Planning Act, will limit municipalities' capacity to provide adequate and equitable park, recreation, library and other infrastructure to their residents. These are the community assets that enhance quality of life and provide economic benefit to both the municipality and the province.

A strong economy is built on vibrant communities where people live, work, and play, and where businesses thrive. Recreation and parks are at the heart of every community: they contribute to the health and well-being of citizens, promote community engagement, and stimulate the local and provincial economy. Ontarians know this. Ninety-eight percent of citizens believe that recreation and parks are vital services that benefit the whole community (Parks and Recreation Ontario study). Ontario's municipal parks also play a role in environmental health: they are an important part of our storm water infrastructure, reduce the effect of heat islands in cities, and help improve air quality. Parks and trails promote active transportation and offer places for kids to play and participate in sports. The health and wellbeing of our citizens are in jeopardy if municipalities do not have the proper fiscal tools to create complete communities.

In response to these issues, PRO worked with its municipal partners on this submission and has focused comments on Schedules 3 and 12 of Bill 108.

Schedule 3: Proposed Amendments to the Development Charges Act

1. Consultation

The 1997 Development Charges Act was created through extensive consultation with municipalities and developers, with the fundamental philosophy that growth pays for growth. The current proposed legislation was drafted without municipal consultation, yet the broad scope of the changes will have a significant impact on the way municipalities can provide essential community infrastructure.

Recommendations: Delay and Consult

PRO joins municipalities and stakeholders across Ontario in calling on the government to halt the legislative advancement of Bill 108.

PRO also asks that the government immediately undertake a fulsome consultation with municipalities to ensure that the proposed changes are supported by evidence and adhere to principles of good planning for complete communities.

2. Housing Affordability and Development Charges

The government has been presented with conflicting data regarding the **actual** impact of development charges (DCs) on housing prices. Data collected by municipalities (as presented by AMO) show that DCs account for between 5-7% of the cost of a new home. Developers claim it is a much higher percentage, sometimes based on hypothetical scenarios. A recent study conducted in the City of Mississauga revealed that the proportion of DCs as a percentage of overall housing prices has actually decreased over time. The average new home price of a single/semi-detached home has increased from approximately \$581,000 in 2010 to \$1,618,000 in 2018. However, the proportion of that sale value attributed to DCs declined from 6.5% in 2010 to 5.5% in 2018. Clearly, in this case, DCs are not driving up housing prices.

PRO's stakeholders are very concerned that the gap created by removing soft services from DCs will have long-lasting and widespread consequences resulting in inequitable access to these services. All services are important to residents and none should be excluded. Many municipalities support keeping soft services under the DC Act. Without further information on how Community Benefits Charges (Schedule 12) will be implemented, it is impossible to judge the full impact of these changes.

Recommendation: Recognize Recreation

In order to maintain the principle that growth pays for growth, continue to recognize parks and recreation facilities as core infrastructure and preserve their inclusion, along with other soft services, within the Development Charges Act.

3. Payment Schedules

Municipalities have raised concerns about both the proposed deferring of DC payments for some types of new development and the new rules for when the amount of a DC is determined. These will have a significant impact on municipal debt and cash flow. Freezing DC rates earlier in the approvals process could increase speculation, and would not reflect changes in land values between application and permitting. Payments in instalments would cause issues for cash flow and reliance on debt financing.

Recommendation: Payment Schedules (ss8(1) and related clauses)

Delete provisions to delay development charges payment obligations and preserve the concurrent calculation and payment of development charges.

4. Transition Timelines

PRO's stakeholders are concerned that the timelines for transition and implementation will result in lost revenue and other challenges. The province must allow adequate time for consultation on the regulations for this legislation and then additional time for municipalities to develop new strategies and by-laws related to Community Benefits Charges, should these be enacted.

Recommendation: Timing

The province should not repeal the parkland and community infrastructure component of the DC Act before municipalities complete their Community Benefits Charge Strategy and By-law.

Schedule 12: Planning Act

PRO's stakeholders raised several concerns about the proposed amendments to the Planning Act, including:

- Shortened timeframes for approvals processes, potentially making it more challenging to process complex applications;
- Lack of clarity on the application of the new Community Benefits Charge (CBC) where land values vary in a municipality;
- Basing CBC on prescribed value of land (with a cap to be determined in regulation);
- Lack of clarity on the use of Section 42 as it relates to the new CBC;
- Removal of parkland dedication mechanisms.

Community Benefits Charge

The Bill proposes a new Community Benefits Charge (CBC) to address the removal of soft services from the Development Charges Act. PRO recommends keeping soft services within the DC Act, as there are several issues with the CBC legislation as it is currently drafted:

1. It puts an unnecessary administrative burden on municipalities as they will now have to manage two separate processes for growth related infrastructure.
2. Land value is not correlated to the provision of soft services. The legislation does not appear to allow municipalities the flexibility and responsiveness required where land values may vary in different areas.
3. A provincially-mandated cap for CBCs could limit development of facilities required for complete and healthy communities. A governmental appeals process allowing a municipality to exceed the cap would add further administrative burdens.

Recommendation: CBC Cap

Should the CBC come into force, stakeholders do not support the linking of land value and the provision of soft services. If this approach is legislated, the CBC cap rate must be created in consultation with municipalities. As well, municipalities must have a mechanism to exceed the cap where warranted, in addition to a fair appraisal appeal process.

Recommendation: Reframing

Should the government proceed with CBCs, PRO supports the City of Toronto's recommendation of reframing the Community Benefits Charge as a Community Facilities Charge to better recognize that community facilities are necessary infrastructure needed to support development.

Recommendation: Revenue Neutrality

PRO also supports the recommendation by the City of Toronto and other municipalities to enshrine revenue neutrality in the proposed legislation and if not, create a municipal compensation fund to support municipalities whose revenues decline under the proposed Community Benefits Charge regime.

Parkland Dedication and Density Bonusing

Bill 108 does not recognize that parks are a critical piece of municipal infrastructure. The importance of green space is already central to both the PPS and the Growth Plan. The proposed amendments to Sections 37 and 42 of the Planning Act are critical issues for PRO's stakeholders: moving all soft services from DC legislation into the new Community Benefits Charge means unnecessarily doubling municipalities' administrative work, while new challenges in acquiring adequate parkland could reduce communities' access to green space.

Lack of Clarity and Inequitable Access

In PRO's interpretation of the Bill, municipalities will now have to choose between requiring parkland dedication and using the new Community Benefits Charge. As well, the removal of the ability to acquire more parkland based on density is a dramatic departure the fundamentals of good land use planning. The percentages stated in Section 42 will not generate enough parkland to support the need created by intensified development and will lead to inequitable access to parks across communities.

Recommendations: Parkland

PRO's stakeholders believe that municipalities should have community benefits and parkland dedication mechanisms to achieve complete communities. PRO proposes several amendments protecting municipalities' ability to provide parks, which are critical to our economy, our communities and our people:

- Maintain the ability of municipalities to secure the conveyance of land for parks as in current Sections 37 and 42 of the Planning Act;
- Clarify that if a municipality secures conveyance of land for a park, the Community Benefits Charge will not include payment in lieu for the same parkland;
- Clarify that municipalities can require in-kind contributions (i.e. land for parks);
- Maintain the ability of municipalities to require parkland dedication for residential development and redevelopment based on density (i.e. number of units), rather than just the 5% as outlined in the Bill, in order to ensure equitable access to parkland for all people.

Conclusion

Bill 108 presents a number of additional challenges not addressed in this submission. PRO's municipal stakeholders have outlined many more proposed amendments regarding the LPAT, Inclusionary Zoning, Conservation and Heritage. An overriding concern is that there is an erosion of any deference for municipal planning and heritage decisions, along with potentially significant financial implications in the provision of soft services.

PRO appreciates the opportunity to present our recommendations to both the Standing Committee on Justice Policy, and the Ministry, through the ERO. PRO looks forward to the government's response to stakeholder feedback and to further consultations on the Bill. Finally, PRO is willing to work with the government to ensure the legislation meets Ontarians' need for healthy, vibrant communities.

For additional information, please contact:

Diane English, Director of Policy and Communications

Parks and Recreation Ontario

denglish@prontario.org

416-426-7306