



The Corporation of the Municipality of Strathroy-Caradoc
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November 23, 2022

To Whom it May Concern

Re: Bill 23, More Homes Built Faster Act – Development Charges

On behalf of the Municipality of Strathroy-Caradoc, I thank you for the opportunity to provide input on the proposed More Homes Built Faster Act and related Provincial changes. This submission relates to the Development Charges Act Changes.

It is appreciated that the Province of Ontario has highlighted the pressing need for housing across the Province. Its goal of supporting the construction of 1.5 million home is 10 years is laudable and elements of Bill 23 will certainly help achieve this target. Our own Municipality certainly views housing as a pressing need and the lack of affordable housing options is affecting many facets of our community. We now have a visible homeless population, our housing and support service providers are overwhelmed, long term residents cannot age in our community, nor can young people afford to move back to their home community to raise a family. Our employers are challenged to retain and attract employees which ultimately impacts their ability to expand or locate within their community of choice.

Despite this, we have still experienced unprecedented growth of our population – 18% increase in housing over the last five years, which has only further led to a rise in local housing prices as our inventory fails to keep pace with demand. While this growth has allowed for the healthy collection of Development Charges, inflation increases have almost doubled the costs of the infrastructure projects required to service this growth. We are currently entering a very challenging time period where by our current DC rates may not be sufficient to cover the costs of recent growth, let alone future growth.

We are concerned that rather than assisting us in servicing our existing community and our future growth, elements of Bill 23 appear to potentially undermine the Municipality's ability to finance both existing and future growth-related infrastructure projects. This is not the time to go backwards.

We note our support of comments provided by the Association of Municipalities Ontario (AMO), Hemson, Watson & Associates, and the Municipal Finance Officers Association of Ontario (MFOA) to the Standing Committee.

It is the intent of this letter to focus on those amendments that are anticipated to have a direct and immediate impact on the Municipality's ability to provide for more housing opportunities in the short and long term related to the proposed changes to the Development Charges Act:

- The proposed changes to the DC Act appear to fundamentally limit its purpose to ensure that growth pays for growth.
- The combined impact of:
 - exempting affordable housing from DC's and parkland dedication requirements,
 - requiring mandatory discounts on DC's for rental housing,
 - removing studies, land acquisition, and housing services as DC eligible projects,
 - as well as the required phase-in period of DC fees (not the increases to DC fees)

will work together to substantially reduce the Municipality's ability to finance growth related infrastructure. There are few new housing developments that can proceed without the installation of new road infrastructure and underground services or the extension / upsizing of such. Reduced or delayed DC revenue will make it difficult for Municipalities to cover all of these DC recoverable costs. In order for new housing projects to proceed, those infrastructure costs will have to be covered through the Municipality via taxation and water/wastewater utility rates. The appetite to take on more costly debt to cover capital growth related infrastructure costs may not be palatable to Municipalities. There are no other long-term revenue sources available to Municipalities to cover capital infrastructure costs.

- The Act also does not define what 'attainable housing'. It is quite likely that based on current wording, the direction of the Act will force Municipalities to provide discounts for \$700-800K single-detached dwellings based on the reliance on the average market rate of ownership housing.
- The changes to the DC Act in no way compels any of the cost savings to be passed onto the home purchasers / renters.
- Our current DC By-law is scheduled to expire in 2023 and we require clarification if we are able to extend this by-law to align with the newly proposed 10-year lifespan of DC's without undertaking the required background studies.
- The proposed legislation would require affordable housing to remain as such for only 25-year. It is common place now that agreements are negotiated successfully with developers to maintain affordable housing units for a period of time much longer than 25 years. A long-term reliable stock of affordable housing

units greatly assists the housing crisis, and therefore contracts longer than 25-years are strongly encouraged.

In light of these comments, the Municipality respectfully requests that the Province consider extending the commenting deadlines into 2023 to allow for a more fulsome consultation on the proposed changes to avoid unanticipated negative impacts on the existing housing crisis locally and Province-wide.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Grantham', with a long horizontal stroke extending to the right.

Mayor Colin Grantham
Municipality of Strathroy-Caradoc