



May 10, 2024

Ministry of Municipal Affairs and Housing
777 Bay Street
Toronto, ON M7 A 2J3

RE: Environmental Registry of Ontario Posting [019-8371](#)– Changes to the Development Charges Act, 1997 to Enhance Municipalities’ Ability to Invest in Housing-Enabling Infrastructure

The Town of Caledon welcomes the introduction of Bill 185 and commends the Government of Ontario for responding to calls from municipalities for more housing-enabling infrastructure funding and enhanced tools to build homes faster.

Caledon is in full alignment with the overarching goals of the Bill to create efficiencies and improve housing supply and has committed to its own [Housing Pledge](#). This pledge will support achieving our provincial target of 13,000 residential units by 2031, while striving for livable and sustainable rural-urban communities.

The Province and Region of Peel have both identified Caledon as a major growth area, as the population is projected to grow from approximately 81,000 (2021) to 300,000 by 2051, making it one of the fastest growing municipalities in Canada. Given this quickly growing population, Caledon has an important stake in provincial efforts to shape and accelerate housing development. Caledon represents small but rapidly growing municipalities faced with the challenge of vastly scaling approval processes, development, and enabling-infrastructure to meet growing population pressures. As urbanization accelerates, municipal readiness is important for the continued economic and social development of the province as a whole.

Development Charges (DC) in Ontario serve as an important recovery tool for municipalities like Caledon to pay for infrastructure in support of housing and growth, contributing to municipal fiscal sustainability over time. Given this importance, the Town of Caledon is pleased to share the following comments to support effective amendments to the *Development Charges Act, 1997*:

- The proposed DC changes under Bill 185 are a positive step towards restoring municipal capacity to fund growth-related infrastructure by repealing the mandatory five-year phase-in of new DC rates and restoring studies as eligible DC expenses. We are in full support of these changes and look forward to their expeditious implementation.
- Reducing the time limit on frozen DCs from two years to 18 months as a way to encourage developers to obtain a building permit more quickly is appreciated. With that said, the reduction in time equates indirectly to a loan to the developer. We recommend removing the DC freeze

period all together, considering that DCs are applied at the rate in effect at the time of the building permit.

- A regulation that would allow landowners to specify the instruments that would be used to secure municipal land-use planning approvals, including surety bonds, is being considered as a way for builders to free up money to pursue additional projects. We are not in support of this proposed change. A letter of credit is a secured performance guarantee to the municipality in which the financial institution will provide the funds to the beneficiary without inquiry or dispute should a developer default in performing its obligations. Whereas with surety bonds, there is no guarantee to the municipality that the funds will be made available to the beneficiary upon demand. The Town of Caledon is not prepared to assume this level of financial risk and potential exposure at this time.

Collaboration with municipalities and consideration of local needs has contributed to strong and sustainable policy in the past. To this end, I hope these comments help the province in its goal to understand and address local needs. I would be happy to discuss these comments in more detail as necessary, please do not hesitate to contact me with questions or requests for clarification.

Sincerely,

Robert Cummings
Commissioner of Finance and Chief Financial Officer,
Town of Caledon