

Mr. John Ballantine
Municipal Finance Policy Branch
College Park 13th Floor, 777 Bay Street
Toronto, Ontario M7A 2J3

Dear Mr. Ballantine:

Re: ERO Number 019-1406 Proposed Regulatory Matters Pertaining to Community Benefits Authority Under the *Planning Act*, the *Development Charges Act* and the *Building Code Act*

On March 6, 2020, through a presentation regarding Legislative Update: *Bill 108: More Homes More Choice Act*, the Town of Halton Hills Council authorized staff to prepare and submit a response to ERO # 019-1406.

The following summarizes the Town's comments on the proposed new regulation:

1. Required content of a community benefits charge strategy

The Town has no concerns with regard to content of the Community Benefit Charge Strategy. The development of the strategy using the eight proposed items will result in a well-documented foundation for addressing parkland needs in the Town of Halton Hills. That said quantifying the financial impact at a specific point in time combined with the inherent volatility of land values within the Town and across the province will be problematic. It is still unclear how the rate will be calculated over the time horizon of an approved strategy.

2. Services eligible to be funded through development charges

The Town is very pleased with the proposed regulation that reinstates within the *Development Charges Act* the following: public libraries, including materials for circulation, reference or information purposes; parks development; and recreation, such as community recreation centres and arenas. The Town also supports the removal of the 10% statutory deduction on these services as it better reflects the growth paying for growth principle.

The Town prefers the use of development charges over community benefits charges for a number of compelling reasons:

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Firstly, the DC funding methodology is well-rationalized in that it is based on the costs of growth-related infrastructure. There is a clear linkage between the DC rate and the costs.

Secondly, financial planning can be more precisely done when staff has numbers that are known (unlike land values that can shift upwards and downwards over time).

Thirdly, the process for collecting DCs is established and understood and will not be potentially delayed by land valuation challenges. For example, in addition to the first land valuation, there could be two more appraisals if there are challenges. This will add to the timeline considerably and possibly result in increased costs to the municipality.

3. Percentage of land value for determining a maximum community benefits charge

It is proposed that the CBC be subject to a maximum prescribed percentage of the market land value the day before the building permit issuance. The Town of Halton Hills as a lower-tier municipality would be able to collect a maximum of 10% of the value of land under development. Upper tier municipalities have a maximum rate of 5%. It is unclear as to how these percentages were arrived at or whether they are sufficient. In addition, there appears to be no allowance for geographical differences. Without completing a CBC Strategy, it is difficult to evaluate the reasonability of the percentages of land value proposed in this regulation.

Town will have two potential tools for parkland acquisition: (1) apply the basic parkland dedication rate under the *Planning Act* or (2) use a CBC Bylaw for parkland acquisition. If a municipality has a CBC Bylaw in place it cannot apply the basic parkland dedication provisions under the *Planning Act*. There may be situations that a municipality would want to implement an area-specific CBC Bylaw and use the *Planning Act* in other areas to ensure the municipality is able to attain the land needed to provide for complete communities. Clarity in the legislation to allow for these needs is requested.

4. Timeline to transition to the new community benefits charge regime

The proposed timeline to transition to a CBC regime is one year after the date the proposed community benefits charge regulation comes into effect. Municipalities are currently challenged with implementing the changes from Bill

108 that require new business processes and software upgrades to track calculations, collections and deferrals under the *Development Charge Act*. There are limited consultants with the expertise to develop a CBC Strategy and Bylaw and they will be very much in demand. This will make the proposed transition time difficult to achieve. The Town recommends that the prescribed transition period be at least two (2) years from the enactment of the regulation and/or consideration of the expiration of existing municipal bylaws.

5. **Community benefits charge by-law notice.**
6. **Minimum interest rate for community benefits charge refunds where a bylaw has been successfully appealed**
7. **Building code applicable law**

The Town has no concerns with these proposals

Other Comments regarding the Community Benefit Charge Regime

- Under ERO 019-0183, the proposed regulation allowed for various exemptions for various types of development. The Town encourages the Province to provide clear definitions and/or align the definitions that currently exist under current legislation.
 - Long-term care homes
 - Retirement Homes
 - Non-profit housing
- Land appraisals for the CBC prescribe specific timeframes (30, 45, 60 days). This will increase the volume of appraisals across the province. Has the Province ensured that the land appraiser industry is capable of supporting this increased volume? Also clear language regarding the cost of appraisals and which party is responsible, and ensure that municipalities are provided with a full cost recovery mechanism to have growth pay for growth.

The Town has also included additional questions for consideration.

- Under what mechanism can a municipality recover the costs of introducing a CBC Strategy and By-law?
- Do the upper and lower tier municipalities within a region need to agree on using the CBC authority or can separate decisions be made?
- What is defined as developable land? Which land will be valued for parkland acquisition?

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- How are in-kind contributions of land to be treated? Can a municipality require parkland as part of a plan of subdivision or is it subject to negotiated approval from the developer? If it is not a legislated requirement, the Town could have significant challenges to obtain any parkland as part of future development areas.
- Are planning studies related to growth funded through the community benefits charge or would they be funded through development charges?
- When CBCs are collected, can they be used to purchase other services or are they to the purchase of parkland?
- How are capital grants, subsidies or contributions factored into the calculation of eligible community benefit charges?

Sincerely,

Wendy O'Donnell, CPA, CGA
Deputy Treasurer, Senior Manager of Revenue
905-873-2600
wendyo@haltonhills.ca

1 Halton Hills Drive, Halton Hills, Ontario L7G 5G2

Tel: 905-873-2600

Toll Free: 1-877-712-2205

Fax: 905-873-2347

haltonhills.ca