

May 6, 2024

Ministry of Municipal Affairs and Housing  
Municipal Finance Policy Branch  
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## Finance

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[peelregion.ca](http://peelregion.ca)

### **Re: ERO 019-8371 – Changes to the Development Charges Act, 1997 to Enhance Municipalities' Ability to Invest in Housing-Enabling Infrastructure**

Thank you for the opportunity to comment on the proposed changes to the *Development Charges Act (DC Act)* as outlined in *Bill 185, Cutting Red Tape to Build More Homes Act*. The comments provided in this letter were considered and received by Peel Regional Council at its meeting on April 25th.

Peel Region appreciates the Province's efforts to increase housing supply and improve affordability. Many of the changes to the DC Act in Bill 185 appear positive for municipalities specifically the inclusion of growth-related studies as an eligible DC cost, and the removal of mandatory phase-in provisions to new DC by-laws. However, Peel Region will continue to advocate for the need to reinstate other DC ineligible services as enacted in Bill 23, namely community housing services and the cost of land for some services.

#### **Issues and Recommendations:**

##### **1. DC Eligible Services**

Bill 23 eliminated community housing services, growth-related studies and certain land costs from being eligible for DCs. These changes are not in keeping with the principle of "growth should pay for growth". Reinstating studies as an eligible DC cost in Bill 185 aligns with this principle.

Peel's 2020 DC Study included approximately \$200 million in DC funding for community housing services and \$250 million for lands, over a ten-year period. The removal of community housing services has impaired the Region's ability to construct much needed affordable housing and has shifted the costs which were partially shared by the development community to taxpayers and ratepayers, including businesses.

##### Recommendation

Peel staff recommend the following:

- Community housing services should be reinstated as an eligible service for DCs to support the on-going provision of non-market housing; and
- Retain land costs as DC eligible.

Should the remaining DC elements of Bill 23 proceed, Peel Region staff recommend the following:

- Dedicated funding to cover municipal revenue shortfalls and ensure revenue neutrality.

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## Conclusion

There are significant negative implications for Peel Region, should the changes to the DC Act as enacted in Bill 23 continue. Without additional funding support, Peel Region's ability to fund future growth will be impacted.

We trust that Peel Region's comments are helpful as the Ministry considers amendments to the DC Act provisions in Bill 185, which reversed some amendments made in Bill 23 and limit municipalities' ability to collect DC eligible costs. As these legislative changes move forward, consideration of Peel Region's concerns and recommendations for further Bill 23 reversals is greatly appreciated.

Peel Region is committed to continuing to work with the Province, local municipal partners, and other stakeholders, to meeting our shared objective of building more housing supply that is affordable to Peel residents. If additional information or clarification is required, please do not hesitate to contact me directly.

Sincerely,



Davinder Valeri  
CFO and Commissioner of Corporate Services