

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister
777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

Bureau du ministre
777, rue Bay, 17^e étage
Toronto ON M7A 2J3
Tél. : 416 585-7000



234-2019-67

December 19, 2019

Joe Vaccaro, CEO
Ontario Home Builders' Association
jvaccaro@ohba.ca

Dear Joe Vaccaro,

As you know, I released our government's action plan to tackle Ontario's housing crisis earlier this year. This plan, which is supported by the *More Homes, More Choice Act, 2019*, is intended to put affordable home ownership in reach of more Ontario families and to provide more people with the opportunity to live closer to where they work.

Since its release, our government has been consulting with homebuilders, municipalities and the public on several aspects of the legislation, including a regulatory approach for changes to the *Development Charges Act*. I value the input of our industry partners.

I am writing today to inform you of changes to the *Development Charges Act*, made by the *More Homes, More Choice Act*, and relevant amendments to Ontario Regulation 82/98 (General) under the *Development Charges Act*, which come into effect on January 1, 2020.

As of January 1, 2020, builders of rental housing, non-profit housing, and institutional developments will be able to defer paying development charges until occupancy. Furthermore, payments will be made in annual installments in accordance with the *Development Charges Act*.

Development charge rates, as of January 1, 2020, will be set for a development when a site plan or zoning amendment application is submitted to a municipality. Changes to Ontario Regulation 82/98 mean that the rate would continue to be frozen for two years after planning approvals have been received.

The legislation provides authority for municipalities to charge interest to cover costs associated with the deferral and the freeze. A maximum interest rate will not be prescribed.

Finally, our government has also made a housekeeping amendment that revises the index to which development charges may be linked in development charge by-laws.

.../2

If you have technical questions, please feel free to contact Caspar Hall, Director, Municipal Finance Policy Branch at Caspar.Hall2@ontario.ca.

Our government is committed to ensuring families across Ontario can access housing that meet their needs and their budget. I appreciate your input and participation in our consultations.

Sincerely,

A handwritten signature in blue ink that reads "Steve Clark". The signature is written in a cursive, flowing style.

Steve Clark
Minister