

**ORCA SUBMISSION**  
**COMMUNITY BENEFIT CHARGES EXEMPTION**  
**REGULATORY PROPOSAL**

**MINISTRY OF** MUNICIPAL AFFAIRS AND HOUSING

John Ballantine, Manager  
Municipal Finance Policy Branch  
Ministry of Municipal Affairs and Housing  
13<sup>th</sup> Floor, 777 Bay Street  
Toronto, ON  
M5G 2E5

**August 21, 2019**

## **ABOUT THE** ONTARIO RETIREMENT COMMUNITIES ASSOCIATION

Since 1977, the Ontario Retirement Communities Association (ORCA) has been the voice of Ontario's retirement communities and we remain committed to setting a standard for operational excellence in the sector.

ORCA represents over 96 per cent of all licensed retirement community suites in Ontario, with members caring for nearly 60,000 seniors who choose to call retirement communities their home.

Further, ORCA members employ over 28,000 Ontarians who are steadfast in their devotion to the difference the sector can make to each of its residents.

Retirement communities are regulated by the *Retirement Homes Act, 2010* and are licensed and inspected by the Retirement Homes Regulatory Authority (RHRA). Each retirement community can offer up to thirteen care services, including but not limited to assistance with dressing, assistance with personal hygiene, medication management and provision of a meal.

Caring for seniors is our most important job and we take that responsibility very seriously.

This submission has been prepared on behalf of ORCA's membership.

Submitted by the  
**Ontario Retirement Communities Association**

2401 Bristol Circle, Suite 202  
Oakville, ON L6S 5S9  
1 (888) 263-5556

**Cathy Hecimovich**  
*Chief Executive Officer*  
cathy@orcaretirement.com  
1 (905) 403-0500 ext. 222

**Kari Cuss**  
*Director, Corporate & Public Affairs*  
kari@orcaretirement.com  
1 (905) 403-0500 ext. 229

**Jack Sullivan**  
*Government Relations Specialist*  
jack@orcaretirement.com  
1 (905) 403-0500 ext. 236

## INTRODUCTION

The Ontario Retirement Communities Association (ORCA) welcomes the opportunity to participate in consultation on the new regulation pertaining to the community benefits authority under the *Planning Act*. ORCA appreciates the government's initiative to increase the supply of purpose-built housing and believes that the *More Homes, More Choice Act, 2019* has taken considerable steps to address the cost of housing felt by seniors.

The costs associated with the construction of new seniors housing options has risen significantly over the last two decades, including the cost of land, materials, design, construction and development charges. These costs often slow potential developments and, in some cases, have proven prohibitive to new developments.

More concerning is what increased costs means to seniors, living on a fixed income, who are looking for the support of a congregate living setting of their choice. Retirement communities in Ontario do not receive public funding and our residents are paying for their housing and care needs using after tax income.

We know that 96 per cent of Canadians agree that social interaction is important for seniors' health and well-being, while 94 per cent agree that social isolation is associated with higher health risks.<sup>1</sup> Retirement communities allow seniors to age in place, while receiving the benefits of congregate living and without being forced to relocate away from family and friends in order to have the support they require.

Promoting policies which make access to congregate living more accessible for Ontario's seniors will improve their overall quality of life. It will also reduce the pressure on the publicly funded health care system by helping seniors to live well and age well in congregate settings where supports are readily available to them as needed and services can be delivered in a more cost-effective manner.

### Summary of Recommendations

1. In order to provide greater clarity for municipalities, in the new regulation ensure that it is written so that the proposed types of development *shall* be exempt from community benefit charges, and not *may* be exempt.
2. Add a new section 4.1 to the *Development Charges Act, 1997* to provide a definition of a "special care" dwelling unit and mandating that all municipalities amend their development charge by-law to introduce these new dwelling units.
3. Mandate that "special care" dwelling units have a development charge that is 25 per cent lower than a one-bedroom dwelling unit development charge.

---

<sup>1</sup> *Attitudes About Senior Care: Worry for Ourselves and Others*, Toronto: DART Insight and Communications, 2018.

## EXEMPTIONS FROM COMMUNITY BENEFITS

ORCA welcomes the amendments to the *Planning Act* regarding community benefit charges. This added level of transparency and accountability will ensure that the funds collected by municipalities are spent on services and capital infrastructure that the community needs. These changes will create a system that puts people and communities first.

ORCA is supportive of the proposed exemption of retirement communities from community benefit charges. These charges, formerly under section 37 of the *Planning Act*, ultimately increased the cost of living for seniors, many of whom are living on a fixed income. Mandating this exemption to municipalities will ensure that seniors can make a choice in where they live and the care services they require. It will also alleviate pressures facing the public health care system as seniors who are supported to age in place in congregate settings such as retirement communities are less likely to end up in hospital or long-term care.

### **Recommendation**

In order to provide greater clarity for municipalities, in the new regulation ensure that it is written so that the proposed types of development *shall* be exempt from community benefit charges, and not *may* be exempt.

## INCENTIVIZING INSTITUTIONAL DEVELOPMENTS

There are several creative solutions which municipalities could use to increase the supply of purpose-built seniors housing.

Development charges throughout the province are inconsistent, subject to increases several times a year and are prohibitive to new purpose-built housing, such as retirement communities. Development charges paid to some municipalities can be in the tens of millions of dollars.

As the number of seniors in Ontario continues to increase, municipalities must be responsive and work towards collaborative solutions that will keep senior's housing options affordable and accessible. The Ministry of Municipal Affairs and Housing can support these efforts by enabling municipalities to incentivize the construction of developments, such as retirement homes, that support congregate living options for seniors.

Several municipalities throughout Ontario have introduced a special classification in their development charge by-laws for retirement community occupancies. For example, the City of Hamilton, Region of Halton, City of Oshawa, Wellington County and the City of St. Thomas have classified these developments as "special care" dwellings, which cost on average, 25 per cent less than a one-bedroom dwelling unit.

According to the Collaborative Retirement Econometrics *Q4 Construction Report for 2018*, the highest concentration of new capital development of retirement communities in the province is happening in Durham and Halton region<sup>2</sup>, in part due to the lower cost of development.

### **Recommendation**

Add a new section 4.1 to the *Development Charges Act, 1997* to provide a definition of a "special care" dwelling unit and mandating that all municipalities amend their development charge by-law to introduce these new dwelling units. Additionally, mandate that "special care" dwelling units have a development charge that is 25 per cent lower than a one-bedroom dwelling unit development charge.

<sup>2</sup> CORE Construction Report, 4<sup>th</sup> Quarter 2018, Oakville: Collaborative Retirement Econometrics, 2019.

**Proposed Amendment to the *Development Charges Act, 1997*****Special care dwellings**

4.1 (1) If a development is a special care dwelling, the amount of the development charge that is payable must be set at a rate of at least 25 per cent lower than a one-bedroom dwelling unit.

- (2) A special care dwelling means a residential building or portion thereof;
- (a) containing more than two dwelling units, which units have a common entrance from street level;
  - (b) where the occupants have the right to use in common halls, stairs, yards, common rooms and accessory buildings
  - (c) that is designed to accommodate individuals with specific needs, including independent permanent living arrangements;
  - (d) where support services such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at various levels; and
  - (e) includes but is not limited to retirement homes or lodges, nursing homes, charitable homes, granny flats, group homes (including correctional group homes) and hospices

**CONCLUSION**

Providing relief on the cost of development will not only benefit seniors, but it will also benefit the provincial government and the public health system. With an increased supply of retirement communities at lower costs, the number of seniors moving into long-term care homes due to financial needs will decline. Additionally, seniors who have the supports associated with congregate living are less likely to end up emergency departments, can have their care delivered more efficiently and effectively and are less likely to become alternate level of care patients.

ORCA is ready and available to partner with the provincial government to help deliver long-term housing solutions for seniors. Our members have the experience and knowledge to help the government address the barriers in creating more housing options for seniors. ORCA welcomes the opportunity to work with the Ministry of Municipal Affairs and Housing to assist in the development of policies and regulations that will benefit seniors.

## REFERENCES

*Attitudes About Senior Care: Worry for Ourselves and Others*. Toronto: DART Insight and Communications, 2018.

*CORE Construction Report, 4<sup>th</sup> Quarter*. Oakville: Collaborative Retirement Econometrics, 2019.

