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November 24, 2022

The Honourable Steve Clark
Minister of Municipal Affairs and Housing
College Park, 17th Floor
777 Bay Street
Toronto, ON M5G 2E5

Subject: Bill 23 – *More Homes Built Faster Act, 2022*
Comments from City of Pickering – ERO Posting 019-6172
Proposed *Planning Act* Changes
File: L-1100-058

Please find attached comments from the City of Pickering with respect to Environmental Registry Ontario Posting 019-6172, regarding proposed changes to the *Planning Act*. Thank you for your consideration.

These comments are also being forwarded to Council of the Corporation of Pickering for their receipt and endorsement.

Yours truly



Marisa Carpino, M.A.
Chief Administrative Officer

MC
Attachment

ERO Posting	City of Pickering Comments
ERO Posting 019-6172 (Closing November 24, 2022) Proposed changes to the <i>Planning Act</i>	<p>Changes to Parkland rates and costs: The Province proposes to update the maximum alternative parkland dedication rate that can be required for higher density developments as follows:</p> <ul style="list-style-type: none"> • for the purposes of land conveyed, from the current rate of one hectare for each 300 dwelling units to one hectare for each 600 dwelling units; and • for the purposes of cash payment in lieu of land, from the current rate of one hectare for each 500 dwelling units to one hectare for each 1000 dwelling units. <p>To provide further cost certainty to developers, no more than 15 percent of the amount of developable land (or equivalent value) could be required for parks or other recreational purposes for sites greater than 5 hectares and no more than 10 per cent for sites 5 hectares or less.</p> <p>The proposal to update the current rate of land conveyance for parkland required for high density development from 1 hectare per 300 units to 1 hectare per 600 units can be supported, because high-density development generates a disproportionately high amount of parkland on a per unit or per person basis that what is generated from a low density residential development.</p> <p>However, the proposed changes will limit the size and type of parks that the City will now be able to obtain in the future, particularly in high-density areas where the City will be pushed to accept smaller park “pockets” and linear parks.</p> <p>Although the proposed update provides a more equitable application to parkland dedication, it does not address the flawed methodology to calculate the land area for parkland dedication based on the number of units irrespective of the unit types. Unit types do not generate the same number of people nor the same parkland needs. Parkland dedication should be based on the number of people generated from the development.</p> <p>The proposal to update the cash-in-lieu payment of land by reducing the current rate from one hectare per 500 dwelling units to one hectare per 1000 dwelling units for development in High Density Residential Areas and Mixed Use Areas, can be supported because the disparity between how cash in-lie is calculated for low density residential development vs. how it is calculated for high density residential and mixed development, would be reduced. However, the Province did not provide any rationale or analysis in support of their proposal to reduce the rate from 500 to 1000 dwelling units per hectare.</p>

As for the proposal that no more than 15 percent of the amount of developable land (or equivalent value) could be required for parks or other recreational purposes for sites greater than 5 hectares and no more than 10 per cent for sites 5 hectares or less, there is no objection or concern.

Support more efficient use of land and provide for more parks quickly: To make more efficient use of available land in a development and to provide for parks more quickly for a community, developers would be able to identify land, including encumbered land (e.g., land with underground transit tunnels or other infrastructure) and privately owned public spaces that would count towards any municipal parkland dedication requirements if defined criteria, as set out in a future regulation, were met.

No objection to this change, subject to review of the regulations to be released.

With regard to privately owned public spaces, a municipality would have the ability to enter into agreements with the owners of the land, which may be registered on title, to enforce parkland requirements.

This proposal is supported, as it would provide the municipality would the required mechanism to require the privately owned public spaces and the maintenance thereof.

Build transparency and other measures to support the faster acquisition of more parks:

To incent municipalities to acquire parks more quickly, municipalities would be required to allocate or spend at least 60 per cent of their parkland reserve balance at the start of each year.

The requirement to spend 60% of the parkland reserves annually will inhibit the ability to develop community parks in strategic locations. Due to the inability to build-up a reserve, to extract best “value for money”, the City will have no choice but to defer to parkland conveyance more often than requesting payments to acquire more overall park space. Accordingly, the Province is requested not to proceed with this proposal.

Encourage the Supply of Rental Housing: To incent the supply of rental housing units, particularly family-friendly rental housing, a tiered discount would be provided on development charges levied on purpose-built rental units. The discount would be deeper depending on the unit type (i.e., 15 per cent for a 1-bedroom unit (or smaller), 20 per cent for a 2-bedroom unit; 25 per cent for a 3+ bedroom unit).

The benefit of the proposed development charge discount incentive for family-friendly, purpose-built rental housing, is that it should create a level playing field for all Ontario municipalities when considering development applications for this type of housing. In addition, it could provide the necessary incentive for builders to provide much needed family-sized rental housing within the City (this size of rental housing was identified as a gap through the City's Housing Strategy Study). However, discounts on DCs will impact the City's ability to fund infrastructure.

Also of concern is that new purpose-built rental units are exempt from Ontario's rent control guidelines. It is uncertain whether the new rental units will be affordable relative to a household's income.

It is recommended that municipalities continue to have the flexibility to determine the appropriateness, structure, and magnitude of DC discounts for rental housing units.

Encourage the supply of Affordable Housing: To incent the supply of more affordable housing, affordable ownership and rental housing units, affordable housing units in a development subject to inclusionary zoning, as well as non-profit housing developments would be exempt from development charges, community benefits charges and parkland dedication requirements.

An affordable housing unit would be any unit that is no greater than 80 per cent of the average resale purchase price for ownership or 80 per cent of the average market rent for rental, for a period of 25 years.

The Province's new definition of "affordable housing" presents two significant problems:

- the proposed new definition is unrelated to an individual's, or household's, ability to pay (i.e. their income) as is the case now; and
- the affordability period is set at 25 years.

CMHC defines affordable housing as generally meaning a housing unit that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are less than 30 percent of its gross income. The Province, in the Provincial Policy Statement, 2020 (PPS) and Durham Region, in its official plan, similarly define affordable housing including the measure based on income. The foundation of the definition of affordable housing is based on income, not on market price or rental.

It is recommended that the Province continue to define affordability based on income.

It is possible that the Province believes that 25 years is a suitable time period since the time period may relate to the life of the physical housing units. However, what protections will be in place to maintain affordable housing stock beyond the 25 years? What happens to renters and the amount they pay in rent beyond the 25 years? Will there be a "windfall" in the increased sale price to the original owner?

Encourage the supply of Affordable Housing: To benefit from a development-related charge exemption, a developer must enter into an agreement with a municipality, which may be registered on title, to enforce the affordability period of 25 years and any other applicable terms set out by the municipality, such as the eligibility of buyers and renters.

The concern with adding a limiting time period to the definition of “affordable housing” is that after the 25 years those affordable housing units could be converted to market units thus depleting the affordable housing stock.

It is recommended that an affordability period be limited to ownership housing, and that an appropriate timeframe of affordability be determined by the municipality.

Encourage the supply of Affordable Housing: It is proposed that municipalities could determine the eligibility of a unit for development charges and parkland dedication exemptions based on information provided by the Minister, and that agreements be entered into between the municipality and developers to benefit from such exemptions.

There should be consultation and agreement by the municipality on the criteria to qualify for exemptions and the contents of this agreement.

Encourage the supply of Affordable Housing: It is proposed that affordable housing be exempt from parkland dedication and community benefits charges

There is no evidence to support the premise that the cost savings associated with parkland dedication and community benefits charges will lead to more affordable housing. There is however, a direct relationship between the reduction of parkland dedication and community benefits charges collected by a municipality, and its ability to provide parks, which contribute to community livability and positive human and environmental health. In addition, this proposal will directly lead to a reduction in the amount of parkland, and the level of service associated with parks. The Province should reconsider this proposal.

Encourage the supply of attainable housing:

To incent the supply of attainable housing units, a residential unit, in a development designated through regulation, would be exempt from development charges, parkland dedication requirements and community benefit charges. The Lieutenant Governor in Council would be provided with regulation-making authority to prescribe any applicable additional criteria that a residential unit would need to meet to be exempt from municipal development-related charges.

The parkland dedication and community benefits charge exemptions would be calculated based on the same approach proposed for affordable housing exemptions.

There is no evidence to support the premise that the cost savings associated with exempting DCs, parkland dedication and community benefits charges will lead to more attainable housing. There is however, a direct relationship between the reduction of DCs, parkland dedication and community benefits charges collected by a municipality, and its ability to provide necessary infrastructure, including parks, which contribute to community livability and positive human and environmental health.

It appears that the definition of “attainable housing” is related to the Province designating a residential development and to the price of a unit being sold at or below the average resale purchase price. It is recommended that any proposed new definition for “attainable housing” be income based.