

October 28, 2023

**RE: Changes to the definition of an “Affordable Residential Unit” in the Development Charges Act, 1997 for the purpose of municipal development-related charge discounts and exemptions**

**From: Steve Ganesh, Commissioner – Planning, Building and Growth Management Department, City of Brampton**

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To Whom It May Concern,

The City of Brampton (hereinafter referred to as “the City”) appreciates the opportunity to provide comments on the proposed changes to the *Development Charges Act, 1997* outlined in the Environmental Registry of Ontario posting 019-7669 regarding the definition of an “Affordable Residential Unit” for the purpose of municipal development-related charge discounts and exemptions. The City of Brampton recognizes the importance of defining affordable housing based on what households are able to pay in each local municipality.

The City supports the local municipal approach to determining income-based affordable thresholds to help ensure that the local needs of residents are best reflected, as well as the use of the 30% of household income approach. The 30% of household income approach is of even greater importance now as the cost of living for other goods and services (e.g., transportation and food costs) has increased significantly, making housing affordability more challenging to attain for residents.

However, the City requests clarification on the methodology that the Minister will use to determine the income-based affordable rent and income-based affordable purchase price. The identification of the 60<sup>th</sup> percentile of gross annual incomes and the identification of 30% of household income should not be left to Ministerial discretion. These metrics should be based on robust and reliable data to determine the correct income threshold for each local municipality. The City recommends that the Province use the most readily available decile data from Statistics Canada.

The City also requests that the Province release the Affordable Residential Units Bulletin and provide further information on methodology for determining average market rent and average purchase price, namely:

- Clarity on whether the “average market rent” identified will consider both the primary and secondary rental market, as the primary market has been known to be more affordable than the secondary market;
- Clarity on what constitutes “annual accommodation costs”, since down payment, amortization period and mortgage rates are all variables that will impact costs; and
- Key data sources that will be used in establishing the above.

In addition, the Province should clarify what mechanisms will be in place to ensure programs are targeted for households requiring greater depths of affordability, specifically for low-income households. Based on the most recent available data for the City of Brampton, the maximum affordable rent would be \$2,424/month and the maximum affordable purchase price would be \$525,699 under the proposed definitions of an “affordable residential unit” (the cost that is equal to 30% of the income for households in the 60<sup>th</sup> percentile). For many Brampton residents, \$2,424/month is not an attainable cost for rent, and housing stock on the market at or below \$525,699 is minimal. Supports to achieve greater depths of affordability for both rental and ownership housing are required.

It is also important for municipalities to be able to secure the affordability and tenure of the residential units. While the Act speaks to the potential to register agreements for ownership units between the developer and a local municipality with the condition that the affordability will be maintained for 25 years, it is not mandatory. To ensure units receiving these exemptions maintain their affordability, the City recommends that these agreements be required to be registered on title. If the affordability of the housing unit changes within the first 25 years, the development charges should become immediately payable plus interest, at a rate of prime +1%.

Similarly, there are no tools in the Act to guarantee a market rental unit will maintain its tenure after the unit is provided a discount on development charges. To address this, the City recommends that the Province provide municipalities with the ability to secure rental tenure for a period of 25 years by way of an agreement registered on title. If the rental tenure changes within the first 25 years, the development charges should become immediately payable plus interest, at a rate of prime +1%.

Lastly, the City requests the Province provide additional clarification in order to understand what qualifies as “attainable” housing, as well as for the Province to fund the additional resources necessary at the municipal level to administer the DC bylaw as a result of the proposed amendments to the DC Act.

The City of Brampton would like to thank the Province for the opportunity to provide feedback and comments on the proposed changes.

Sincerely,



Steve Ganesh, RPP, MCIP  
Commissioner  
Planning, Building & Growth Management