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Home Builders'
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Planning Act Review
Provincial Planning Policy Branch
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OHBA response to three proposed regulations under the *More Homes, More Choice Act, 2019* (Bill 108):

-)] **ERO 019-0183** - Proposed new regulation pertaining to the community benefits authority under the Planning Act
-)] **ERO 019-0181** - Proposed new regulation and regulation changes under the Planning Act, including transition matters, related to Schedule 12 of Bill 108 - the *More Homes, More Choice Act, 2019*
-)] **ERO 019-0184** - Proposed changes to O. Reg. 82/98 under the Development Charges Act related to Schedule 3 of Bill 108 - the *More Homes, More Choice Act, 2019*

The Ontario Home Builders' Association Home (OHBA) and our network of 29 local associations are strongly supportive of the *More Homes, More Choice Act, 2019* (Bill 108) and the *Housing Supply Action Plan*. We believe that the visionary plan will remove barriers to providing more housing for the current and future residents of Ontario. OHBA is generally supportive of the three regulatory postings to implement various aspects of this comprehensive piece of legislation. We have provided our comments and specific recommendations in more detail in this submission.

As OHBA stated in our May 2019 legislative submission, now is the time for bold leadership to fix a generational housing and supply challenge that is making both home ownership and rental housing unaffordable. Now is also the time to address the elephant in the room – the fact that by the provincial government's own projections, Ontario's population is forecast to grow by an astounding 2.6 million people by 2031. This means, just to keep up with demographic growth that we need 1 million more housing units of diverse types and tenures for #homebelievers in communities right across the province.

Our industry continues to face a variety of inter-related challenges that affect our ability to build the necessary supply of new housing to meet growing demand for the people of Ontario. In an environment where housing of all types and tenures is becoming more expensive, and pricing more people out of the market. OHBA believes that the provincial government has seized on the opportunity to consider the impacts of planning, fiscal and labour policy decisions on housing supply and ultimately prices. The government has many levers it can push and pull that influence housing supply. The *More Homes, More Choice Act, 2019* (Bill 108) is a bold, visionary piece of legislation that addresses a number of barriers impacting the cost of delivering new housing supply and the speed of the approvals process that often gets in the way of new housing supply.

OHBA has a number of specific recommendations responding to the three environmental registry postings. Generally, a consistent comment with respect to legislative measures in Bill 108 would relate to timing of proclamation for certain provisions. While OHBA understands that matters related to the *Community Benefits Charge* (CBC) under the regulations aren't proposed for proclamation until January 1, 2020 (OHBA is generally supportive of this timeframe); we do however require provisions related to the new LPAT rules, setting development charges (DCs) at the time of site plan, and deferred payment of DCs for rental to **be proclaimed as soon as possible to create business and planning certainty** while having a positive impact on new housing supply. OHBA recommends September 1, 2019 for proclamation to ensure certainty regarding these matters.

ERO 019-0181 – Planning Act Matters

The province has proposed a regulation that includes transitional matters, under the *Planning Act* which are needed as a result of Schedule 12 to Bill 108 – *More Homes, More Choice Act, 2019*

-) OHBA reiterates that *Planning Act* matters should be proclaimed on September 1, 2019.
-) Proposed transition should not be set for a hearing “scheduled” regarding the merits; but rather a hearing “commenced” regarding the merits. Such a transition point should eliminate as many of these appeals as possible, and avoid confusion of how to address “2nd hearings” under the Bill 139 regime.
-) OHBA is supportive of the proposed transition for the reduction for decision timelines of applications for OPAs (120 days), ZBLAs (90 days) and plans of subdivision (120 days) that would apply to complete applications submitted after Royal Assent of Bill 108 (June 6, 2019).
-) OHBA is generally supportive of the regulation proposed under s. 35.1(2)(b) of the *Planning Act* setting out requirements to move barriers to the establishment of additional residential units that includes greater clarity and reductions to barrier related to parking requirements. While this regulatory proposal provides clarity and is an improvement over the status quo; OHBA continues to advocate for the full removal of minimum parking requirements for secondary suites.

ERO 019-0183 – CBC Matters

The *More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. Schedule 12 of the Act would, upon proclamation, make amendments to the *Planning Act* to provide the authority for municipalities to charge for community benefits in order to fund a range of capital infrastructure for community services that would benefit new development. OHBA has the following recommendations:

-) The proposed transition to the CBC regime is for January 1, 2021, for which OHBA is supportive and would give municipalities a year transition period following proclamation to establish their own CBC to be in compliance. This draft regulation does make it clear that municipalities would generally no longer be able to pass by-laws to collect funds under section 37 of the *Planning Act*. This however isn't clear in the materials released for ERO 019-0184. This should be made crystal clear to avoid any disputes.
-) OHBA is supportive of the requirements for annual reporting by municipalities on the collection and allocation to CBC funds to ensure accountability and transparency.

- J While there is no proposed formula or percentage cap at this time, OHBA looks forward to additional consultation and the opportunity to provide feedback as the Ministry determines these percentages and prescribed rates for the purposes of calculating CBCs.
- J OHBA is generally supportive of the appraisal-based system for determining and challenging required CBC payments.
- J OHBA is generally supportive of the proposed exclusions from the CBC.
- J OHBA is supportive of having no CBC regime in Community Planning Permit / Development Permit Areas as these areas have other mechanisms to require specified community facilities or services.
- J OHBA recommends that a cap on the CBC for the land value be established at the time of the application to ensure cost certainty.

ERO 019-0184 – Development Charge Act, 1997 Matters

A proposal to make changes to O.Reg 82/98, under the *Development Charge Act, 1997* related to Schedule 3 of the *More Homes, More Choice Act, 2019*.

- J OHBA reiterates that the deferral of DCs should be proclaimed on September 1, 2019, NOT January 1, 2020.
- J OHBA reiterates that DCs set at time of an application for rezoning or site plan (depending on circumstances) with the locked-in amount to be paid at the time of building permit issuance should be proclaimed on September 1, 2019, NOT January 1, 2020.
- J The proposed regulation notes that January 1, 2021 will be sunset date for municipalities to enact CBC by-law, after which they would no longer be able to collect DCs for discounted services. The date is supported by OHBA, however we should note that municipalities would also no longer be able to require parkland/cash-in-lieu or Section 37 contributions after this date if they have not enacted a CBC by-law. While this is certainly “the law”, it should be made crystal clear in any regulation to prevent disputes.
- J Deferral of DCs – the definition of “non-profit housing development” is limited because the construction must be done by a non-profit corporation. OHBA notes that many developers may construct and hand over a building or units to a non-profit, so there should be some allowance in the definition for such construction occurring and then the development being operated by a non-profit corporation.
- J With respect to the interest rate for “frozen” DCs, OHBA is unclear as to why no maximum is being prescribed at this time. OHBA is concerned that some municipalities will set an unreasonable rate. A number of municipalities have already undertaken measures to actively undermine the objectives of the *Housing Supply Action Plan* and the interest rate could be another tool for potential abuse.
- J In order to encourage development to move to the building permit stage so that housing can get to market faster and provide greater certainty of costs, the regulation (019-0184) is proposing that

the development charge would be frozen until two years from the date the site plan application is approved, or in the absence of the site plan application, two years from the date the zoning application was approved. While OHBA is supportive of an approach to encourage quick movement from the planning stage to the construction stage, we strongly recommend an amendment from “two years” to “four years” as there are many larger scale condominium projects of 500+ units that in periods of slower sales and market absorption, may require an additional year or two to obtain project financing to move to the construction stage.

-) OHBA is generally supportive of the proposed list of the types of developments for development charges deferrals.
-) The regulation proposes that upon proclamation the creation of an additional dwelling unit in prescribed classes of residential buildings (single detached, semi-detached/row dwellings) and ancillary structures does not trigger a development charge; and that the creation of a second dwelling unit in prescribed classes of new residential buildings (single detached, semi-detached, and row housing), including ancillary structures is exempt from development charges. OHBA is supportive of these provisions.

OHBA applauds the provincial government for recognizing constraints on housing supply and for their determination to reduce red tape in order to make it easier to live and do business in Ontario. However, since the *Housing Supply Action Plan* was announced on May 2, 2019, OHBA has been alarmed by municipal actions over the past several weeks that are at best counter-productive to the *Housing Supply Action Plan* and proposed legislation; and at worst, deliberately undermining provincial direction to reduce the cost of delivering new housing supply in Ontario. There are numerous examples, but to highlight just a few, the City of Toronto is proceeding with inclusionary zoning consultations under the framework passed by the previous government despite the passing of Bill 108. Many municipalities such as Barrie, Burlington, Kitchener and Waterloo Region (there are many more) have rushed through new development charges (DC) by-laws with the objective to maximize increases just prior to the passage of new legislation. A number of City of Toronto councillors have also stated their intention to delay the approvals process and the delivery of new housing supply in response to the provincial government making important amendments and improvements to OPA 405 and OPA 406. These are deliberate municipal efforts to increase taxation, reduce housing affordability, delay new housing supply and circumvent the provincial government’s new policy direction.

OHBA notes that a number of our members intend to advise the Ministry of Municipal Affairs and Housing and other Ministries impacted by different Schedules in Bill 108 of a range of specific regulatory recommendations. It is important that the Ministry of Municipal Affairs and Housing and other impacted Ministries carefully evaluate these proposals as opportunities to improve the regulatory framework impacting housing supply.

OHBA appreciates the ongoing dialogue and consultation on the *Housing Supply Action Plan* and that there will be further opportunities to address additional legislative, regulatory and policy actions to reduce costs, increase speed, enhance the mix, encourage more purpose built rental supply and drive innovation in the housing sector through future work and collaboration between the industry and the provincial government. OHBA looks forward to these future opportunities.