



April 20, 2020

John Ballantine  
Municipal Finance Policy Branch  
College Park 13th fl, 777 Bay St  
Toronto, ON M7A 2J3

**Kingston Home Builders: Submission on the proposed regulations under the *More Homes, More Choice Act, 2019 (Bill 108)*:**

**ERO 019-1406** - Proposed regulatory matters pertaining to community benefits authority under the Planning Act, the Development Charges Act, and the Building Code Act

The Kingston Home Builders' Association is supportive of the *More Homes, More Choice Act, 2019 (Bill 108)* and the *Housing Supply Action Plan*. The Kingston Home Builders' Association is a proud local association of both the Ontario Home Builders' Association (OHBA) and the Canadian Home Builders' Association (CHBA). The Kingston Home Builders' are made up of approximately 160 members supporting the local building industry in the Kingston, Ontario area of Eastern Ontario. Annually our members build approximately 600 residential units on average over the past decade including singles, towns, midrise and high-rise developments. In the past few years, the local housing industry has been growing and constructing between 800 and 1000 residential units, thousands of jobs rely on and are being created by our industry. We are responding to the regulatory consultation as the proposed Community Benefits Charges framework will have a profound financial impact for our members and ultimately home purchasers or renters in Kingston and the surrounding Townships.

While the Kingston Home Builders' Association is supportive of the *Housing Supply Action Plan* we have significant concerns regarding the February 28<sup>th</sup> environmental registry posting on the proposed community benefits authority under the *Planning Act* and *Development Charges Act* which may ultimately result in significant increases in fees and charges for new housing in Kingston and the surrounding Townships. This would make new housing and new rental units in our community much more expensive unless significant changes are made.

For example:

A single detached lot with 40 ft of frontage would increase the cost to the purchaser by between \$12,000 and \$16,000 dollars.

The price of a townhouse with 20ft of frontage would increase the cost to the purchaser by between \$6,000 and \$8,000 dollars.

Rarely in the Kingston area are mid-rise or high-rise developments being required to contribute to community benefits until recently. With the proposed changes a two-bedroom apartment would cost the landlord on average an additional \$3,000 per unit of capital investment.

The proposed increase may seem modest in Toronto terms but are locally significant when compared to current Eastern Ontario housing values. The end user will be paying for the increased costs being proposed.

We are recommending the provincial government address a number of specific issues to ensure a fair, balanced and transparent approach for the new Community Benefits Charges authority in support of housing supply and job creation are as follows:

- There should be NO CBC for development. Growth should pay for growth and municipal revenue streams should be protected via Development Charges and the City of Kingston and surrounding Townships can require parkland dedication in accordance with section 51.1 of the Planning Act (A maximum 5% parkland dedication). This would ensure members can work with our municipal partners to ensure we are building complete communities and providing physical parkland in our communities. The CBC framework should only apply to high density development.
- Developers and home builders are community creators and typically active citizens. In the majority of cases they are trying to improve neighbourhoods, the majority of constituent's support development. Community Benefits are tax on development and the Kingston Home Builders' do not support the proposed form of CBC.
- The CBC regulation must include a detailed ineligible services list for CBCs;
- The proposed cap (15% single tier and a combined 15% between upper and lower tier municipalities] represents a potential significant increase in government-imposed charges for new ownership and rental housing. Currently low-rise, mid-rise, greenfield developments and the majority of high-rise developments in our community contributes a 5% land dedication towards parkland and contributes to growth related infrastructure through development charges. The proposed regulation moves a number of services initially proposed in the CBC back to hard development charges with 100% cost recovery and there are few if any additional services that should be captured in the new CBC regime that would account for the other 10% of potential additional charges that could dramatically reduce housing affordability.
- The proposed appraisal / land valuation date for low-rise housing at the building permit stage is flawed and must be amended. As currently proposed the appraisal and valuation would occur when the land value is the highest after the development proponent has built and paid for significant infrastructure into the ground. In essence, the CBC as proposed would tax the capital invested by the developer. Furthermore, as currently proposed the appraisal and valuation would occur AFTER the homes have already been sold, thus there is no certainty or predictability for either businesses or consumers potentially resulting in significant adjustments on closing for purchasers over and above what they paid for the home. The CBC payment should be calculated as the value on the day prior to approval of a development application (site plan control, zoning bylaw amendment, and consent to sever applications or draft plan of subdivision application where there is no site plan application).
- Lastly service standards must be applied for municipal implementation of CBC by-laws and strategies. There must be a robust framework in place to ensure fairness, accountability and transparency for the new CBC framework

The Kingston Home Builders' Association has been supportive of the current provincial governments initiatives to address housing supply challenges that are making both home ownership and rental housing unaffordable. However, we are very concerned that the regulatory posting as proposed will result in *significant* increases in government-imposed charges for low-rise housing. Kingston Home Builders' Association looks forward to working with the Ministry and all stakeholders to establish a fair CBC framework.

Sincerely,



Kyle Nielissen P.Eng  
President  
Kingston Home Builders Association  
[khba@khba.ca](mailto:khba@khba.ca)



C. Ontario Home Builders' Association

