



LONDON DEVELOPMENT INSTITUTE

April 20, 2020

Ministry of Municipal Affairs and Housing
Provincial Planning Policy Branch
777 Bay Street
13th Floor
Toronto, On
M5G 2E5

RE: Response to Proposed Regulations Pertaining to Community Benefits Authority (ERO # 019-1406)

Dear Minister Clark,

On behalf of the London Development Institute (LDI) I am pleased to provide the following comments regarding the proposed regulations pertaining to the changes to development charges and the new Community Benefits Charge (CBC) under the Planning Act, the Development Charges Act and the Building Code Act.

LDI is a member-based organization representing most large land developers in the London area. LDI has been the leading voice on development issues in our City for more than 40 years. Our goal, working with our partners in local government and the community, is to build a better London.

To be clear, LDI believes your government should reconsider the proposed Community Benefits Charge framework and regulations. Several of our LDI members have done their own comparative analysis of the potential additional costs to development before and after the creation of a CBC in London and surrounding communities.

To determine the financial impacts of the creation of a CBC regime, some of our members, utilizing their own projects ranging from single family homes to residential high-rise rental projects undertook their own analysis. Their internal review clearly demonstrated the proposed CBC added costs to housing development of all types. Several LDI members plan on submitting comments directly to the Ministry for consideration as part of this public consultation.

In addition to the direct cost increase of a CBC, the new "tool" will contribute additional uncertainty to the planning process at the local level and will be more cumbersome to administer for both the proponent and the municipality. LDI believes this is completely contrary to the Government of Ontario policy goals for increased availability and affordability of housing in Ontario.

LDI does, however, want to provide the following comments on the proposed changes to Development Charges, Planning Act and Building Code Act.



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1. LDI appreciates that municipalities will be given the option to choose the current parkland dedication rates as per the Planning Act (Section 42 and Section 51.1) or establish a CBC by-law to collect funds for parkland acquisition. We believe that giving Municipalities this choice is the appropriate approach.

2. We believe that growth should pay for growth and the creation of the CBC strategy considerably blurs these lines. Our main concerns can be categorized into four components:

A. There will be inherent duplication in the process to determine the strategy for a CBC. For example, the added bureaucracy of additional background studies like those required during the Development Charge by-law process will add costs in time and money to develop the strategy.

B. Our concern is community services that are included in a CBC will have no financial contribution from existing municipal taxpayers. The benefits to existing municipal residents should be recognized and accounted for in any CBC.

C. We are also concerned that the approved strategy will allow for the migration of an elevated level of service for municipal programs. This change in service levels would lead to higher CBC fees.

D. It is appreciated that the CBC by-law is appealable to LPAT to enhance its accountability, but this option will add to the cost of the development.

We understand this consultation document recognizes the 8 components needed to be addressed in a municipality's CBC strategy. We suggest a CBC will be costly, complicated and a time-consuming process that does not support the policy goals of more housing and improved affordability.

3. LDI believes growth should pay for growth. We accept the inclusion of eligible public libraries, parks development and recreation facility costs that are growth related are to be included in DC legislation.

We do not believe that long-term care and public health are growth related costs for a municipality therefore should not be included as DC eligible. The costs of these services should be funded from the current municipal property tax base and not future residents.

4. The proposed "percentage of land value" being used to determine a maximum CBC is simply too high and the "time of valuation" during the development process is inappropriate. Both policy decisions will add costs and unpredictability to the process. The 15% of land value for a single tier municipality is simply adding substantially to the costs of the development that will be reflected in higher prices for the housing consumer as an owner or renter.

Using the land value, the day before the Building Permit compared to the day before Draft Plan approval, significantly increases cost to the developer and adds greater uncertainty for the developer and the municipality. The DC approach, charge per unit, is a much better approach for planning and financial certainty for both the municipality and the developer.



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5. LDI recommends a one-year notice period prior to a new Community Benefits Charge coming into force in a municipality. Our industry will need the time to understand and adjust to this new fee regime. We are also supportive of the interest rate and Building Code approaches outlined in the consultation document if a CBC is to be implemented by a municipality.

In conclusion, LDI believes that the introduction of the Community Benefits Charge by the Ontario Government is not the right solution to address issues our industry was facing with the bonusing system under the Planning Act Section 37. The development industry in London, would agree the past interpretation and use of Section 37 had its challenges from municipal down zoning to municipal leveraging of "bonusing" to fund non-growth-related community benefits. In our view, the Community Benefit Charge, does not resolve this problem but adds a different set of interpretation issues.

LDI believes a better approach would be the addition of a new and improved bonusing section in the Development Charges Act. Improvements to the DCA can accomplish benefits for the municipality, community and the industry without the bureaucratic quagmire that inconsistent municipal CBC by-laws would create in both composition and application across Ontario.

Our organization is more than willing to work with the Government of Ontario on a better solution that would improve the development process, improve the quantity of housing stock and improve the affordability of homes in Ontario.

If you have any questions or wish to consult with the London Development Institute in further detail on any of these issues raised, please do not hesitate to contact us. We are more than willing to meet with the Minister, his staff or a Standing Committee of the Government of Ontario.

Thank you for your consideration.

A handwritten signature in blue ink, appearing to read 'Mike Wallace', is written over a white background.

Mike Wallace
Executive Director
London Development Institute